Moldova: A Status Quo of EU Institutional Relations

Florentina Harbo

March 2010
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This publication is based on work sponsored by the John S. Latsis Public Benefit Foundation.

ISBN: 978-2-86592-693-0
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Introduction

The barbed wire at the Prut River, on the Republic of Moldova’s (Moldova) border with Romania and, thus, with Europe will be removed by March 2010\textsuperscript{1}. This way, the last soviet “wall” will be torn. Maybe this symbolic action will open the door to the European Union (EU). In recent months, millions of people were celebrating the 20th anniversary of the revolutionary events of 1989 in Central and Eastern Europe, which resulted in the fall of the Berlin Wall, the collapse of the USSR and the communism epoch. Moldova could not fully enjoy these celebrations, since after 20 years the country still did not “come back to Europe” as its neighbors Romania and the Baltic States did. During the last years, the Moldovan communist Government has been looking both to the East and to the West and did not follow coherent and constructive politics. With the newly elected democratic Government there is hope for change.

European integration is the main objective of Moldova’s Government for the coming years. Assuring political and economic stability and security; finding a solution for the Transnistrian conflict and withdrawal of foreign troops from the country; strengthening the cooperation with its main strategic partners and neighbors (Romania, Ukraine, Russia, Community of Independent States (CIS), EU and its member states, Council of Europe, OSCE, NATO and USA) are other important priorities.

The purpose of this paper is to present and make a critical analysis of the status quo of the institutional relations between Moldova and the EU. The first chapter will introduce a short historical overview of Moldova. The second chapter will analyse the Transnistrian conflict and its challenges (2.1.), and will discuss the perspectives for the conflict solution as well (2.2.). In the third chapter, the current political and economic situation will be drafted. A special chapter number four will be dedicated to the energy policy,

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\textsuperscript{1} After a decision taken by the new liberal-democrat Prime-Minister, Vlad Filat, in December 2009.

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since it is such a crucial issue for Moldova (4.1. Gas, 4.1.1. Moldova’s gas crises, 4.2. Oil, 4.3. Electricity, 4.4. Moldova and the EU Energy Community, 4.5. Evaluation and recommendations). The institutional dimensions of the EU - Republic of Moldova relationship will be discussed in chapter five, namely: 5.1. Legal framework, 5.2. The European Neighborhood Policy and the Republic of Moldova, 5.2.1. Evaluation of the ENP for Moldova, and 5.3. A critical analysis of the EU Eastern Partnership and Moldova. The final conclusions will look at the European integration perspectives for Moldova.

Map 1. Moldova

Source: CIA, The World Factbook
Republic of Moldova: 
A Historical Overview

The Republic of Moldova has changed its borders many times in its history. In 1991, Moldova became an independent state, but its citizens still have an identity crisis. Are they Moldovans, are they Romanians, are they Basarabians? One is clear, they are no longer homo sovieticus and they want to be part of the EU (Harbo, 2008). A more comfortable answer is to say “we are Basarabians”. Tracia, Dacia and Basarabia are all historical names for Moldova. The Roman Emperor Traian won the wars between 101-106 against Decebal, who was king of Dacia. Then, Traian romanized the Greek Tracia. A national symbol in the capital city Chisinau is the monument of Romulus and Remus with the inscription “From Rome we come”. Greeks, Romans, Bezants, Ottomans, Mongols, Slavs, Austro-Hungarians, all have passed through this territory and have influenced its culture and language. It is very challenging in Europe as a whole to establish state borders. An easier solution would have been a Europe of regions.

Today’s Moldova has its legal roots on the left bank of the Nistru River. The territory between Prut and Nistru has been known as Basarabia during 1812-1944. In order to make a distinction from the region of Moldova in Romania and the independent Republic of Moldova, it is still unofficially called Basarabia. The entity, which is called today the Republic of Moldova, was created in October 1924 and included the districts with Romanian population of the current Transnistria (a territory which has never been part of Moldova) (Serebrian, 1998). The surface area of the Republic (which had an autonomous status in Ukraine) was of 8,5 thousands km². Taking into consideration the fact that the Soviet Union never recognized the adherence of Basarabia to Romania, the territory of Basarabia (45,6 thousands km², which represents the territory enclosed to the Russian Empire from the Principality of Moldova in 1812 and attached back to Romania in 1918) was officially included in the Autonomous Moldovan Republic (respectively in Ukraine) on June 28, 1940 according to the Ribbentrop-Molotov Pact. For five weeks only (June 28 - August 2, 1940) the Moldovan autonomy included the

2 Districts - Slobozia, Dubasari, Grigoriopol, Rabnita, Camenca, Ocnele Rosii, Aneni (Ananiev), Balta, Barzula (Kotovsk) and Kodima (Serebrian, 1998).
Romanian population of Transnistria and Basarabia with a total surface area of 54,1 thousands km². On August 2, 1940 the Autonomous Moldovan Republic had been transformed into a Republic of the Soviet Union. As a consequence Ukraine demanded to keep a part of the territories of the former Moldovan autonomy. In this way, the North and South of the Moldovan Republic, as well as five Transnistrian districts³ were taken from Moldova. The Republic of Moldova of today has only 62,3% of its territory from July 1940.

The national democratic movement for independence in Moldova started already in October 1987. By that time, one could also see the end of the Soviet Union approaching, particularly in the speech of Gorbachev on June 28, 1988. He said openly during the 19th communist party conference, that the time was over to govern countries through military intervention. The Supreme Soviet of the Socialist Soviet Republic of Moldova proclaimed the Romanian language with the Latin alphabet (instead of the Moldovan language with the Cyrillic alphabet) as the official language on August 31, 1989, much earlier than the declaration of independence on August 27, 1991. But in 1994, the Parliament of the Republic of Moldova adopted the first Constitution after independence, where the Article 13 states that: (1) The national language of the Republic of Moldova is Moldovan, and its writing is based on the Latin alphabet. (2) The Moldovan State acknowledges and protects the right to preserve, develop and use the Russian language and other languages spoken within the national territory of the country⁴. This article has offered the Russian language the status of an inter-ethnic communication language.

The language is still a disputed question today. Moldova is a multicultural society but not a multiethnic one as it is often assumed (Pascaru, 2008). Today, according to the census made in 2004, there are -- 76% Moldovans, 8% Ukrainians, 6% Russians, 4% of the Gagauz ethnic group (Christian-orthodox Turks who live mainly in the South of Moldova but also in the South of Ukraine), in Gagauz-Yeri Administrative-Territorial Unit), 2% Romanians, 2% Bulgarians (who are spread out over the whole territory of Moldova, but there are nine villages where they constitute 80% of the population (an argument sufficient to claim an autonomy which was granted at that time by President Petru Lucinschi, who in this way hoped to win a second mandate) form the Taraclia region, based on the principle of cultural autonomy, which is today a district) and 1% other nationalities in its territory⁵ (this is the total population, excluding the Eastern regions).

³ Districts - Balta, Barzula, Kodina, Ocenele Rosii and Aneni (Serebrian, 1998).
The so-called Transnistrian Moldovan Republic is inhabited mainly by Moldovans – 32%, Ukrainians – 29% and Russians - 30%. Today there are no more than some 400,000 inhabitants in Transnistria.

Table 1. Cultural and ethnic composition of the Republic of Moldova

<table>
<thead>
<tr>
<th>Self-identification</th>
<th>Moldovan census</th>
<th>% Core Moldovans</th>
<th>Transnistrian census</th>
<th>% Transnistria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moldovans</td>
<td>2,854,349</td>
<td>75.1%</td>
<td>120,521</td>
<td>31.9%</td>
<td>2,974,860</td>
</tr>
<tr>
<td>Ukrainians</td>
<td>232,406</td>
<td>6.3%</td>
<td>168,878</td>
<td>30.7%</td>
<td>401,284</td>
</tr>
<tr>
<td>Russians</td>
<td>147,500</td>
<td>4.0%</td>
<td>16,878</td>
<td>30.7%</td>
<td>164,378</td>
</tr>
<tr>
<td>Gagauz</td>
<td>73,579</td>
<td>2.0%</td>
<td>11,521</td>
<td>23.1%</td>
<td>85,090</td>
</tr>
<tr>
<td>Romanians</td>
<td>65,863</td>
<td>1.8%</td>
<td>6,929</td>
<td>13.0%</td>
<td>72,792</td>
</tr>
<tr>
<td>Bulgarians</td>
<td>42,271</td>
<td>1.2%</td>
<td>8,487</td>
<td>15.0%</td>
<td>50,758</td>
</tr>
<tr>
<td>Jews</td>
<td>3,698</td>
<td>0.1%</td>
<td>507</td>
<td>0.9%</td>
<td>4,205</td>
</tr>
<tr>
<td>Poles</td>
<td>2,833</td>
<td>0.1%</td>
<td>1,791</td>
<td>0.3%</td>
<td>4,624</td>
</tr>
<tr>
<td>Other/declared</td>
<td>30,159</td>
<td>0.8%</td>
<td>27,454</td>
<td>5.3%</td>
<td>57,613</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,383,332</td>
<td>100%</td>
<td>555,347</td>
<td>100%</td>
<td>3,938,679</td>
</tr>
</tbody>
</table>


6 These data are according to the census of 1989. There was no census made in this region in 2004.
7 Moldpres news agency - [http://www.moldpres.md/](http://www.moldpres.md/)
The Transnistrian conflict and its challenges

The movement for independence and the proclamation of the Romanian language, all these events have led to the threat that Moldova would sooner or later unify with Romania. These were also the decisive steps towards the Transnistrian conflict. For almost twenty years now Moldova is facing the problem of fragmentation (Harbo, 2008: 179-190). In August 1990, Gagauz-Yeri declared itself as an autonomous republic. On September 2, 1990, Transnistria declared itself as an independent republic. But the Moldovan Supreme Soviet annulled both declarations as unconstitutional. Transnistria is not recognized internationally by any nation, besides the Russian support. When Moldova became independent in 1991, both so-called republics were included in the territory of Moldova as a whole. The Moldovan Parliament asked the USSR Supreme Soviet to withdraw the soviet troops from its territory, but without success. An armed conflict supported by the Soviet 14th Army (which had been headquartered in Chisinau under the High Command of the South Western Theatre of Military Operations since 1956) and by volunteers from Moldova took place during a period of six months in 1992. The cease fire was signed on July 21, 1992. The civil war stopped before it erupted into an all-out conflagration. Since that conflict, the relations between the Government of Moldova and the “authorities” in Transnistria have remained deadlocked.

The toponym Transnistria was originally used by Romanian historians at the end of the 19th century to define the area between the inferior part of Nistru River and the meridional Bug. From a geohistorical point of view, Transnistria is a geographical entity without “personality” (Serebrian, 1998). The Bugo-Nistrian area is a territory where, until the end of the 17th century, several Persian and Turkish nomad populations had passed through. At the beginning of the 18th century, a massive migration of Moldovans (from the Principality of Moldova) to Transnistria started, and when this territory passed to Russia in 1792, the Bugo-Nistrian area represented a distinct politico-geographical entity named Edissan Horde. After the attachment to Russia, a massive colonization with Russians, Ukrainians and Germans started and the Moldovans became
minorities. The Romanian/Moldovan population was concentrated in the Northern and Western parts of Transnistria, a territory on which the Moldovan autonomy was constituted in 1924. The Autonomous Moldovan Republic was the first Romanian/Moldovan stately unity in Transnistria. The authorities in Tiraspol claim today that Transnistria has never been part of the Principality of Moldova and later on of Romania. Oleg Serebrian confirms that it is true, but it is also true that Transnistria has never been part of Russia until 1792 (Serebrian, 1988). The second time when Transnistria was a politico-geographical distinct entity was in 1941-1944, when it was a part of Romania with Odessa as its capital city. Thus, the Transnistrian conflict is not considered an ethnic conflict, but a morphopolitical and geopolitical conflict, caused by the Nistrian fracture of the territory of Moldova (Serebrian, 1988).

**Perspectives for the Transnistrian conflict solution**

Transnistria is described today as a “stronghold of Leninism” and “a museum of Soviet Marxism” (Kolossov *et al.*, 1999: 151-176). It is a geographical entity without personality, a “pseudo-state” (Serebrian, 1998) with a Russian “Gastarmé” on its territory. From a geopolitical point of view (Kjellén, 1917) such states are ephemeral. Therefore, the so-called Transnistrian Government tries to achieve not only state-building, but also nation-building. It tries to create a common identity and loyalty towards the would-be state. Transnistria will have local elections in March 2010. The main participating parties are the President Smirnov’s social-democratic party and Obnovlenie (“Renewal”) of Evgenii Shevchuk, which has the majority in the Transnistrian Parliament. De facto, there is no substantial difference between them. The latter is interested to win the elections, since in 2011 there will be Presidential elections. The President is the one who has the decisive power in this phantom republic. Whatever the election result will be, there is not expected any crucial change in the status of the “republic”.

Since the middle of the 90s, the Transnistrian conflict, due to Moldova’s Government and civil society efforts, took a European and even an international dimension. Four states (Moldova, Romania, Ukraine and Russia), as well as the OSCE (and to a lesser extent other international organizations such as the EU and NATO) are searching for an appropriate solution to this conflict. The 5 + 2 framework (Russia, Ukraine, OSCE, EU, United States, Chisinau, Tiraspol) has not been working (since 2006) because of a block from Tiraspol. Even though all the international actors are strongly supporting the idea of federalization, or a stronger autonomy for Transnistria within the territory of a single state Republic of Moldova, the authorities in Moldova are against it, arguing that Transnistria
would be overrepresented. Thus, federalism has become a “F-word” also in Moldova (Harbo, 2008). Nevertheless, it could be possible to use federal elements without creating a federal state, but rather build a federal polity with three entities (Gagauz-Yeri, Transnistria and Moldova), for example, a Bund. At the end of the day, the solution has to come from inside and this seems to be a big challenge for Moldova’s politicians. The conflict in Transnistria is a problem not only for internal, but also for external security. The settlement of the conflict will have a positive impact on the democratization of the country, will open the doors for European integration, and could be an example for the solution of other conflicts in Europe, like the Armenia-Azerbaijan Karabakh conflict.

During a meeting in January 2010 between the Russian State Secretary and Deputy Minister of Foreign Affairs and the Moldovan Deputy Prime Minister responsible for Reintegration, it became clear that Russia would accept a solution based on a special status for Transnistria, with observance of Moldova’s territorial integrity and neutrality. Russia would withdraw its military force only when a final solution for the conflict is found. Moldova, on the other hand, urges an unconditional withdrawal of Russian troops, since their presence is incompatible with Moldova’s neutrality clause (Art. 11 of the Constitution of Moldova), assuring that this clause will not be changed during an eventual referendum in June 2010. The Moldovan Government would prefer an internationally mandated mission of civilian observers (mainly police), but including a Russian component as well, replacing, thus, the Russian “peacekeeping” force. All this is easier said than done. With this tempo, it is difficult to predict the date of a solution to the Transnistrian problem.

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8 For a deeper analysis of the Transnistrian conflict and federalism see Harbo, 2008.
9 Norddeutsche Bund (North German Bund) from 1867 is an example of that.
10 Russia did not to remove its 1,200 “peacekeeping forces” and munitions, after the decision to do that during the 1999 Istanbul Conference.
11 There has been established a commission in charge of reforming the Constitution through a Presidential decree from 01.12.2009 – http://www.azi.md/ro/comment/8952
Current political and economic situation

The last elected ruling communist party in Europe collapsed in 2009 and Moldova has taken a new step towards democratization and European integration. The parliamentary elections on April 5, 2009, ended up with the Communists’ Party victory, followed by protests and demonstrations claiming that the elections were fraudulent, and demanding a recount, a new election, or resignation of the government. After the repeat election in July 29, 2009, the Communists lost, but the Democrats did not yet gain, since they need eight votes from the Communists to elect the President. The four democratic and liberal parties (Liberal Democratic Party, Liberal Party, Democratic Party, and Our Moldova Alliance) have created a governing coalition, Alliance for European Integration, that pushed the Communist party into opposition. The President of Moldova, Vladimir Voronin, resigned on September 11, 2009. The Alliance for European Integration nominated only one candidate for the Presidential seat - Marian Lupu, the leader of the Democratic Party. The Parliament has tried twice to elect the President (on November 10 and December 7, 2009), but each time the communists boycotted the election. Thus, the President was not elected. An anticipated parliamentary election can not take place before June 2010. In the meantime, Moldova has an interim President, the Parliament speaker, Mihai Ghimpu, leader of the Liberal Party. The working group on a new Constitution is examining also the question about the direct election of the President. If this change will be included and voted through the Referendum, then the President will be elected directly.

This unexpected political change in Moldova cannot be overlooked by Russia. The Russian Government has understood its significance and has promised e.g. a USD 500 million loan to Moldova in the light of the financial crisis in July 2009. The strategy behind this is to have control over the country and does not exclude the idea of hindering Moldova’s integration in the EU. The stability of the Russian Government and the lack of stability in the former Soviet Union have always allowed the Kremlin to reach beyond its borders.

13 This sum was reduced to USD 150 million after the election of the new Government and recently it was stated that Russia would give financial assistance to concrete projects.
and influence its neighbors in the East. Today as before, when its former Soviet Republics have financial or other problems, Russia comes in as a source of stability and authority, regardless of whether this benefits the recipient or not.

Surprisingly enough, there has appeared another actor interested in Moldova – China. The Chinese Government wants to loan USD 1 billion to Moldova (or 1/10 of Moldova’s GDP), the double of Russia’s offer. This loan exceeds all the funds coming from EU, International Monetary Fund (IFM), or elsewhere. China is prepared to guarantee financing for all projects considered necessary and justified by the Moldovan side. “In effect, Beijing has signaled its willingness to underwrite the entire Moldovan economy” (Bhadrakumar, 2009). Chinese authorities’ justification is the diversification of its market, the high level of literacy in the country, the high potential of information technologies, etc.\(^\text{14}\) China has never been interested in Moldova before. Its present decision might have a great geopolitical significance. Moldova has always been seen as a geopolitical cripple of little consequence. But if Moldova should ever integrate into the EU and later into NATO, then it is not long before Moldova becomes a “NATO lake”. Thus, in theory, NATO could very easy march into the Caucasus and then right into Central Asia on China’s border. It is not possible at the moment because of the neutrality clause (Art. 11) of the Constitution of Moldova, but it might change as it was mentioned above. China’s interest in Moldova, as well as in other former USSR States shows that China is looking at them as at “its own near abroad” (Bhadrakumar, 2009).

The world financial crisis has had consequences for the economy of Moldova as well. Still, the economic data do not look so bad, mainly because they have not been better before the crisis either. In 2009, the inflation amounted to just 0.4%. This was the lowest inflation for the last 19 years of independence. According to the IMF’s forecasts, Moldova’s GDP will decline by 9% in 2009 and 1.5% economic growth is expected for 2010. The IMF predicted also 11.8% deficit for 2009 and forecasts an inflation growth in 2010 of up to 7.7%. But the Moldovan economic experts see a decline of the GDP by 8-11% in 2009 and 1% economic growth in 2010. For comparison, the GDP in 2008 had a growth of 7.2%.

The table below shows a picture of the Moldovan GDP from a historical perspective of the last decade. A gradual increase can be observed through the years from 2001 to 2008 and a decrease during the world financial crisis period.

\[^{14}\text{In the World Economic Forum global information technology classification, Moldova is in the first half of the 134 countries, Interlic press agency - http://www.interlic.md}\]
The agricultural production, industry and infrastructure have decreased by almost 20% in 2009, the growth for 2010 is expected up to 2.5% for agriculture and 6% for industry. The table below shows the structure of the Moldovan GDP and the industrial output, which follows the same line of increase and decrease as the GDP.

Table 3. Structure of Gross Domestic Product, %

Source: Department of Statistics of Moldova, estimates and forecasts by ES
Table 4. Industrial output, current prices, millions MDL

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008e</th>
<th>2009e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total industry</td>
<td>10428</td>
<td>12624</td>
<td>15963</td>
<td>17591</td>
<td>20770</td>
<td>22371</td>
<td>26714</td>
<td>29655</td>
<td>21000</td>
</tr>
<tr>
<td>Processing industry</td>
<td>8108</td>
<td>10066</td>
<td>13311</td>
<td>14665</td>
<td>17627</td>
<td>18718</td>
<td>21390</td>
<td>19287</td>
<td>16800</td>
</tr>
<tr>
<td>Electricity, gas and water supply</td>
<td>1902</td>
<td>1974</td>
<td>1989</td>
<td>2069</td>
<td>2235</td>
<td>2368</td>
<td>3176</td>
<td>2816</td>
<td>1869</td>
</tr>
</tbody>
</table>

Source: Department of Statistics of Moldova, estimates and forecasts by ES

From a regional perspective, Moldova’s GDP is, though, very low, being not only behind the EU countries, but also behind Balkan and ex-soviet countries.

Graph 1. Moldova in regional context: GDP/per capita in USD PPC, y. 2008 comparing to y. 2000
Moldovan Energy Policy

Because of the particular features of the energy situation in Moldova and its influence on economics and politics, as well as its importance to the EU-Moldova institutional relationship this concern will be addressed separately in the following section. Moldova does not have almost any internal resources of coal, natural gas or oil. It is estimated that modest reserves of natural gas are concentrated in Victorovca, Cantemir district (about 346 billion m³) and about 2-3 million tonnes of oil in Valeni, Cahul district, but they are not fully exploited. Electrical production is insufficient and, as a consequence, Moldova has to import the deficit from its neighbors. Moldova is almost completely dependent on imported energy resources (approximately 96%), mainly from Russia and Ukraine. From renewable resources like wind, solar, biomass and hydraulic only 4.94% are used. Such parameters as lack of local energy resources; accumulated debts towards external gas suppliers (Russia) and electricity suppliers (Ukraine and Romania); energy system inefficiency; and old and depreciating power stations lead to an inefficient energy policy. For that reason, Moldova now works intensively on a new energy efficiency law and action plan.

The table 5 shows the amount of the import of petroleum products during the last years.

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Table 5. Import of petroleum products 2001-2008

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Petrol</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thousand</td>
<td>131</td>
<td>167.2</td>
<td>262.5</td>
<td>213.3</td>
<td>214.2</td>
<td>195.1</td>
<td>213.6</td>
<td>216.3</td>
</tr>
<tr>
<td>tonnes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Min USD</td>
<td>34.8</td>
<td>58.1</td>
<td>62.8</td>
<td>61.1</td>
<td>111.8</td>
<td>122.8</td>
<td>146.3</td>
<td>196.8</td>
</tr>
<tr>
<td>Min ltr</td>
<td>446.9</td>
<td>519.2</td>
<td>727.2</td>
<td>994.4</td>
<td>1429.4</td>
<td>1600.1</td>
<td>1790.6</td>
<td>1930</td>
</tr>
<tr>
<td><strong>Diesel oil</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thousand</td>
<td>221</td>
<td>249.1</td>
<td>284.8</td>
<td>288.6</td>
<td>312.3</td>
<td>307.7</td>
<td>332.8</td>
<td>352</td>
</tr>
<tr>
<td>tonnes</td>
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<td>Min USD</td>
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<td>Min USD</td>
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After its independence in 1991, a significant decrease has been registered in the country’s energy use. This fact is not due to energy efficiency, but mainly is due to economic and financial crises and irregular energy supply. Final energy consumption, for example in 2005, was 77% lower than in 1990. Yet, despite this decrease, Moldova’s economy still has a very high level of primary energy consumption per unit of GDP compared to averages for the Organization for Economic Cooperation and Development (OECD) countries. According to the International Energy Agency (IEA), in 2005 the energy intensity of Moldova was three times higher than the EU-27 average. The residential sector is the largest energy consumer - 40%, industry represents 21%, transports - 15% and agriculture, although dominating the economy, consumes only 4%.

**Gas**

The most used type of fuel in Moldova is natural gas. Moldova imports almost all of its gas from the Russian Federation through the gas pipeline system. The main operator on the natural gas market in the country is the Moldovan-Russian joint venture MOLDOVAGAZ. The infrastructure of the natural gas sector includes today: high and medium pressure main gas pipelines (circa 593.6 km), high and medium pressure connection gas pipelines (circa 714 km), medium and low pressure gas distribution pipelines (circa 12,465km), 5 transported gas compression and metering stations and 65 gas...
distribution stations. Liquefied Petroleum Gas (LPG) has been used in Moldova since 1946 and is currently sold to settlements not connected to gas networks. LPG is refined and supplied to consumers through filling stations. During the last years, the construction of distribution networks was increased. The Tocuz-Cainari-Mereni gas pipeline has been put into operation and the construction of the Balti-Ungheni gas pipeline has started.

The figure 1 shows the structure of natural gas supply in 2008. Although much work is done to improve the national production, more than 60% of gas needs to be imported.

**Figure 1. Structure of natural gas supply in 2008, %**

Moldova and Transnistria consume an annual total of 2.5 to 2.7 billion m³ of gas on average. Transnistria, with only 15% of Moldova's population, consumes approximately one half of that annual volume. Gazprom is running separate accounts for the gas consumed in Transnistria and in Moldova, respectively. The Moldovan Government is paying all the gas bills to Gazprom. Transnistria's debts to Gazprom are at the same level as the debts claimed by Gazprom from Ukraine. “Nevertheless, Russia chooses to single out Ukraine for debt collection, triggering quasi-annual crises under that pretext, while making no attempt whatsoever to collect debts from Transnistria”\(^{16}\). In January 2010, the total debt of Moldova for the Russian natural gas including Transnistria has exceeded USD 2.3 billion (95% comes from Transnistria). This is the main source of conflict with the Russian Gazprom. And this can be a crucial problem concerning the full-fledged membership in the EU Energy Community.

Moldova’s gas-crisies

The EU energy crisis in the framework of the Ukrainian-Russian gas conflict has had serious consequences not only for Ukraine (Nies, 2009), but for Moldova as well. The crisis has led in January 2009 (as previously too, in 2005) to temporary cuts of Russian gas supplies to Moldova. The EU has provided emergency assistance, through the EU Civil Mechanism, to alleviate the situation for the citizens, but the cuts have had serious consequences in different fields, economic as well as private.

Besides this external crisis, two internal crises in the energy sector have occurred in 2009. On April 1, 2009, an explosion took place at a main gas pipeline in Transnistria, which is a transcontinental fuel transportation facility. The 1200-millimeter-diameter pipe, lying 2 meters beneath the land surface, went off with a tremendous force, forming a crater about 10 meters across. Because of the pipeline disruption, the Russian natural gas supply over to the Balkans (Romania, Bulgaria, Macedonia, Greece, and the European part of Turkey) was stopped for a short period and then reduced by one half. This line normally carries 22 billion m$^3$ of Russian gas annually, from a design capacity of nearly 30 billion m$^3$. This volume has the same capacity as that of the Yamal-Europe pipeline through Belarus and Poland, which carries some 24 billion m$^3$ annually, from a design capacity of 33 billion m$^3$. The pipeline, Ananiyv-Tiraspol-Izmail, crosses from Ukraine (where it forms part of the Naftohaz system) into Transnistria, continues through Moldova, re-enters Ukraine in the Odessa region, and onward via Romania to the Balkan countries. This section in Moldova was built in 1988 for a service life of 40 years and was last checked in 2008$^{17}$. However, this did not prevent the explosion. EU’s Gas Coordination Group met in Brussels the second day and concluded that the accident reconfirms the necessity of building interconnector pipelines and devising emergency mechanisms to cope with supply interruptions, as envisaged in the European Commission’s November 13, 2008 directive and March 2009 infrastructure-building and economic stimulus package.

A natural gas trunk line that supplied the Balkans with Russian gas situated about 70 km South East of Moldova’s capital Chisinau burst on November 8, 2009 and cut supplies to 34 Moldovan villages and towns but left gas transit to the Balkans unaffected. Such accidents are not excluded in the future due to bad infrastructure and shortage of investments.

After the gas crisis in January 2009 and the two explosions at the main gas pipeline, the energy situation in Moldova started to stabilize, but new crises are expected to come. The import price for Russian gas will increase. The Administration Board of the Moldovan National

$^{17}$ Moldpres news agency, April 1, 2009 - http://www.moldpres.md/
Agency for Energy Regulation has announced the approval of higher natural gas, electric power and heat charges. The new charges were calculated on the basis of the new purchase price of gas for the first quarter of 2010 of USD 232.8 per 1,000 cubic meters, the exchange rate of the national currency projected for 2010 – 12.53 lei per USD 1, the purchase price of the power supplied by the Cuchurgan power plant of 5.83 cents per 1kWt/h and other factors. These are very high prices for the population of Moldova.

**Oil**

As it has been mentioned above, Moldova is entirely dependent on oil import. Until now it has been from Russia, but this is going to change. From 2006 Moldova has access to the international oil market through the oil terminal Giurgiulesti on the Danube River in the South of the country. It is a 38 million USD project. The Moldovan Government was able to complete this construction in cooperation with the Azerbaijan energy company AzPetrol, which has purchased the unfinished Oil Terminal in 2005. Construction of the terminal was launched in 2006 by Azpetrol SRL and its three Moldovan subsidiaries - Azpetrol Refinery SRL, and Azertrans SRL. In June 2006, the Netherlands-based EasEur Holding, a subsidiary of Eastern Capital NV, acquired the three Azpetrol subsidiaries and renamed them Bemol Retail, Bemol Refinery, and Danube Logistics. EasEur Holding is the owner of Moldova’s sole oil products’ import terminal. The terminal’s first incoming shipment in August 2009 was 4,000 tonnes of Euro diesel from the Motor Oil Hellas refinery in Greece. The Dutch terminal intends to double fuel imports to Moldova.

The refinery allows Moldova to import crude oil and process it domestically. It might also open possibilities for importing oil from Central Asia. Moldova gained access to the land used to build the Giurgiulesti terminal from a diplomatic deal with Ukraine, which in exchange received a sliver of Moldovan land allowing direct road traffic between Romania and the South Ukraine city Odessa. Moldova’s access to the Danube is on an extension of only 480 meters, but it can mean very much for Moldova on the one hand, and for the Russian geostrategy in the Black Sea area on the other hand. The upgrading of the inland waterway port at Giurgiulesti is very significant for the new inland waterway strategy approved by the Government of Moldova in 2008. Moldova has already adhered to a number of important maritime and inland waterway conventions.

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19 Oil and gas journal, April 6, 2009 - [http://www.ogj.com](http://www.ogj.com)
Electricity

The electricity system of Moldova includes the following power generating sources: one large Thermal Power Plant (TPP) located in Dnestrovsk (Transnistria); 3 municipal Combined Heat Power Plants (CHP) - CHP-1 and CHP-2 Chisinau, CHP-North Balti; 9 CHP plants beside sugar factories, and 2 Hydroelectric Power Plants (HPP) in Dubasari and Costesti. The total installed capacity of the country’s power stations are about 3000 MW, but only about 1600 MW are used. The available capacity of hydroelectric power plants constitutes around 40 MW. Sugar factories’ power plants have an installed capacity of 97,5 MW and are operated mostly seasonally to cover energy needs at the stage of processing sugar beet.

The figure 2 shows the production capacity of electric energy in Moldova in 2008. The data show that only about 30% of electrical power is produced in Moldova and about 70% has to be imported.

Figure 2. Production of electric energy in Moldova in 2008


The graph 2 about the production and consumption of electrical energy through the period 1997-2008 shows very clearly that the consumption exceeds hugely the production, thus import is absolutely indispensable. In 2008, for example, Moldova imported 70% of its electricity needs from Ukraine.

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http://www.anre.md/upl/file/Rapoarte/Raport%20anual%202008%20total.doc
In order to reduce the import, Moldova has in the last years rehabilitated a part of its domestic electricity networks, which contributed to diminish network losses; constructed the electricity interconnection Gotesti-Falciu (Romania) and studied the feasibility of the Balti-Suceava (Romania) electricity interconnection\textsuperscript{21}. The Moldovan Cuciurgan Power Plant, located in Transnistria and belonging to Russian company Inter RAO UES started to export electricity to Romania in January 2009. Already in October 2009 it had to interrupt its export because of reduction in electricity demand from the Romanian side due to reduction of consumption in the local market during the economic crisis.

**Moldova and the EU Energy Community**

Before the last crisis, Moldova and the European Commission have initiated negotiations on the country’s accession to the Energy Community Treaty, which includes commitments for gradual convergence with the internal energy market rules. Moldova, together with Ukraine, has been accepted to the Energy Community during the 7\textsuperscript{th} Energy Community Ministerial Council held in Zagreb on December 18, 2009\textsuperscript{22}. But the accession will be effective only when


\textsuperscript{22} http://www.delhrv.ec.europa.eu/?lang=en&content=2232 - Delegation of the EU to the Republic of Croatia
these countries solve the remaining gaps, make their gas laws comply with the EU acquis requirements and complete their respective ratification procedures. The Parliament of Moldova has adopted some days after, on December 23, 2009, the project law concerning the adherence to the Energy Community Treaty. This membership is one of the main priorities of the Moldovan energy strategy until 2020, increasing in this way the energy security of the country. By 2012 Moldova is expected to accede to the Union for the Co-ordination of Electricity Transmission (UCTE). In order to achieve this, the country has to make investments and to develop interconnections with the energy systems of the neighboring countries. Moldova has started to participate in the activities of the EU Energy Community as an observer in November 2006. On June 15, 2008, the Council of the EU has given the mandate to the European Commission to negotiate the adherence of Moldova as a full-fledged member of the Energy Community.

Evaluation and recommendations

The Moldovan energy strategies from 1997, 2000 and 2007 have in fact lacked a clear strategy for energy security for the long term (Baltag/Baltag, 2009). The recent Moldovan energy strategy until 2020 with the main objective to adhere to the EU Energy Community Treaty might be beneficial by attracting investments, opening access to the European energy market, and intensifying cooperation with other countries. Still, Moldova needs to take some internal decisions concerning:

• the diversification of the energy mix and renewable energy resources;
• diversification of import and supply sources;
• liberalizing and demonopolizing the market;
• investing in research on renewable energy;
• considering the adherence to the Nabucco project
• considering the adherence to the White Stream project and cooperation with Ukraine
• considering gas import from Central Asia
• considering the development of interconnection systems with Romania and other EU members.

23 During the official visit of the Romanian President Basescu to Moldova in January 2010, a project about building a reserve gas pipeline Jasi-Ungheni was discussed, which would link the Moldovan gas system with the Romanian, and thus EU gas systems.
Cooperation with Strategic Partners: 
Russia, Ukraine and Romania

Moldova’s other big challenge is the architecture of the relations with its neighbors and strategic partners: Russia, Ukraine and Romania. Moldova represents a special threat to Russian national security if it should belong to the EU or unify with Romania: “... when the region [Moldova] belongs to Romania, it represents a threat to Russian national security. When it is in Russian hands, it allows the Russians to anchor on the Carpathians. And when it is independent, as it is today in the form of the state of Moldova, then it can serve either as a buffer or a flash point” (Friedman, 2008). Moldova’s membership in the CIS does not help Moldova to achieve its primary goal – European integration. It is, yet, an imperative mainly in order to maintain a good relationship with Russia. Moldova has many problems, which cannot be solved without Russia’s assistance. Moldova needs Russia in almost all fields – security, economy, raw materials and market, etc. The solution of the Transnistrian conflict can be solved only with Russia’s involvement. Moldova depends on Russia’s natural gas and on access to the Russian market for its products (e.g. wine and agricultural products).

Ukraine is another neighbor and strategic partner. This country has the same European integration aspirations as Moldova. It has been negotiating the Association Agreement with the EU for three years now. Thus, Moldova should be interested to collaborate with Ukraine and to learn from its experience. Moldova depends on a good cooperation with Ukraine in many other areas as well, like border issues, energy security and economy (Boian, 2009). The opening of the Ukrainian market for Moldovan products is very important for the economy of Moldova. The solution of the Transnistrian conflict and the fight against illicit trafficking depends on a good Eastern border control from the part of Ukraine. Moldova cannot ignore Ukraine, taking into account all these arguments.

After a decade, the inter-parliamentary Moldovan-Romanian consultations have been restarted. The first visit abroad of the re-elected President of Romania, Traian Basescu, was (like last time too) in Moldova. The Romanian Foreign Minister, Teodor Baconschi, with the support from France has launched on January 25, 2010 an informal Support Group for the European action of Moldova, at the level of EU Member States within the Foreign Affairs Council in Brussels. This symbolical act shows that the Romanian support for Moldova’s integration in the EU is not only a declaration on paper.
Institutional Dimensions of the EU-Republic of Moldova Relationship

Legal framework

The legal framework of the relations between Moldova and the EU was first established in 1994 through the Partnership and Cooperation Agreement (PCA), which entered into force in 1998. The Agreement’s initial duration was 10 years, and was subsequently automatically extended for an indefinite period. This Agreement had the intention to be a framework for trade liberalization, legislative harmonization, cooperation in different sectors and an opening for political dialogue. Even so, at the beginning significant progress was not registered and, hence, the Action Plan by the EU-Moldova Cooperation Council was adopted in 2005 within the European Neighborhood Policy (ENP). In addition to that, institutional cooperations have been established through the EU-Moldova Cooperation Council (Ministries level), the EU-Moldova Cooperation Committee at the level of high officials, and the Parliamentary Cooperation Committee between the EU and the Moldovan Parliament, as well as four different subcommittees. One of the main results of that Plan was at the economic level - Moldova has been granted the most favored nation treatment clause concerning the tariffs for goods. As a consequence, Moldova has to approximate its legislation to that of the EU acquis communautaire. Even though much is done in these areas, some of the Moldovan political analysts feel frustrated. Their argument is that the objectives of the PCA are very similar to the EU accession Copenhagen criteria, but this does not open an accession perspective for Moldova, as was the case for the Baltic States. This is the main reason why they would have preferred Moldova to be included in the South Eastern European States’ category and, thus, in the Stabilization and Association Process for the South Eastern Europe together with the Balkan States, and not in the former USSR’s States category. In 2001, Moldova was admitted in the Stability Pact for South Eastern Europe,

24 Partnership and Cooperation Agreement EU-Moldova – 
http://www.bilaterals.org/IMG/pdf/EU-Moldova_Partnership_Cooperation_Agreement.pdf
but this again did not open for any accession perspective even though there have been signed cooperation agreements with all the Balkan states.

Nevertheless, the politicians of Moldova are very sure that when the EU criteria are accomplished, the EU will have to accept Moldova. However, this depends on how fast Moldova will be able to fulfill these conditions. Most of the impediments have an interior character, like a reduced capacity of the central institutions and a tergiversation of the reforms on the local level. Yet, the EU and World Bank have expressed their wish to assist Moldova in this sense.

In area of regional cooperation, Moldova is also a member of the Central European Initiative (CEI), the South-East European Cooperation Process (SEECP), the Regional Cooperation Council (RCC) and the Central European Free Trade Agreement (CEFTA). Lastly, Moldova has initiated contacts between SEECP and the Organization of the Black Sea Economic Cooperation (BSEC) to coordinate priorities, and established formal structures for the Stability Pact, Anti-Corruption Initiative and Initiative against Organised Crime.

The negotiation between Moldova and the EU on the Association Agreement is the main objective for the Moldovan foreign policy in 2010. This is at least the official statement, however it is true that Moldova has many internal problems at the same time, like new election in spring-summer, economic problems, energy problems, etc. They might come first on the agenda. This is the first Association Agreement, which the EU starts negotiating with a country after the Lisbon Treaty has entered into force on December 1, 2009. The first round has taken place in January 2010 and the next one is in March 2010. The head of the Moldovan diplomacy, Deputy Prime Minister, Foreign and European Integration Minister, Iurie Leanca, stated that in 2010 an important priority for the Moldova-EU relations is progressing in the sense of getting a liberalized visa regime for Moldovan citizens. Negotiations on a full-fledged free trade agreement between Moldova and EU are another priority and are scheduled to start in summer 2010.

The European Neighborhood Policy and the Republic of Moldova

The idea of the creation of the ENP in 2004 was to prevent the emergence of new dividing lines between the enlarged EU (27) and its neighbors and, thus, to assure security and stability in the EU neighborhood. It has been clearly stated from the very beginning that

the ENP was distinct from the issue of potential membership. Actually nobody sees Algeria, Syria or the Palestinian territories as members of the EU. They all, among others, are included in the ENP. At the same time, the ENP strategy is very similar to the EU accession strategy without opening an opportunity for that.

Moldova has joined the ENP in 2005. The ENP’s primary objective concerning Moldova is supporting the efforts to achieve a lasting solution for the Transnistrian conflict. Other priorities for relations with Moldova include strengthening of institutions, reforming the judiciary, improving the business climate, ensuring respect for freedom of expression and media, and cooperating on issues such as border management, migration and the fight against trafficking, organised crime, corruption and money laundring.

In order to implement all these objectives, the EU has sent a European Commission Delegation to Moldova in 2005 and has appointed an EU Special Representative for Moldova. The currently Hungarian Representative Dr. Kalman Mizsei will finish his mission in 2010 and the EU will send an Ambassador, according to the Lisbon Treaty stipulation. The EU is also involved as an observer in multi-party negotiations on the Transnistrian question. Consultations take place regularly between Moldova and the EU Political and Security Committee, the Council Working Party on Eastern Europe and Central Asia, and the Political Directors’ Troika. The Moldovan Government, in turn, has set up a National Commission for European Integration in May 2008. Moldova cooperates actively with the EU within the Common Foreign and Security Policy (CFSP), yet, little progress has been made in the implementation of the European Security Strategy until now.

The financial support for the achievement of the key policy objectives included in the ENP Action Plan consists of EUR 210 million for the period 2007-2010 and is distributed through the ENP’s institutional Instrument. The support builds on the results achieved through previous EU financial programmes, such as TACIS programme among others. Two cross-border cooperation programmes were adopted in 2008: Romania-Moldova-Ukraine programme (2007-2013 – EUR 126,72 million) and the Black Sea region programme (2007-2013 – EUR 17,31 million). A transnational cooperation programme for South Eastern Europe, to which Moldova

26 European Neighbourhood Policy Moldova –
http://ec.europa.eu/world/enp/partners/enp_moldova_en.htm

27 ENP Instrument National Indicative Programme Moldova 2007-2010

28 Before the Russian-Georgian war in August 2008, Moldova was the largest beneficiary of EU assistance per capita among all the other Eastern European countries. See: Report The foreign policy of the Republic of Moldova (1998-2008), The Foreign Policy Association, Cartidact, Chisinau, 2010
was admitted using European Regional Development Funds, has been established in 2008. Moldova participates also in the EU Twinning Program from 2008, which trains the administration in its work with the implementation of EU legislation.

Evaluation of the ENP for Moldova

The ENP Action Plan report from 2008 shows that a significant number of reforms have been achieved during the last years, but there are still many deficiencies. The main progresses include:

- the reform of the judicial system;
- the agreement to publish reports of the European Committee for the Prevention of Torture;
- EU’s presence through the Border Assistance Mission at Moldovan-Ukrainian border (EUBAM);
- EU is now included in the Transnistrian conflict solution work (it was not the case of the PCA), but its participation still did not bring a result;
- the correct implementation of the conditions for benefiting from the EU Autonomous Trade Preferences since their entry into force (March 2008);
- the economy in Moldova has known an increased improvement after 2007, but it fell again during the global financial crisis.

No or limited progress has been made in the implementation of reforms concerning: guaranteeing fundamental freedoms of citizens; addressing some market and regulatory issues; and enforcing effectively national strategies in sectors such as transport and energy. The ENP Report (2008) reads that this is due to impediments like: inadequate allocation of resources, delays with the adoption of secondary legislation or insufficient political backing. Several other factors like excessive power centralization; an authoritarian President diminishing the work of the executive and the legislative powers; lack of transparency; insufficient cooperation between the Government and the civil society, etc. can also explain the deficiencies. It is, nevertheless, not excluded that it can also be a failure of the ENP “that rests on a weak system of conditionalities applied mainly as incitement and almost never as coercive element in relation to the government from Chisinau” (Chirila, 2009). The problem with the whole reform process until now was the lack of a clear perspective for accession in the EU.

[29 Delegation of the European Commission to Moldova
The EU Action Plan expired in February 2008 and an Association Agreement has to replace it. The initiation of talks on a future Agreement with Moldova was conditioned by the 2009 Parliamentary elections. Before the elections, the European bodies have expressed their concern on the functioning of democratic institutions in Moldova and requested free and fair Parliamentary elections before starting an Agreement. After the elections in July 2009, the new democratic Government has started a complex process of reforms, which might lead to the Association Agreement. Since September 2009, the new Government started to take serious measures to change the situation in these problematic areas and there can be already registered certain improvements such as economic stability, access to information, etc.30.

A critical analysis of the EU Eastern Partnership and Moldova

From the “ashes of ENP” was reborn the EU Eastern Partnership (EaP), launched on the 7th of May 2009, in Prague (Kefferpütz, Bochkarew, 2009). It has been again stated from the very start that the EaP would not work with the controversial topic of accession to the EU. This is the reason why its participating members (Armenia, Azerbaijan, Georgia, Ukraine and Moldova) did not welcome the EaP with open arms, but rather sceptically.

At first glance, the EaP’s mission is very noble with the aim to improve the political and economic trade-relations between the six countries and the EU and to create a free-trade zone between them; to promote human rights and rule of law, etc. But all these objectives have been included in the previous cooperation agreements, mainly in the ENP. Therefore, it is difficult to see a qualitative improvement in the relations between the EU and the neighboring countries, and an open door into the EU. The EU’s intention to consolidate the energy security policy of the six countries in order to stabilize the energy security of the whole of Europe might be of interest, if it succeeds. One has not to forget that this is a strategic political “weapon” of Russia, which, in the worst case scenario, might lead to conflicts, instead of conflict settlement. It is also questionable how the EaP is going to contribute to the solution of the separatist conflict in Transnistria, if the other EU instruments did not succeed.

The new Government, as well as the civil society, would have preferred Moldova to be rather included in the “Balkan region pack”

30 According to the publication Euromonitor of a group of experts of the NGOs ADEPT and Expert-Group, monitoring the EU – Moldova relations during October – December 2009 in Moldova azi (“Moldova today”) – http://www.azi.md/ro/story/9299, 12.02.2010
than in the EaP. The former President of the Moldovan Parliament and the possible future Moldovan President, Marian Lupu, claimed that Moldova should at least have a different status than the other five countries in the EaP. Moldova is more advanced in the European integration process than the others and should not wait for EU admission until those countries are ready. In some areas, Moldova is more advanced than other countries, but all of the six are going through serious economic and political crises, maybe the worst since their independence.

The EU is, however, not interested in that proposal. The reasons are various, including the security aspects, the frozen conflict in Transnistria, the economic and social situation, the energy crises, the migration problems, etc. The Balkan region’s states are not doing better in some of these issues either, but it seems that the EU is more open and indulgent to them (only because of geographic positioning) than to the former Soviet States. A stable relationship between the EU and Russia and a power balance in Eastern Europe might be some of the reasons. Moldova, compared to Romania, has in fact never been seen as a Balkan state. Thus, the EaP might be the only real and efficient integration strategy until now and Moldova has no other choice than to accept it for the moment.

The EaP skeptics see it as a strategy of "enlargement-lite" (Popescu, Wilson, 2009). If the EU does not reconsider its approach towards the Eastern neighbors, this might open an opportunity for Russia to rebuild its old sphere of influence, e.g. another "August surprise" with Russia, like the Georgian war in 2008. It might also lead to skepticism towards the EU, disinterest in advancing the reforms, and more political, economic and security crises within the six states.


32 The Russian Duma approved on October 25, 2009 a new law allowing the President to use Russian Armed Forces in operations beyond the country’s borders in order to protect its citizens abroad. There are very many citizens in Moldova who have Russian citizenship. It is, thus, not long before this law enters into force in Moldova.
Conclusions and Recommendations

This paper has presented and critically analyzed the key internal issues of the Republic Moldova and the status quo of the institutional relations between Moldova and the EU, and has looked for perspectives.

In order to be able to become a full-fledged member of the EU, the Moldovan Government needs first to do a significant work with internal reforms.

Recommendations

Politics: To assure political stability through:

- reforming the Constitution;
- reforming the judicial system;
- electing the President of the country;
- insuring balance of powers;
- elaborating a national security strategy;
- increasing the cooperation between the Government and the civil society.

Economy: To eradicate poverty through:

- increasing the economic development;
- diversifying the economy;
- allocating better the resources.
Energy: To assure energy security through:

- continuing the work with the Energy Strategy until 2020 with the main objective to adhere to the EU Energy Community Treaty;
- obtaining access to the European energy market;
- diversifying the energy mix and the renewable energy resources;
- diversifying the import and supply sources;
- liberalizing and demonopolizing the market;
- investing in research on renewable energy;
- considering the adherence to the Nabucco project;
- considering the adherence to the White Stream project and cooperation with Ukraine;
- considering gas import from Central Asia;
- considering the development of interconnection systems with Romania and other EU members;
- attracting new investments.

Transnistria

Having a frozen conflict, Moldova has no chance to become a member of the EU. The Government needs to elaborate a robust and long-lasting strategy for the solution of the Transnistrian conflict through:

- thinking about the idea of a Bund between Gagauz-Yeri, Transnistria and Moldova, thus using federal elements without creating a federal state;
- replacing the foreign troops (the Russian “peacekeeping” force) from the country with an internationally mandated mission of civilian observers (mainly police), but nevertheless including a Russian component as well;
changing the 5 + 2 framework (Russia, Ukraine, OSCE, EU, United States, Chisinau, Tiraspol) by increasing the role of the EU in a new format, asking the EU to send a special representative dealing with the solution of the Transnistrian conflict, and increasing the role of Ukraine and of USA in the negotiations.

Strategic neighbors and partners

- To strengthen the cooperation with its main strategic neighbors and partners (Romania, Ukraine, Russia, Community of Independent States (CIS), EU and its member states, Council of Europe, OSCE, NATO and USA).

- At the same time to become more independent from Russia in the fields of economy, energy and security.

- To learn from the Ukrainian experience of negotiating the Association Agreement with the EU.

- To learn from the Romanian experience of accession to the EU.

Moldova and EU

The Moldovan Government needs first to advance in all the fields mentioned above in order to be able to achieve the accession criteria to the EU. At the same time the Government has:

- to continue the negotiations on the Association Agreement with the EU;

- to obtain a different status than the other five countries in the EaP;

- to obtain a clear perspective for accession to the EU;

- to advance the work of getting a liberalized visa regime for Moldovan citizens;
• to negotiate a full-fledged free trade agreement between Moldova and the EU.
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# List of Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BSEC</td>
<td>Organization of the Black Sea Economic Cooperation</td>
</tr>
<tr>
<td>CEFTA</td>
<td>Central European Free Trade Agreement</td>
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<tr>
<td>CEI</td>
<td>Central European Initiative</td>
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<tr>
<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>CHP</td>
<td>Combined Heat Power Plants</td>
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<tr>
<td>CIS</td>
<td>Community of Independent States</td>
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<td>EaP</td>
<td>Eastern Partnership</td>
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<tr>
<td>ENP</td>
<td>European Neighborhood Policy</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>EUBAM</td>
<td>EU Border Assistance Mission at Moldovan-Ukranian border</td>
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<tr>
<td>HPP</td>
<td>Hydroelectric Power Plants</td>
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<tr>
<td>IEA</td>
<td>International Energy Agency</td>
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<tr>
<td>IFM</td>
<td>International Monetary Fund</td>
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<tr>
<td>LPG</td>
<td>Liquefied Petroleum Gas</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<tr>
<td>OSCE</td>
<td>Organization for Security and Co-operation in Europe</td>
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<tr>
<td>PCA</td>
<td>Partnership and Cooperation Agreement</td>
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<tr>
<td>RCC</td>
<td>Regional Cooperation Council</td>
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<tr>
<td>SEECP</td>
<td>South-East European Cooperation Process</td>
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<tr>
<td>TPP</td>
<td>Thermal Power Plant</td>
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<tr>
<td>UCTE</td>
<td>Union for the Co-ordination of Electricity Transmission</td>
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