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NEWSLETTER

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Synthesis and Foreign Policy Debates

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The Republic of Moldova has increased its purchases of electricity on the Romanian OPCOM exchange, as the bombing of Ukraine's energy infrastructure has affected the Cuciurgan power plant in the breakaway Transnistrian region, where the largest volumes are purchased. State Secretary of Energy Ministry, Constantin Borosan, appealed to citizens to save electricity, especially during peak hours, to reduce the burden on the energy system. He noted that the third block of the Cuciurgan power plant has stopped its activity due to the bombing of Ukraine's energy infrastructure, and the energy shortage is now being taken over from Romania. Energocom recently signed a contract with Romania's Nuclearelectrica. It allows the purchase of electricity at a capped price of €80 per MWh, significantly lower than the fluctuating stock market price, which can reach up to €200 per MWh.



The Republic of Moldova continues to provide support to war-affected Ukrainians, hosting some 125,000 people, 90,000 of whom have settled permanently in the country. These figures were made public during a debate organized by the IPN news agency. Participants in the debate underlined the importance of integrating these people into society and highlighted both the challenges and opportunities brought by this crisis, according to Radio Chisinau. Another important issue discussed during the debate was the psychological impact of the uncertainty faced by Ukrainian refugees, as well as the need to improve their access to health services by simplifying bureaucratic procedures. There are currently about 90,000 refugees from Ukraine registered in the Republic of Moldova. The situation on the labor market for Ukrainian citizens also remains complex, with significant differences between men and women in terms of employment rates, said MP Ana Racu, who took part in the debate.



The Republic of Moldova loses huge amounts of money every year because of food waste. Thousands of tons of produce are thrown away which would reach over a million people living below the absolute poverty line. "There is now a slight trend to reduce food waste, but the problem is still big. The food that Moldovans throw away would end up feeding people who, at certain times of their lives, are going through more difficult times", said economist Veaceslav Ionita during the December 20 programme "Economic analysis with Veaceslav Ionita". According to Veaceslav Ionita, in the Republic of Moldova in 2025, the food waste index will be 92.1%. This is an improvement by 1.3 per cent compared to 2021, when the food waste in Moldova was estimated for the first time.

The Republic of Moldova navigated a difficult year in 2024, what awaits us in 2025?



Maia Sandu's inauguration ceremony for the second presidential term on 24 December 2024.
Photo source: Presidential Administration

The Republic of Moldova had a politically tumultuous 2024. The presidential elections and the referendum to amend the constitution to enshrine the European path as a desideratum in the supreme law were two major events

that demonstrated the fragility of the European path balance.

Propaganda coupled with an internal wave of discontent has created a devastating effect and only the pro-European-oriented diaspora have saved the Republic of

Moldova from drifting adrift. It is very difficult to believe that the coming year will be an easier one for the Chisinau leadership to navigate. First of all, this year ends with a possible new crisis and its continuation in 2025.

► More specifically, the free Russian gas deliveries to the Transnistrian region, as in the past, are uncertain. Moscow is once again speculating on vulnerabilities in the energy sector, after the official discourse in recent years has been that Moldova has escaped Russian gas dependence.

Russia understands very well that 2025 will be the year when the Republic of Moldova could be connected to Romania's high-voltage electricity grids, which would mean the loss of another lever of influence, namely Chisinau's purchase of electricity produced at the Moldres

power plant in Cuciurgani with free gas from Gazprom.

That is why Russia will play hardball to keep the Chisinau authorities in check in order to create discontent and anxiety through higher energy bills and a possible humanitarian crisis on the left bank of the Dniester, which will force Chisinau to cut its resources to help its citizens on the left bank of the Dniester.

The year 2025 is also not shaping up to be any less dangerous in view of the intensifying war in Ukraine. The escalation of this conflict will also automatically raise the security alert

in the Republic of Moldova. Russia has long been testing the terrain to see how defense authorities react by directing its drones and missiles through Moldovan space to strike at Ukraine.

Last but not least, all these problems that Russia is creating for Chisinau will be settled in the parliamentary elections. A stable, but above all a genuine pro-European majority is needed in 2025 to continue on the European path. It remains to be seen what can happen from all these points of view, but above all the authorities' ability to manage all these crises that will be re water over the next year!

Moldova remains a prisoner of its own constraints: obscure interests, excessive politicization of resource allocation, corruption and inefficiency

The executive director of the Expert-Grup Think Tank, Adrian Lupușor, gave an interview for the FES/APE foreign policy newsletter in which we talked about the current situation in the economic sector and its prospects for 2025. We discussed about economic governance and the reforms in the sector needed for Moldova's accession to the EU, attracting foreign investors, and how the war in Moldova's neighbourhood impacts Moldova's development horizon. Read the interview below:

■ What can you say about how the Republic of Moldova performed in 2024, which was a year full of challenges, crises and uncertainties caused by the war in the neighbourhood? And how do you



assess the government's work in the economic area, what has been good and where do we have arrears?

■ In 2024, we have seen a continuation of economic stagnation and a virtually invisible growth of around 1 per cent (originally, our forecast was 2 per cent, but the Q3 figures are not encouraging). This modest dynamic comes after the economic stagnation of 2023 (+0.7% GDP growth), while in 2022 it compressed by just 4.6 per cent. In 2024, we saw a positive contribution to economic growth from public investment and reinvigorated consumption against the backdrop of a favourable macro-financial situation: inflation in the area targeted by the Moldovan National Bank, which allowed the promotion of a stimulative monetary policy, reducing lending rates and fuelling lending.

However, industry is stagnating (the share of industry in GDP has reached historic lows) and agriculture is in decline (farmers face the chronic problem of low prices after the previous year's bumper harvest coupled with limited access to markets).

Overall, it is clear that the economy is gradually exhausting its growth potential with the emigration of working-age population, the shortage of private investment and low competitiveness (we have already had a current account deficit of over 10 per cent of GDP for several years in a row, which will apparently remain high in 2025 against the background of the growing trade deficit and the country's lack of investment attractiveness).

In terms of economic policies, the year 2024 had both good and bad things to offer. The approval of

the 2030 Economic Development Strategy, the Industrialization Programme and the Investment Attraction and Export Promotion Programme – three very important strategic planning documents – is to be appreciated, but it remains to be seen how they will be implemented. A positive thing is the fairly rapid progress in establishing an appropriate institutional framework for the start of accession negotiations, as well as the bilateral screening, which is promising in terms of advancement of the European integration process. However, the main factor expected to catalyse economic growth – economic efficiency and governance – remained problematic.

A number of shortcomings in the quality of economic governance have been perpetuated: very many public institutions and state-owned companies are run by interim managers, which means that they are directly exposed to the political factor. Likewise, management positions subordinated to the government have been effectively politicized as a result of legislative changes this year. The "Road reform" whereby the State Road Administration becomes both a consumer of resources, a distributor of resources, a performer of works and a monitor is another example of deterioration in the quality of economic governance with clear risks of corruption, inefficiency and politicization.

And the list goes on. The problem is that these and other governance problems undermine efficiency in the public sector, discourage private investment and, in general, I believe it to be the main constraint for the transition to a growth model based on value added and increased productivity.

Harmonizing legislation in line with the EU?

■ With regard to the European Union, how are we doing in terms of implementing the reforms necessary for the accession process? Which are the most complicated sectors/ areas when it comes to adjusting national legislation to the *acquis communautaire*?

■ If we look at the progress in implementing the European Commission's recommendations in its report last fall on the opening of accession negotiations, according to an independent assessment by civil society experts, the Republic of Moldova has only scored 2.5 out of 5 maximum points under the economic criteria (existence of a functioning market economy), 2.4 points in cluster 2 "internal market" and 2.2 points in cluster 5 "resources, agriculture and cohesion".

On average, the progress in implementing the recommendations related to cluster 1 "Fundamentals" is only 3.1 out of a maximum of 5 points, which means that a number of measures/reforms have been initiated, but they are still in the process of implementation and need to be urgently addressed.

In addition to the slow pace of reforms, another problem is the influence of narrow, often obscure interests that can jeopardize the European integration process. We have seen that the policy framework has often been influenced by lobbying factors (e.g. the interests of certain companies or business sectors) to the detriment of the implementation of the *acquis communautaire*. One of the most recent cases concerns the market surveillance framework, harmonized with the European Directives in 2023, in the framework

of state control, under the guise of “business promotion”.

These attempts not only undermine the credibility of the European integration process, but also negatively affect citizens when they purchase goods and services with the risk that they may be non-compliant or even dangerous to their health and life. Implementing the *Acquis communautaire* should not be done just for the sake of it. It must be the main opportunity for reforming the country according to European principles and values, where citizens’ interests must be put first.

Moreover, in addition to transposing the *acquis communautaire*, it is equally important to ensure economic and social convergence with comparable EU countries. In terms of GDP per capita and quality of life indicators, in recent years, the Republic of Moldova has practically stagnated in comparison with countries such as Romania, Poland, the Baltic States or even the countries of the Western Balkans.

In order to ensure a truly sustainable European integration process, it must go hand in hand with an increase in this level of economic and social convergence, and for this we need to move as soon as possible to a new model of economic growth, as mentioned above.

Development with EU money

■ **The European Commission announced in October €1.8 billion in development aid for Moldova over the next three years. Where should this money go mainly and what programmes can be developed with such funds to generate more value in the future?**

■ I believe that we need to prioritize two key areas that will really be able to boost economic growth. The first is infrastructure. Moldova lags behind the countries in the region in terms of both the quality of infrastructure and public investment in infrastructure.

It is obvious that we need to invest more in roads, bridges, as well as railway, airport, energy infrastructure, etc. All empirical studies clearly point to the strong multiplier effect of infrastructure investments. Obviously, we need to do it according to the principles of good governance mentioned above, to ensure the efficiency and integrity of these investments: competitive and transparent tenders, appropriate monitoring and evaluation framework, depoliticization of processes, etc.

The second area is the development of a programme of preferential financing (acceptable interest rates and long terms) for enterprises that plan to generate increased added value: processing of local raw materials, automation of processes, transposition of advanced technologies and know-how, etc. I do not believe that the state should prioritize certain sectors for the simple reason that it is the entrepreneur who is best placed to decide where to invest.

The state needs to provide entrepreneurs with all the necessary conditions for the development of entrepreneurship and solve the problem of their access to affordable and long-lasting resources for investment. Nothing more, nothing less. It is very important for this program to be implemented according to the principles of good governance that I have repeatedly mentioned

above: independent mechanism for evaluating beneficiaries; evaluation of applications based on anticipated economic impact (with emphasis on generating added value); separation of the evaluation, implementation and monitoring functions; ensuring maximum quality of the governing bodies (reference to the issue of interim management positions) and maximum transparency.

Economic governance and spending transparency

■ **One of the central themes discussed at this year’s economic conference -MACRO- was economic governance and the effectiveness of government development programmes. What are the main conclusions of the discussions and the main lessons to be learned in this respect?**

■ Economic governance was indeed the leitmotif of the MACRO conference and I am glad that we managed to raise this topic in the public space. Governance is as important as it is sometimes probably boring or uninteresting for the general public, because it is more technical, sometimes bureaucratic (in a good sense), and it sets important rules of activity to ensure optimal efficiency, integrity and impact.

The importance of the quality of economic governance has rarely been discussed so far in the public space. I hope that from now on there will be more emphasis on the quality of governance in the public space, but also in the Government/Parliament, because, as we saw at the MACRO conference, this is where we have the potential to increase the efficiency of public administration, but also

economic growth in general, because good economic governance allows for a more efficient allocation of resources in the economy - an aspect of critical importance for countries like Moldova, where we have a shortage of labour and capital.

■ Another topic addressed by the MACRO participants was budgetary transparency and the gaps that exist in this area. Which areas are most affected by this lack of transparency and why do you think it is important to ensure it?

■ Even if Moldova has overall a favourable score in terms of budget transparency (according to the Open Budget Index), in 2024 we saw the country regress in terms of transparency of the public procurement process, as the analysis module of the MTender platform, with the help of which civil society and the media have previously developed numerous investigations on manipulated tenders, was deactivated.

Unfortunately, it is another example of how, in parallel with the declaratory process of European integration, trends are taking place that run counter to European principles and values. We have also talked about the phenomenon of political clientelism in the allocation of state resources in various areas, given the fragile framework of governance (for example, politicized administrative councils), including in the agricultural, roads or local development sectors. In all these areas there is still much work to be done. But Moldova remains trapped in its own constraints: vested interests, excessive politicization of resource allocation, corruption and inefficiency.

Measures to attract investment

■ Moldova's goal is to attract foreign investors to Moldova. How difficult is it to do this on the current facts that the Republic of Moldova is facing a war in its vicinity and there is hardly any skilled labor force? How can we attract foreign investors in these conditions?

■ I do not have an answer to that question. After Ukraine, our country is the most affected by this war, there is a high level of uncertainty and the security framework remains fragile. It is obvious that you can't bet on having a row of investors in such conditions.

Added to this are the pre-war problems which, by and large, remain relevant (despite some marginal improvements): small internal market, bureaucracy and corruption. I think more emphasis needs to be placed on developing economic diplomacy (as far as I know, the vast majority of our embassies are underfunded and fail to promote pro-active and effective economic diplomacy), as well as capitalizing on/assimilating the financial resources available from development partners.

First of all, I refer to the effective use of the European Commission's €1.8 billion Growth Plan which can make a difference if the money is prioritized correctly and the plan is implemented according to the principles of good governance mentioned above.

Equally, it is important to reform the internal financial market in order to increase the level of financial intermediation (at the moment, we have excess liquidity in the banking system of at least €500 million which is not being turned into investments)

and to create healthy competition for the banking system by developing the capital market.

■ Can the Republic of Moldova play a role in the reconstruction of Ukraine in the future, after the signing of a peace settlement? How should the Republic of Moldova prepare now to face such a moment, which could be a great opportunity for the development of our country?

■ First of all, it's a shame that so far, the government in Chisinau has not formulated an economic offer for the Ukrainian refugees at least as good as the social/humanitarian one. I believe that we have missed a lot of opportunities for economic growth and investment (even if it is somewhat difficult to talk about opportunities in the context of the war and human tragedy in Ukraine).

Secondly, the Republic of Moldova can and needs to be an important actor in the future reconstruction of Ukraine, given its geographical and cultural proximity, its close diplomatic relations with this country, but also the solidarity shown by our country towards Ukraine in general and Ukrainian refugees, in particular. How? This is a complex question.

It is obvious that we need to be prepared first and foremost from an infrastructural point of view: airport, rail and road infrastructure will play a crucial role in this respect, including from the perspective of becoming a logistical hub for the region. The diplomatic dimension is also important - the Republic of Moldova must remain visible as much as possible on all international discussion platforms for Ukraine's reconstruction plans.

■ Thank you!

Editorial

Through the storm of crises: what have we achieved in 2024 and what's ahead in 2025?

Editorial by Lina Grâu,
journalist

The Republic of Moldova is ending another year that can be said with certainty to have been historic and decisive for the country's future. A qualification that experts repeat year after year when summing up, a reality that perfectly illustrates the state of permanent tension, the extreme geopolitical risks and the modest developments of the young democracy.

The year 2024 was the year that set some irreversible milestones, although not yet definitive, in the European and democratic path of the Republic of Moldova, but at the same time foreshadowed signs of major challenges that risk to derail the positive evolution of the country.

The opening of the EU accession negotiations, enshrining the European integration in the Constitution following the pro-EU referendum, the re-election for a second term of pro-European President Maia Sandu, as well as the important assistance announced by the European Commission for the recovery of Moldova's economy of 1.8 billion euro are factors that maintain hope for the continuation and development of the European course.

The constant hybrid threats from Russia, the voter corruption schemes



of the Shor network, the massive anti-EU disinformation, the tariff hikes and the major energy and Transnistrian crises triggered at the end of the year, the shortcomings in communicating with citizens, the inconsistency in governance and the too slow reform of the justice system could become a fatal combination, turning Moldova, as in the Georgian scenario, into an anti-EU and anti-Ukraine tool of the Kremlin.

The major and decisive test will be the parliamentary elections in the autumn of 2025, when the Republic of Moldova will have to pass an important hurdle in its declared goal of becoming a member of the EU in 2030. Moscow will have no scruples in using everything in its power

to obtain a loyal parliamentary majority in the next legislature in Chisinau. So the government and the pro-European forces have very little time left to respond to the disappointment and fatigue of the electorate and convince them that they deserve another chance.

Uncertainty over war in Ukraine

The Republic of Moldova is undoubtedly the country most affected, after Ukraine, by Russia's continued aggression, and the past year has continually fueled fears that it is not only economic provocations and hybrid attacks that are part of Russia's plans for the region.

In a show of support for Ukraine and the Republic of Moldova and in order to strengthen security on its eastern border, the EU formally opened accession negotiations with the two countries in June. A gesture designed to give encouragement and hope to the societies of the two countries, which in a few years' time would open access to important pre-accession funds. Until then, long technical processes lie ahead, difficult to explain in terms of benefits for the ordinary citizens.

The EU has become more and more visible in the daily life of Moldovan citizens - through assistance, including with energy bills, roads to European standards, cultural and community projects and modernization of village infrastructure.

From an informational point of view, however, these benefits have been wiped out by Russia's propaganda blitz, which has made the EU one of its main lines of attack in Moldova, especially through social media. Since spring, authorities have warned that Russia was preparing a massive interference to hijack the EU accession referendum and presidential elections. TikTok, Telegram, but also Meta have been flooded with messages saying that going to the EU means bringing war to the country, LGBTI marriages, closing churches and so on.

Russia's pressure to hijack these polls was unprecedented - in addition to disinformation, Russia directly paid voters €100 a month to vote anti-EU. Police said they had documented staggering interference coordinated by fugitive oligarch Ilan Shor - a network of more than

150,000 paid voters, about 10 per cent of those who vote, and the total amount spent by the Kremlin was reportedly between €100 and €200 million.

The media and civil society have played an important role in the temporary failure of Russia's strategy in Moldova, making it a permanent task to monitor and combat propaganda.

In Chisinau this year, the authorities and civil society felt that the Republic of Moldova has to stand on its own against this unprecedented wave of disinformation and corruption.

The European institutions have been busy with the European Parliament elections and negotiations for the formation of the new European Commission. Chisinau hosted an unprecedented number of visits this year by foreign heads of state and high-ranking officials - a veritable parade of support. But protocol messages of solidarity were not likely to translate into votes and immunity from misinformation for the ordinary citizens. In informal talks, Chisinau officials confessed that Moldova had asked for more involvement and crisis assistance, urgent and concrete. And European officials said, also informally, that the EU was not acting like Russia and did not want to impose its "love by force". Civil society and the media would have liked more pressure for good governance and transparency.

Eyes on Transnistria

The Republic of Moldova ends the year in a state of emergency - for

the first time in its history, a state of emergency has been announced on both banks of the Dniester. We have reached a new historical point, the one where experts ironically said that Transnistria's independence could be disconnected in a month or two for non-payment of energy bills. But will the fragile democracy of the Republic of Moldova survive, and especially how will it survive, in the face of this new historic challenge?

The energy crisis enthusiastically orchestrated by Russia against the backdrop of Chisinau's blunders and amateurism in securing winter supplies has profound geopolitical implications and there is practically no scenario in which it would not degenerate into a major social and political crisis throughout Moldova. With social discontent and direct and dramatic effects on next year's parliamentary elections.

Transnistria is no longer an intangible asset for the Kremlin, which seems to believe that the time has come to sacrifice it in order to destabilize and take over the whole Republic of Moldova. Shutting off free gas to the region on January 1, 2025 would mean the collapse of the economy and social system of the region of just over 360 thousand inhabitants.

At the moment, Chisinau does not seem to have a viable solution for the reintegration of Transnistria, it does not have the vision, but especially the money and human resources needed to reorganize Transnistria.

The region is still living in a deep Soviet era, starting from the energy sector, the equipment at enterprises,

the social structure. There are tens of thousands of people there who all their lives ran with guns on polygons in the Transnistrian and Russian armies, worked in the KGB and local militia and see Moldova as their main enemy. There are 148,000 pensioners, 62,000 unemployed and some 3,000 prisoners. An impoverished region with an uncompetitive and unmodernised economy that has never paid for energy is a questionable asset. So is an influx of 10-15 per cent pro-Russian electorate connected exclusively to Russian disinformation.

Chisinau is barely coping with the social challenges on the territory it controls, and assimilating Transnistria now would mean the collapse of the Republic of Moldova. Experts have calculated that it would cost €400 million a year to compensate for the reintegration of Transnistria in the energy sector alone, without other economic and social costs.

Towards the EU with or without Tiraspol?

Given these facts of the matter, the authorities in Chisinau would prefer

the scenario in which Moldova integrates into the EU without Transnistria, and then work with development partners to modernize and align the realities there to EU standards.

Even if Gazprom resumes supplying Transnistria with limited gas stocks, they will not be enough to produce electricity for Moldova, and Chisinau will have to buy much more expensive on European markets. And higher prices will hit every inhabitant of the country.

The big problem now remains the infrastructure for importing electricity and the lack of sufficient interconnection capacity with Romania. Technically, this is the last year Moldova is so vulnerable to Moscow's energy blackmail.

At the end of next year the construction of the Vulkanesti-Chisinau high voltage line will be completed, which will allow sufficient imports from Romania. At the moment, the low voltage lines are able to carry only a part of the consumption needs, under which conditions savings will be resorted to and blackouts and disconnections are not excluded, Prime Minister Dorin Recean announced.

Moldova's external partners need to be prepared for emergency assistance. Romania has announced that it will cover the energy deficit, and the EU and other partners need to prepare financial assistance to compensate the population for the cost of energy bills, as well as humanitarian assistance in case of a real crisis in Transnistria - generators, medicines, food, evacuation of vulnerable people.

The year 2025 will bring new developments on the Ukrainian front, and we will see what the peace talks that are announced after Donald Trump's inauguration in the White House will bring to the region.

Poland will take over the EU presidency on January 1, which will speed up accession negotiations with Moldova and Ukraine.

The completion of interconnections with Romania will create the conditions for guaranteed electricity supplies to Moldova, but the problem of high prices will remain.

And, in the fall, we will have a new parliament, when we will understand whether the Republic of Moldova will remain on the European vector or risk a new period of stagnation in its history.

2024: Milestones and lessons from an important political year for Moldova's European future



The political year 2024 was dominated by preparations and calculations for the presidential elections and the constitutional referendum on EU accession. Political parties in the ruling and opposition parties in Chisinau largely focused their efforts on achieving the best possible electoral score in the presidential elections, which were seen as a general rehearsal for next year's parliamentary elections. At the same time, the constitutional referendum was a test of maturity for the Moldovan political class and Moldovan society, demonstrating both the progress made in recent years and the problems that persist.

Beyond these aspects, the political competition in 2024 was marked by Russia's extensive interference in the electoral process in our country. Unlike in other elections, Moscow, through its proxy agents in Chisinau, invested much more extensive resources in electoral corruption schemes and exploited shortcomings and vulnerabilities among public institutions designed to ensure the security and integrity of the electoral process.

EU membership referendum conclusions

The 'narrow' success of the EU accession referendum is an important step for Moldova's European sustainability. The stakes of this referendum for the European integration of our country will be measurable over time, depending on the duration and dynamics of the accession process. The amendment of the Constitution and the inclusion of European integration as a 'strategic

objective' of the Republic of Moldova does not provide any guarantee of our country's accession to the EU, but it confirms the adhesion of our people to the identity, political and economic space of the EU bloc.

The results of this referendum have shown that the dissociation between European integration and political actors has become increasingly pronounced in recent years. Even if the initiative to organize this referendum was eminently political, taken by President Maia Sandu, the number of supporters of the «yes» option in the referendum was 92 thousand or 14% higher than the score obtained by Maia Sandu in the first round of the presidential elections. According to a poll published in December, some 24% of Renato Usatii's voters and 11% of Alexandr Stoianoglo's voters voted «yes» in the referendum. These data demonstrate the lack of a so-called «monopoly» on European integration held by the current government and should encourage pro-European opposition political parties to invest more efforts to increase their electoral score.

At the same time, the referendum results underlined the inability of pro-European parties to engage in a sustainable and consistent dialogue with Moldovan citizens in regions such as Gagauzia or Taraclia, where the «yes» option was supported by only 5.16% and 7.96% of voters respectively. The absence of territorial party organizations and of a vision of continuous communication with the citizens of these regions creates the preconditions

for keeping these voters in the electoral pool of pro-Russian parties. On the other hand, the surprise of this election came from voters in the Transnistrian region, more than 31% of whom supported EU membership.

Even though 12 political parties signed the «Pact for Europe» at the end of May this year, a document intended to contribute to the objective of Moldova's European integration into the EU, few of them have fully engaged in supporting and promoting the referendum at national level. The strategy of the pro-European parties on the referendum was designed in the logic of the presidential elections, and their common front in managing the electoral campaign for the referendum was completely lacking. On the other hand, the information campaign organized by the "Citizens for Europe" civic initiative managed to reach more than 100 localities in 26 districts of the country, which is a salutary achievement for building social cohesion on the European integration dimension.

Lessons from the presidential elections

The victory achieved by Maia Sandu with the votes of more than 55% of the voters present at the polls in the second round of the presidential elections was facilitated by the record mobilization of voters in the diaspora, where more than 82% of voters or about 270 000 people showed their support for the current

president. In contrast to the second round of the 2020 presidential elections, President Maia Sandu obtained around 13 000 fewer votes in the second round of the 2024 presidential elections, a margin of less than 1%. However, at the constituency level across the country, the number of votes in her favour was about 40 thousand less than in 2020, showing a slight erosion of support for Maia Sandu by about 6% inside the country. In the diaspora, the number of votes for the head of state was almost 30 thousand or 12% higher than in 2020.

The results of the presidential elections have also brought to the fore the modest support of pro-European extra-parliamentary opposition parties. Octavian Țicu, the candidate of the "Together" electoral bloc, made up of the Dignity and Truth Platform Party (PPDA), the Party of Change (PS) and the League of Towns and Municipalities (LOC), received less than 1% of the votes. Tudor Ulianoschi, an independent candidate who has since become the president of the European Social Democratic Party (PSDE), got 0.52% of the vote, while independent candidate Andrei Nastase got 0.64% of the votes. The lack of genuinely pro-European political projects capable of attracting a protest vote against the current government was noticeable in the context of the presidential elections and may leave its mark on the construction of the future parliamentary majority.

In leu of conclusions

In the run-up to the parliamentary elections, the Moldovan authorities must combat Russian interference in the electoral process much more effectively. Investigating and punishing the coordinators of the network led by Ilan Shor must be an immediate priority for the investigative bodies. At the same time, effective communication with citizens in order to explain the risks they run if they accept electoral bribes must be well managed by law enforcement agencies. Last but not least, more efforts need to be invested in raising public awareness of Russia's intentions and objectives in the Republic of Moldova, especially in the context of the parliamentary elections.

At the political level, more parties are expected to enter the next Parliament than in the current legislature. Forming and maintaining a pro-European parliamentary majority will be a complicated task, as will the investiture of a stable government with as long a mandate as possible. The zero and assumed priority of any declared pro-European party must be to complete the accession negotiations by the end of the next legislature in 2029. This should be the starting point for discussions on the formula and government programme, built on principles and values worthy of a European state.

Energy blackmail - the Kremlin's foreign policy weapon in Moldova

Analysis by Sergiu Tofilat,
energy expert

Over the last two years, Moldova has stopped procuring Russian gas, managing to cover the gas consumption for the right bank from European suppliers. However, the country's energy security remains vulnerable in the event of a Russian gas cut-off for the Transnistrian region.

The unconstitutional regime in Tiraspol has survived solely thanks to de facto free gas deliveries from Gazprom. These are used to generate power at the MoldGRES power plant on the left bank of the Dniester, which supplies about 80 per cent of the energy consumption on the right bank.

These vulnerabilities continue to be used by the Kremlin as a blackmail tool against Moldova. In order to better understand the situation and the objectives pursued by the Russian leadership, we will analyse the situation in context.

Putin struggles to keep gas flowing through Ukraine

After Putin's energy blackmail against the EU from 2021-2022 failed, Gazprom is making consecutive losses for the second year: \$6.9 billion in 2023 and \$3.3 billion after 9 months in 2024.



Russian gas deliveries to the EU have more than halved: from 183 billion cubic meters in 2019 to around 30 billion cubic meters in 2023. Gazprom still continues to export gas to the EU through 2 corridors – Ukraine and Turkey– and the volumes are practically similar, 15 billion cubic meters per year. Therefore, with Russian gas transit to the EU halted, Gazprom will lose annual revenues of about \$6.5 billion and Putin will have less money to finance his military aggression.

Putin's primary goal is to keep Russian gas flowing through Ukraine. That is why pressure is being put on Kiev in various ways. Recently a group of companies from Hungary, Slovakia, Austria and Italy sent a letter to European Commission President Ursula von der Leyen

asking the EU to intervene in order to keep Russian gas flowing through Ukraine. In an initial version of the letter, Moldovagaz was among the signatories.

Moreover, in a letter of October 2024, sent by Moldovagaz to the Ministry of Energy, interim President Vadim Ceban considered "appropriate to continue negotiations at ministerial and sectoral level between Ukraine and the Republic of Moldova on the transportation of natural gas through the territory of Ukraine after 31.12.2024". A similar message that "Moldova needs to reach an agreement with Ukraine for the continuation of gas transit" is also spread by other political actors in the Republic of Moldova, such as former President Petru Lucinschi

Political blackmail against Moldova

The expiration of the gas transit through Ukraine is just a pretext used by Moscow to inflame the situation in Moldova. In fact, Gazprom could have terminated the contract with Moldovagaz as early as May 1, 2022, but did not do so. According to paragraph 10 of the latest agreement concluded in October 2021, there are four provisions allowing the Russian concern to unilaterally terminate the contract and stop deliveries.

One of the provisions refers to the settlement of the alleged gas debt of the right bank. The Russian side also raised this issue at the last meeting with the Moldovan delegation in St. Petersburg.

As Gazprom has a contractual obligation to deliver gas to the border with Moldova, it can use the alternative route through Turkey, where there is sufficient capacity available. In this regard, the Russian company was to participate in the auctions to reserve capacity on the trans-Balkan route (Turkey - Bulgaria - Romania) in January, but did not book any capacity. There is still the last and most expensive option – of daily capacity reservations for the following day, starting January 1.

If Putin fails to keep gas flowing through Ukraine, he could «sacrifice» the Transnistrian region to inflame tensions in Moldova ahead of parliamentary elections in 2025.

The left bank does not have the resources to procure gas and electricity at market prices, and stopping the “free” Russian gas means imminent economic collapse, which will degenerate into migration and humanitarian crisis.

The Right Bank is more resilient to gas supplies, but will have to resort to massive energy imports from Romania at much higher prices. The price of energy on the Romanian OPCOM exchange is triple the current contract price with the MoldGRES power plant. On top of that, Moldova will be able to buy energy from the Romanian exchange up to the commercial limit of 315 MW, and the excess will have to be paid for at even higher prices - FSkar, attributed to imbalance deliveries. However, Romania is willing to cover the energy deficit of the Republic of Moldova, and the commercial flow limit can be increased up to 395 MW.

Working scenarios

Thus, there could be several scenarios Moscow could be

playing out: (1) Limit gas deliveries to the left bank only for domestic consumption and avoid humanitarian crisis by allocating additional resources. In this case, the MoldGRES power plant will operate in a limited regime, and the Republic of Moldova will have to import energy from Romania and increase tariffs; (2) Stopping gas supplies for a short period (1-2 months), with similar effects as in the previous point; (3) Continuing deliveries under the existing regime of 5.7 million cubic meters per day, in order to prop up the unconstitutional regime in Tiraspol and keep Moldova dependent on energy produced on the left bank of the Dniester; (4) To definitively halt deliveries for an indefinite period, in order to provoke tension in the situation in the Republic of Moldova and favour the accession of pro-Russian parties to the government after the parliamentary elections in 2025.

However, every crisis also brings opportunities. In this case, stopping the supply of “free” gas to the left bank of the Dniester will pave the way for the reintegration of the two banks. This project can only become feasible with the support of external partners, in particular to maintain stability in the region, especially on the border with Ukraine.

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