

NEW CHALLENGES AND OPPORTUNITIES FOR RESETTING MOLDOVA-UKRAINE RELATIONS AFTER THE PRESIDENTIAL ELECTIONS IN THE REPUBLIC OF MOLDOVA

Natalia STERCUL

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Summary

- *Resetting the Moldovan-Ukrainian relations after the coming to power of the pro-European President is an integral part of the policy of rethinking the priorities of the foreign policy development of the Republic of Moldova and revising the relations with neighbouring states in order to develop a meaningful and promising cooperation in the interests of states and nations. Its practical implementation depends on both the commensurability of opportunities and difficulties, and on a set of timely actions and solutions to the existing problems in the bilateral relations;*
- *Escalation of regional security problems increases the existing challenges for Ukraine and Moldova. The issue of territorial integrity of the states is fraught with higher risks amid the escalation of the conflict in the east of Ukraine. This requires strengthening the Moldovan-Ukrainian cooperation in the field of security and defence, a better coordinated joint operational and strategic interaction and response;*
- *A strong format of the bilateral interaction can only be built based on the principles of consistency of political dialogue, expansion of bilateral mechanisms of trade and economic cooperation, strengthening of energy security, solving of accumulated problems and common efforts to jointly build the European future of the Republic of Moldova and Ukraine.*



Introduction

The election of the pro-European candidate as President of the Republic of Moldova was an impetus for the expectations related to the promotion of the priorities of state development outlined by M. Sandu. In general, these expectations are related to conducting an open and positive foreign policy of the Republic of Moldova, revising the relations with the neighbouring states, with regional and international structures, as well as bringing the country out of the international isolation, in which it has been stuck over the last years. At first glance, it may seem that all this is supported by the opening new opportunities for achieving the goals, but their practical implementation will largely depend on the timely prevention of newly emerging difficulties and challenges that they involve. This is also inherent to the resetting of the Moldovan-Ukrainian relations, which, despite the symmetry of actions and regional solidarity that have taken root in the recent years, have a whole range of problematic issues that require searching for joint constructive solutions.

What does the renewal of the Moldovan-Ukrainian relations mean? What is the correlation of opportunities and difficulties in implementing the bilateral cooperation agenda outlined by the sides? What practical steps at the highest level need to be taken for the resetting of the interaction between the states to become not just another populist idea, but a real opportunity for constructive relations and solving of the accumulated problematic issues?

Building a new format of political dialogue at all levels as the first step towards resetting the bilateral relations

The promptness of the newly elected President's actions was a demonstration of the willingness to fill the significant gap in the political dialogue between the heads of the two states that existed throughout the term of office of her predecessor I. Dodon. The mutual commitment of the sides to quickly resetting the bilateral relations was reflected in the favourability of the Ukrainian side towards the pro-European President of the Republic of Moldova, who has been consistently supporting the sovereignty and territorial integrity of Ukraine. The President of Ukraine V. Zelensky was one of the first heads of state to congratulate M. Sandu on her victory in the presidential election, and invited her to pay an official visit to Ukraine.¹ Thus, the interest of the Ukrainian side in resuming the political dialogue at the level of heads of state has been shown.

M. Sandu made her first foreign visit as head of state to Kyiv on 12 January 2021. As her delegation consisted of nine people, the Moldovan side was able to raise and substantively discuss the most acute problematic issues. Based on its results, it can be concluded that the official visit was very eventful and fruitful. During this visit, the Presidents of Moldova and Ukraine held negotiations one-to-one and as members of the delegations. In addition, M. Sandu met with the Speaker of the Verkhovna Rada and the Prime Minister of Ukraine, discussed a wide range of issues of bilateral cooperation. The result of these negotiations was the support of the heads of state for the need to resettle the Ukrainian-Moldovan relations, as well as the signing of the Joint Statement by the President of Ukraine V. Zelensky and the President of the Republic of Moldova M. Sandu, in which they expressed their common intention to make the political dialogue “dynamic and create preconditions required for a strategic bilateral cooperation in the interests of the states and nations”.²

In their efforts to strengthen the solid format of the bilateral interaction at the highest level, which will make it possible to prevent chaotic political cooperation in the future, the sides announced the establishment of the Presidential Council.³ The format of the Presidential

¹ V. Zelensky congratulated M. Sandu on winning the election // <https://www.president.gov.ua/ru/news/volodimir-zelenskij-privitav-majyu-sandu-z-peremogoyu-na-vib-65109>

² Joint Statement of the President of Ukraine V. Zelensky and the President of the Republic of Moldova M. Sandu // <https://www.president.gov.ua/ru/news/spilna-zayava-prezidenta-ukrayini-volodimira-zelenskogo-i-pr-65993>

³ Zelensky and Sandu agreed to establish a Presidential Council for coordination of relations // <https://www.eurointegration.com.ua/rus/news/2021/01/12/7118413/>

Council will enable creating a mechanism of regular annual meetings of the heads of states. The strengthening of the solid format of the bilateral interaction between the states at all levels will give a new additional impetus to the dynamics of their cooperation. Timely building of the strategy for subsequent development of the relations between the sides, discussing preventive measures to ensure and maintain security, as well as exercising control over the practical implementation of agreements at the highest level can serve as a solid basis for structuring the Moldovan-Ukrainian cooperation, solving the existing and emerging problems, as well as enhancing efforts of the bilateral dialogue of the heads of states in the future. Thus, the sides showed their mutual readiness to make decisive steps towards resetting the relations and the desire to strengthen the political interaction at all levels.

The practical aspect of implementation of this opportunity will depend on the degree of internal political stability of the states. In particular, in the Republic of Moldova it will depend on the existence of a functional majority in the Parliament, ready to support the pro-European President. The Party of Socialists and its pro-Russian political leader hope to strengthen their positions in the Parliament and make the necessary efforts for M. Sandu to be a head of state without powers as I. Dodon was at the beginning of his presidential office. To avoid such a situation, early elections are the only possibilities to both forming an executive power with real authorities and supporting the newly elected President. There is an acute internal political struggle using various tactics, strategies and methods of political manoeuvring. The results of this struggle will determine whether the outlined state development priorities will only be a symbolic start of a new political cycle in the Republic of Moldova, or will be substantively implemented.

The situation in Ukraine is also extremely difficult, as it is burdened by the ongoing war in the east of Ukraine. The political and socio-economic instability is enhancing amid the pandemic crisis. The growing public disappointment with the actions of the authorities is likely to lead to reshaping the vertical of power structures. All this impedes the implementation of reforms and has a destructive effect on the development of the state and the life of citizens.

According to the Freedom House 2021 annual report, Moldova and Ukraine are classified as partly free countries in terms of the democratic development level. According to the rating, the lowest indicators of Moldova in 2020 relate to the rule of law, the degree of openness of the functioning of government structures and political accountability.⁴ In Ukraine, similar indicators point out the need for tough measures for the fight against corruption in the highest echelons of power and revision of a number of approaches to the issues of civil legal consciousness as a whole.⁵ The states will have to make a lot of efforts for internal radical transformations, a constructive foreign policy and building a common European future. The pro-European President made the first step towards resetting the Moldovan-Ukrainian relations and this, one way or another, will give a new impetus to the dynamics of cooperation between the states.

The Transnistrian conflict and position of Ukraine

Withdrawal of the Operational Group of Russian Forces from the territory of the Transnistrian region, removal of ammunition, replacement of the Russian peacekeepers with a mission of OSCE civilian observers are one of the key tasks of the newly elected President of the Republic of Moldova. In addition, the head of state has openly announced a tougher approach to the Russian Federation in terms of the withdrawal of the Russian troops from the territory of the Transnistrian region. Ukraine considers this issue from the point of view of national and regional security and supports Moldova's position on the need for Moscow to comply with the decisions of the 1999 OSCE Istanbul Summit on the withdrawal of the Russian troops from the territory of Transnistria.⁶ Statements have been repeatedly made about the readiness to provide a transport corridor for the removal of the ammunition stored in the storage facilities in Cobasna

⁴ Freedom in the world. Moldova 2021. Freedom House // <https://freedomhouse.org/country/moldova/freedom-world/2021>

⁵ Freedom in the world. Ukraine 2021. Freedom House // <https://freedomhouse.org/country/ukraine/freedom-world/2021>

⁶ Istanbul Document of 19 November 1999 // <https://www.osce.org/files/f/documents/7/1/39573.pdf>

village, if the Russian Federation is ready to fulfil its obligations of withdrawing the troops from the Transnistrian region. Supporting its position with the fact that the Russian storage facilities with worn artillery weapons and ammunition pose a potential threat to the entire region, including the population of the adjacent districts of the Odessa region, Ukraine is ready to initiate the consideration of this issue at all levels and on all kinds of platforms, including beyond the framework of the negotiation process. The Ukrainian side also supports the need to change the existing peacekeeping format on the Dniester – transforming the military mission into a civilian police mission under the auspices of international organizations.

Unfortunately, there is no particular optimism on this issue. The Russian Federation has its own logic of actions, which it will not forsake. This does not mean that it will always be so; the change of political regimes is an inevitable historical process, which will also reach Russia in due time. This may open the so-called “window of opportunities” and it will be important to take the necessary tactical actions in a timely manner, therefore it is important for the states to continue supporting each other and strengthening the regional solidarity and cooperation in the field of security, taking into account the full range of potential challenges and threats.

To coordinate the joint efforts of the states in the region, Ukraine has established a new consultative and coordinating mechanism – the Crimean Platform, one of the measures envisaged by the Decree of the President of Ukraine “On the de-occupation and reintegration of Crimea”. The main goal of this international platform is to discuss the return of the Crimean peninsula to the jurisdiction of Ukraine. This initiative has been supported by international structures; in particular, a group to support the Crimean Platform has been established within the NATO Parliamentary Assembly. Ukraine has planned to organize an International Summit on this Platform, which will be held on 23 August 2021. It should result in an appropriate declaration and a set of coordinated international instruments for the de-occupation of Crimea and protection of the rights of Ukrainians in Crimea.⁷ The Ukrainian side intended to invite Russia to discuss the procedure for Russia's withdrawal from the Autonomous Republic of Crimea and the city of Sevastopol, and the restoration of Ukraine's sovereignty and jurisdiction in this territory.

Taking into account Russia's attitude to this issue, it can be unambiguously concluded that the discussion of the possibilities of regaining the control over Crimea will not bring any real practical results. This becomes more and more obvious after the sharp aggravation of the situation in Donbass in April this year as a result of the concentration of Russian troops on the border of Ukraine and Russia, evidencing the enhancing military and political manoeuvres of Russia and the escalation of the conflict in the region. Security of the entire region largely depends on whether it will be possible to achieve peace in Donbass, how its future will be and whether Russia will be able to influence the policy of Ukraine through it, which will have a direct impact on the Republic of Moldova and aggravate the situation in the Transnistrian region.

Participation of the Republic of Moldova in the Crimean Platform can be effective in overcoming hybrid challenges and maintaining security in the Black Sea region. It can also be useful for the withdrawal of the Operational Group of Russian Forces from the territory of the Transnistrian region.

Continuation of the joint control along the Moldovan-Ukrainian border, strengthening of the integrated border management associated with the launch of a full-fledged joint control at the Kuchurgan-Pervomaisk and Giurgiulesti-Reni border points, as well as the development of border infrastructure are equally important in this context. It is an important part of the EU Mission's border assistance, contribution to the settlement of the Transnistrian conflict and combating of smuggling.

⁷ According to the results of the Crimean Platform Summit, a set of coordinated international instruments should be developed for the de-occupation of the peninsula // <https://www.president.gov.ua/ru/news/za-rezultatami-samitu-krimskoyi-platформи-maye-zyavitisya-sk-66057>

The possibilities for expanding the trade and economic cooperation between the Republic of Moldova and Ukraine

The decrease in the joint trade turnover between the Republic of Moldova and Ukraine is a quite natural result of the ongoing pandemic crisis. According to the official data of the State Statistics Service of Ukraine, the trade in goods in January-July 2020 decreased by 14.3% compared to the corresponding period of 2019, while import decreased by 25.5%.

At the same time, the experience of the bilateral trade before the pandemic clearly shows that Moldovan companies did not take full advantage of the existing potential of the Ukrainian market of more than 40 million consumers. Their administrative and customs regimes are more adapted to market conditions, and, consequently, their competitiveness is much higher.⁸ In particular, Moldovan entrepreneurs note that it is not easy to enter the Ukrainian market independently and, often, studying the legislation and the market situation is not sufficient. Therefore, it would be timely to focus joint efforts on increasing the potential for trade and economic cooperation with support from the state agencies of both countries. Especially in the context of the fact that the Ukrainian side is also not completely satisfied with individual cases of discriminatory approaches to the imposition of environmental tax on Ukrainian goods for environmental pollution, which, from their point of view, is charged by the Republic of Moldova, as well as with regular deviations of the National Agency for Food Safety of Moldova from the rules of risk-based control of certain types of Ukrainian goods. Ultimately, this leads to higher prices for the Moldovan consumer, which is particularly painful in the context of the pandemic and decrease in the population's income.

In the light of the above, a new impetus should also be given to the work of the Mixed Intergovernmental Commission on trade and economic cooperation, as well as to the development of other bilateral cooperation mechanisms. In addition, it is important to develop the undeveloped areas that are of mutually beneficial interest for both sides, which will contribute to increasing trade between the countries in the future. To this end, the countries conduct negotiations on amending the Free Trade Agreement, in particular the rules of origin of goods used in the bilateral trade will be revised. The amendments are approved in the context of the fact that since January 2019 Ukraine has been applying the provisions of the PEM Convention (Convention on Pan-European Mediterranean Preferential Rules of Origin) in trading with the European Union.⁹ This will allow Moldovan manufacturers to import raw materials and components originating from Ukraine, to process them in Moldova and export finished goods to the EU, with certificates of Moldovan origin, without paying customs duties. All this opens up new prospects and opportunities for expanding and strengthening the trade and economic cooperation between Moldova and Ukraine.

Moldova and Ukraine in the context of the energy dimension of regional security

Energy security is a determining factor in ensuring both political and economic stability in the region and independence. Energy issue is, first of all, a big-time politics issue, where the interests of the Russian Federation and the European Union intersect. Taking into account the intention of the states to reduce the energy dependence on the Russian Federation, as well as the aspiration of Ukraine and Moldova to enter the common markets of the European Union, to cooperate in the energy sector in the light of resetting the relations, become particularly relevant and require a number of measures aimed at ensuring the energy security of both states and the region as a whole. As the interaction of the countries in the field of energy in the coming years will be increasingly considered in the light of new opportunities for regional security, the best strategy for energy relations is diversification of sources.

The prospects for cooperation in the gas sector in this regard depend on the infrastructure, creation of market and unbundling process, as well as the regulation of the cost and tariffs. Since

⁸ The heads of the foreign ministries of Ukraine and Moldova agreed to enhance the resolution of problematic issues between the countries and the economic relations // <https://interfax.com.ua/news/political/678869.html>

⁹ The Government approved amendments to the Free Trade Agreement with Ukraine // <https://gov.md/ru/content/pravitelstvo-odobrilo-popravki-k-soglasheniyu-o-svobodnoy-torgovle-s-ukrainoy>

2019, the Republic of Moldova has ceased to depend on one gas supplier. It became possible for it to buy gas through the Trans-Balkan gas pipeline on the European market in reverse mode, i.e. in the opposite direction from south to north, from new sources of natural gas. Such a source can be LNG terminals in Greece and Turkey, the pipeline natural gas from the Caspian countries, in particular from Azerbaijan through the TANAP gas pipeline.

Supplies are also possible through the Northern Pipeline (Alekseevka point) from the Ukrainian power system. The construction of the Iasi-Ungheni-Chisinau gas pipeline has been virtually completed, and it has a length of 120 km; it is expected to provide the transportation of 1.5 billion cubic meters of gas per year. After the completion of the construction of the new Romanian gas pipeline on the Onesti-Gheraenesti-Letcani section, 165 km long with the required compressor stations maintaining the pressure in the gas transmission network at the same level, these two systems will be connected to each other. As a result, the throughput capability will increase up to 2.2 billion cubic meters per year, which will cover about 60% of the average consumption in the Republic of Moldova, including the Transnistrian region in winter period.¹⁰ However, opinions differ among experts in this area, in particular, it is noted that this gas pipeline is not a real alternative to gas supplies at a competitive price, and therefore is not considered an alternative to supplies from Russia, but only a possibility to maintain a balance.¹¹ At the same time, the importance of diversifying the sources and directions of natural gas supplies to reduce the dependence of the Republic of Moldova on one source – the Russian gas monopoly “Gazprom”, is evident.

Ukraine expresses its readiness to remain a reliable partner for the Republic of Moldova, both in the matter of transit of natural gas for Moldova, and in the matter of storing the gas purchased by the Moldovan side in Ukrainian underground storage facilities. Storage of gas in the Ukrainian underground storage facilities is a guarantee of energy security for the Republic of Moldova during the period of higher gas demand. Therefore, already in October 2020, Moldova for the first time pumped gas through the Ukrainian GTS into the underground storage facilities of Ukraine for the storage in the “customs warehouse” regime of 50 million cubic meters of gas. This opens up prospects for further cooperation in this area.

Another important issue is the creation of appropriate conditions for the functioning of the market and unbundling from gas sales activity. Today, the main trend in European energy cooperation is the implementation of the Third Energy Package, which implies specific principles of functioning of the internal gas and electricity market in the EU. In 2019, Ukraine completed its implementation in the gas sector. In particular, this concerns the unbundling of “Naftogaz”¹². The reform of the gas sector in Ukraine has brought tangible results and opportunities for cooperation with neighbouring states.

The Republic of Moldova plans to complete the unbundling process this year along with the launched structural changes to ensure full complementarity of the Moldovan and Ukrainian gas systems. Currently, works are underway to split the vertically integrated enterprise “Moldovagaz”. It does not meet the requirements of the Third Energy Package, since it owns a gas pipeline used for gas transportation, as well as gas distribution networks and, at the same time, it is engaged in trade. Unbundling implies splitting of the company, i.e. a process, whereby a company with different business directions keeps its core business and sells assets, production lines, divisions or subsidiaries in order to create a more efficient entity. At the same time, the main shareholder of “Moldovagaz”, the Russian company “Gazprom”, is not making the necessary efforts to complete this process. At the same time, it is necessary for the establishment of the market, since the owner of the gas pipeline that also represents a vertically integrated enterprise can make problems for other economic operators that want to supply gas to the

¹⁰ Construction of the Moldovan section of the Iasi-Chisinau gas pipeline was completed // <https://cenzura.md/stroitelstvo-moldavskogo-uchastka-gazoprovoda-jassy-kishinev-zaversheno/>

¹¹ How the Ungheni-Chisinau gas pipeline will help Moldova to gain energy independence // <https://www.euneighbours.eu/ru/vostok/eu-in-action/stories/kak-gazoprovod-ungeny-kishinev-pomozhet-moldove-dostignut>

¹² Naftogaz reported on completion of unbundling // <https://interfax.com.ua/news/economic/633580.html>

Moldovan market.

The cost and tariffs are equally important in this regard, since they have an impact on potential consumers. As a rule, the methodology for setting tariffs directly affects the pricing policy, therefore spot prices are low in summer and high in winter. Price fluctuations are most noticeable for ordinary consumers. One of the solutions may be the conclusion of medium-term contracts to prevent a jumping price dynamics. Also, given that the Moldovan market is not so large, the necessary stocks can be stored in the Ukrainian storage facilities, having due regard to the peak seasons.

For the subsequent development of cooperation with the Ukrainian side in this direction, Moldova could revise the tariff policy for gas transportation, since it currently provides benefits for “Gazprom”. The possibility of “virtual reverse” at the points of interstate connection between Ukraine and the Republic of Moldova, as well as the implementation of a system of capacity distribution at auctions could be provided for by legislation.

The situation of the electricity sector is the most difficult, since the Republic of Moldova consumes more than 80% of the electricity from abroad. It has two main sources: the Ukrainian energy system and the Ukrainian supplier, as well as the SDPS located in the Transnistrian region. Four of the five high-voltage lines connected to the Ukrainian system pass through the Moldavian State District Power Plant “Moldavskaya GRES”. Moldova is still dependent on the Left Bank, which deepens the problem of external debt. “Moldavskaya GRES” operates based on gas, while the Transnistrian side does not pay for gas. Consequently, the Republic of Moldova accumulates debt by buying electricity from the Transnistrian region. Thus, the income from gas sales on the territory of Transnistria goes to the budget of the unrecognized PMR. In 2020, the Moldovan Government, by its decision, suspended the purchase of the Ukrainian electricity, which made the Republic of Moldova dependent on one producer, while leading to the increase in the debt for the supply of Russian gas to “Moldavskaya GRES”. At the same time, experts in this field note that the Moldovan side cannot refuse to cooperate with the SDPS since the fears of being left without electricity are not groundless at all. In this regard, there is only one way out – to build new lines that will connect the system of the Republic of Moldova with Romania in order to provide the country with alternative sources of electric power supply.

Ukraine is making ambitious plans to unite the state with European energy networks by 2023 and to directly access them in 2024. For this purpose, the synchronization of the processes with the Republic of Moldova is important, in particular, in terms of direct current rates and mutual support of each other. In addition, the issue of the Burshtyn energy island has not been resolved, and implies a great amount of works to synchronize Ukraine with Europe. This includes a huge modernization of all heat generation facilities to maintain the frequency according to the standard applied by the EU.

“The Package Agreement”: long way to mutually acceptable arrangements

At the same time, the long-standing problems in the relations of the states, which are called the “package agreement”, also remain unsolved, and imply a comprehensive solution and require the development of mutually acceptable arrangements for both sides to be signed at the same time. If the border demarcation is actually completed, and the issue of recognition of property rights has moved forward within the framework of the Berlin Plus initiative, the problem of building hydroelectric power plants in the upper reaches of the Dniester River is still a matter of concern for politicians and ordinary residents of the region and is often a subject of hot debates. The decisive attention is paid to the ongoing degradation of the river ecosystems caused by pollution, the risks to which the Dniester River is exposed due to technical accidents and works, its shallowing and fears of shortage of drinking water. The Dniester River actually covers 80% of needs for drinking water not only in Moldova, but also in a significant part of Ukraine.

The issue of integrated water resources management in the Dniester River basin is really

vital and relevant for modern and future generations. In view of this, the Dniester Commission¹³ within the framework of the project “Promotion of cross-border cooperation and integrated water resources management in the Dniester River basin”, developed at the request of the Moldovan and Ukrainian Governments in cooperation with the Global Environment Facility, UNDP, OSCE, UNECE, conducted a cross-border diagnostic analysis to assess the state of the Dniester River basin, the applied part of which was the development of a strategic action program and specific measures for the sustainable use and protection of the Dniester River.¹⁴

In the course of the cross-border analysis, the working groups found a whole range of problems requiring joint solutions. Some of them specifically concern hydropower, which disrupts the natural flow of rivers and the migration of aquatic organisms, causing a change in the hydrological regime. In addition, it leads to hydromorphological changes related to hydropower, flood protection, as well as excessive river flow control. Taking into account the fullness of the destructive consequences of this situation, the most rational solution is the abandonment of the intention enshrined in the Program of Hydropower Development of Ukraine until 2026 to build 6 run-of-river HPPs on the flat section of the Upper Dniester. It seems important to pay attention to the fact that the Dniester basin covers, among other things, the territory of the Transnistrian region, which does not have any representatives in the Dniester Basin Commission. At the same time, the integrated water resources management involves the inclusion of all sides interacting in this process.

Moldova and Ukraine – “hand in hand” in promotion of the European aspirations and values

As the Republic of Moldova and Ukraine share European aspirations, the heads of state, following the negotiations in Kyiv, confirmed their mutual interest in deepening the regional cooperation in order to achieve the strategic goals of deepening the European integration, including through the implementation of the Association Agreements with the EU. This supposes a thorny path, fraught with many difficulties for the quality implementation of internal reforms and modernization of the states, the fight against corruption and the development of democracy. In its turn, the EU continues encouraging the commitment of the states on their path to strengthening political association and economic integration, backing it up with economic, technical, humanitarian and macro-financial assistance for the Republic of Moldova and Ukraine.

After the expression of greater interest in promoting the European vector of development in the letter of the foreign ministers of the three states (Moldova, Ukraine and Georgia) on the common strategic vision of the Eastern Partnership, a reciprocal action followed from the European Commission. A statement of intent to propose a more ambitious plan for political and economic integration was made for the three Eastern partners as part of the implementation of the “Trio Strategy 2030 for the Future Eastern Partnership”.¹⁵ This Strategy was built having due regard to the experience of the Balkan states based on the implementation of the Berlin Initiative. It includes a set of complementary mechanisms aimed at strengthening the regional cooperation, with an emphasis on the fact that the success of the reforms can become an incentive for the other three countries of the Eastern Partnership – Azerbaijan, Armenia and the Republic of Belarus.

However, this approach does not seem as straightforward as it might at first glance, especially given the Russian factor. For the EU, not only the expectations of the partner countries are important, but also the initiative and readiness for integration processes, which is not noticed in the three states that do not relate to the so-called “success story”. Moreover, the situation in them is aggravated by Moscow's support for the Lukashenko regime, despite the

¹³ Dniester Commission // <https://dniester-commission.com/sovместnoe-upravlenie/dnestrovskaya-komissiya/>

¹⁴ Strategic Action Program for the Dniester River Basin // https://dniester-commission.com/wp-content/uploads/2020/09/SAP_09092020_Rus_public.pdf

¹⁵ Trio Strategy 2030 // <https://tsajunga.lt/wp-content/uploads/2019/10/LT-EPP-Trio-Strategy-2030.pdf>

ongoing mass protests of the population, the consequences of the Armenian-Azerbaijani war and the Russian military presence in Armenia.

The EU is also concerned about the political crisis in Moldova, Ukraine and Georgia. Understanding the complexity of the situation, the counter-productiveness of tough economic sanction mechanisms against Russia, and given the desire and readiness of these states to follow the European vector of development, the EU found it more logical to strengthen the interaction with these countries. Thus, their European vector of development will be firmly and irrevocably fixed and the risks of Russian influence will be reduced.

The European factor will remain a key feature of the Moldovan-Ukrainian relations, which made it possible to gear the cooperation of the states in a new direction and was an incentive for rapprochement of their positions on a number of bilateral issues. The pragmatism of joint actions has opened up new prospects for the future development of the states with observance of the foundations of democracy and the rule of law.

The promotion of European values in the context of the Moldovan-Ukrainian dialogue is a wide space for cooperation. The key issues in this regard include the problems of national minorities. Poor observance of the rights of national minorities to preserve and use their native language, both in Moldova and Ukraine, is still alarming. In this regard, it seems important to strengthen the activities of the Joint Working Group on Education, headed by the Deputy Ministers / General Secretary of the relevant ministries of both states. The influence of diasporas on the growth of the welfare of the states and their role in building a common European future should be taken into account.

Conclusions and Recommendations

Summarizing up the results of the study of these issues covered herein, it can be noted that the resetting of the Moldovan-Ukrainian relations is an integral part of the policy of rethinking the priorities of the foreign policy development of the Republic of Moldova and revising the relations with the neighbouring states in order to develop a meaningful and promising cooperation in the interests of states and nations. Comparison of opportunities and challenges is a common practice in political circles that is based on the principles of pragmatism. In the case of Moldova and Ukraine, the risks and difficulties in their path will, in any case, outweigh the scales. However, in the current situation, it is important to move along the planned trajectory, taking all possible actions in the current conditions. In this regard, the following recommendations can be highlighted:

- A practical step for constructive relations between the states can be the strengthening of the solid format of bilateral interaction at all levels by ensuring the functionality of the mechanism of annual meetings of heads of state within the Presidential Council on an ongoing basis. This will make possible to expand the principles of consistency of political interaction in the joint efforts of building the European future for both states.

- Realizing the whole range of threats to the regional security, it is important for the Republic of Moldova and Ukraine to support each other, both within negotiations and on international platforms of various levels. It is necessary to establish new platforms and introduce new forms of cooperation in the field of security, to continue developing and gaining experience in countering hybrid challenges and threats. Strengthening the regional cooperation in the field of security, application of international instruments for the de-occupation of territories, pooling the efforts and expansion of practices to combat hybrid challenges and threats will enable the states to develop their own practical guidelines that can be useful for the de-occupation of the occupied territories.

- Within the framework of trade and economic cooperation, the Republic of Moldova and Ukraine should focus on increasing the trade and mutual economic benefits. Prospects for the trade and economic cooperation between the states depend, among other things, on the broader

use of the potential of the Ukrainian market. This requires support from the state agencies of both countries, first of all, in matters of regulation of administrative and customs regimes for the adaptation of Moldovan companies to the Ukrainian market conditions. Bilateral mechanisms of trade and economic cooperation should be expanded, the undeveloped areas of joint interaction that are of mutual interest to both countries should be developed.

– The energy dimension of security largely depends on the strategy of diversification of sources. In the process of reforming the gas sector in the Republic of Moldova, it is important not to slow down the unbundling of the vertically integrated enterprise “Moldovagaz” and the initiated structural changes to ensure the complementarity of the gas systems of the Republic of Moldova and Ukraine. An important issue is the search for an optimal solution in terms of cost and tariffs for consumers. To date, the unsolved problems in the energy sector still include: infrastructure development and provision of the state with power lines; regulation of market rules, including the existing technical and economic problems; search for possibilities to ensure a level playing field. In addition, the Republic of Moldova will have to resolve the issue of the external debt of the Transnistrian region to “Gazprom”. In Ukraine, the energy resources located on the occupied territories, i.e. out of control, is a sensitive issue, which also makes difficult the integral integration of Ukraine into the EU energy system.

– Efforts should be focused on completing the search for mutually acceptable arrangements and signing a “package agreement”. Particular attention should be paid to ensuring the full integrated management in the Dniester River basin. Experts from the Transnistrian region should be involved in regional cooperation in order to resolve the existing problems of fulfilling the tasks assigned by the Dniester Commission that concern the Transnistrian region. It is also important to better inform the public about the real state of water resources in the Dniester River basin, the results of the work of independent working expert groups, in particular, the Global Environment Facility, UNDP, OSCE and UNECE.

– The commonality of European aspirations of the states should be characterized not only by the expectation of assistance and support from European partners, but should also be supported by responsible fulfilment of their obligations to implement reforms and build a common European future.

Abbreviations:

EU	European Union
GTS	Gas transport system
LNG	Terminal – liquefied natural gas terminal
MIA	Ministry of Internal Affairs
NATO	North-Atlantic Treaty Organization
OGRF	Operational Group of Russian Forces
OSCE	Organization for Security and Cooperation in Europe
PMR	Pridnestrovian Moldavian Republic
SDPP	State district power plant
TANAP	Trans-Anatolian Natural Gas Pipeline
UNDP	United Nations Development Program
UNECE	United Nations Economic Commission for Europe
UNO	United Nations Organization

About the author:

Natalia Stercul – political analyst, PhD in Political Science, associate professor, expert, Department of Eastern Studies: Ukraine and Russia, Foreign Policy Association of the Republic of Moldova. Within the framework of her teaching activities, Natalia actively cooperates with non-governmental organizations from Moldova and abroad, contributes to the development of the young generation of leaders, involving them in international projects and socio-political processes. She graduated from the Moldavian State University and the Academy of Sciences of Moldova and has higher education in international relations. Natalia Stercul is the author of a number of scientific papers and analytical reports.

About the Foreign Policy Association:

Foreign Policy Association of Moldova (APE) is one of the leading analytical centers in foreign policy domain of Moldova. Purpose of activity of the Association is to support Europeanization and European integration processes of the Republic of Moldova, and the Transnistrian conflict settlement. APE was founded in 2003 by a group of well-known experts, public figures, ex-officials and leading diplomats, who have decided to contribute to comprehensive assessment of Moldovan foreign policy, including the development of effective foreign policy through expertise and application of the generated experience.

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