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THE RELATIONS BETWEEN UKRAINE AND THE REPUBLIC OF MOLDOVA: PROSPECTS FOR 2020

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In recent years, the relations between Ukraine and the Republic of Moldova were quite often overshadowed by the elections in the countries. The respective rotations of the elites and personnel in the ministries in many cases were preventing efficient bilateral dialogue. The same is true for 2020, when the prospects of the bilateral dialogue are determined by a few factors. The crucial one is the upcoming election of the President the Republic of Moldova expected in the autumn.

1. THE KEY CANDIDATES AT THE UPCOMING ELECTIONS IN THE REPUBLIC OF MOLDOVA IN 2020 AND THEIR FOREIGN POLICY ORIENTATIONS

Currently, there is a high probability that the key competitors at the upcoming elections will represent the Party of Socialists of the Republic of Moldova (most likely - current President of the Republic of Moldova Igor Dodon) and the opposition block ACUM represented by ex-Prime Minister of the Republic of Moldova Maia Sandu.

The foreign policy orientation of the two candidates is completely opposite. Maia Sandu is known for her pro-European and generally pro-Western views. In a short period of being the Prime Minister of Moldova, Maia Sandu avoided arguing with her opponent President Dodon on geopolitical issues, however, she never questioned the necessity to implement the Association Agreement with the EU while launching reforms aimed at Moldova's compliance with the European norms and values.

On the contrary, Igor Dodon is rather leaning towards Russia. As a candidate back in 2016 and further in the period of his presidency, Igor Dodon was questioning the necessity and irreversibility of the European integration of the Republic of Moldova, "flirted" with Moscow and was seeking an observer's status in the Russia-driven Eurasian Union, and backed Russian peace-keepers in the Republic of Moldova (notwithstanding the fact that the governments of the Republic of Moldova and expert society of the country more than once insisted on transforming the Russian militarised peace-keeping mission in

the Transnistrian region of the Republic of Moldova into an international police mission). Nowadays, in an attempt to gain the support of the Moldovan voters (in particular those belonging to the "moderate camp"), the President of Moldova has changed his rhetoric from explicitly pro-Russian to a neutral one. His key message is the necessity to co-exist with the Russian Federation and with the EU and to benefit from both. The most recent example of the respective statements of the President of Moldova was his speech at the PACE winter session 2020, when he suggested that "The Republic of Moldova must have relations with everyone: with the West, the East, Europe, Russia, Romania, Ukraine. [...] only with such a balanced, pragmatic approach, coming from the national interests of the Republic of Moldova, our citizens will benefit".

The situation at the presidential elections 2020 in the Republic of Moldova is likely to be similar to the presidential elections of 2016 when Igor Dodon won the elections only with a slim margin (52.11% vs 47.89% gained by Maia Sandu). However, in 2020, the conditions differ significantly. In 2016, Igor Dodon was a relatively weak politician totally dependent on the relations with Moscow and on the support of the then strongest political figure, Vlad Plahotniuc. Now, the President has strengthened his positions in the Republic of Moldova. While still benefitting from the support of Russian President Vladimir Putin and Patriarch of

the Russian Orthodox Church Kirill, he also possesses additional leverages of influence within the country. His allies and/or proxies from the Socialist Party of the Republic of Moldova and politicians with the strong political ties to the President control key positions in the Republic of Moldova. The Prime-minister, the Speaker of the Parliament, the Head of the Constitutional Court, key ministers and the biggest faction at the Parliament of the Republic of Moldova as well as the mayor of Moldova's capital Chisinau are de-facto subordinated to the President (interestingly, that's a rare case in the history of the Republic of Moldova when the capital of the state is being controlled by a representative of pro-Russian political force - Socialist Party).

Also, Vlad Plahotniuc, who was counterbalancing Igor Dodon, fled Moldova in mid-June 2019, on the day his Democratic Party-led government fell from power. His assets in the Republic of Moldova, including media resources, are noticed as serving the interests and the purposes of President Dodon.

However, paradoxically, the concentration of power in the hands of the President of the Republic of Moldova and Socialists may eventually play a bad joke with them. Since other political players are not formally represented in the government, there is no one to share responsibility with. Therefore, in the case the economic and social situation does not improve before the elections, there will be only Socialists to blame and so it may have a negative impact on the electoral results of the President at the elections.

The opposition is much weaker in comparison to 2016. The attempt of Maia Sandu and Andrei Nastase to ally with the Socialist Party proved to be counterproductive. Although it resulted in the collapse of Plahotniuc-dominated "captured state," Maia Sandu did not get a chance to implement irreversible reforms and to assure the European path of the Republic of Moldova. Her desire

to achieve progress in the field of the reform of justice resulted in her resignation supported and fuelled by both the Socialist Party and the Democratic Party.

Moreover, within the upcoming presidential campaign as an ex-Prime-minister, she might be blamed for her low achievements in different areas. The experience of the controversial coalition with the Socialists in 2019 may also backfire. Some representatives of Maia Sandu's core electorate may not excuse her for allying with Socialists, enabling Igor Dodon to gain control over many crucial spheres and institutions, and providing Socialists with the votes necessary to elect Zinaida Greceanii as a Speaker of the Parliament of the Republic of Moldova.

Another important factor that may affect the results of the elections is the ability of the ACUM leaders to ensure the unity of the block. Sandu's ally Andrei Nastase failed to win the municipal elections in Chisinau, and thus the ruling Socialist party has a stronger position in the capital. His political force - the Political Party "Platform for Dignity and Truth," is on the decline. However, Andrei Nastase has a strong political ambition, and that may inspire him to ruin the ACUM block and to run a campaign of his own. If he does, that may disperse the electorate of ACUM between two leaders and, accordingly, minimise the chances for both of them.

Certainly, ACUM's single candidate may still expect the support of the Moldovan Diaspora. However, their votes may not be decisive at the Presidential elections. Even though, success is possible if Maia Sandu will be able to instrumentalise the losses of Socialists in the economic area, prove the corrupt nature of the ruling regime, and suggest feasible alternative politics.

2. THE POSSIBLE IMPACT OF THE CAMPAIGN ON MOLDOVA'S RELATIONS WITH THE NEIGHBOURING COUNTRIES: SCENARIOS

The presidential campaign in the Republic of Moldova most likely will further polarise society. "Romanian threat" and "Russian threat" may be used by the politicians effectively for mobilising their electoral groups. Russian meddling into the elections cannot be excluded. Pro-Russian forces can also use the Transnistrian card (by providing preferential treatment to the Moldovan passport holders from the Transnistrian region, assuring their transfers to the polling stations, and bribing them as it was already observed at the parliamentary elections in 2019). The presidential candidates following the pattern of 2016 may make controversial declarations that eventually can have an impact on the bilateral relations with neighbouring Ukraine and Romania.

Under such circumstances there are few possible options for Ukraine in the bilateral relations with the Republic of Moldova:

a) "Reconciliation scenario"

President Dodon more than once expressed the desire to reload the relations with Ukraine, significantly hampered by his statement voiced during the previous presidential campaign in which he questioned the territorial integrity of Ukraine and Ukraine's sovereignty over Crimea. Igor Dodon believes that there are better chances to reload the relations with new President of Ukraine Volodymyr Zelensky than with previous President of Ukraine Petro Poroshenko who abstained from any dialogue with the President of Moldova and concentrated on cooperation with the government of the Republic of Moldova.

In May 2019, the two Presidents, Igor Dodon and Volodymyr Zelensky, had a telephone conversation during which, according to the Moldovan President, they discussed bilateral relations in various fields of mutual interest. The interlocutors also agreed to hold a bilateral meeting and discuss topical issues in the near future. Obviously, the Moldovan leader signalled his readiness to reconcile with Ukraine. However, the possibility of the bilateral meeting of the Presidents was criticised by the expert society in Ukraine.

Indeed, the "reconciliation scenario" has some pros. In the light of probable re-election of President Dodon for a second term and his strong positions in the Republic of Moldova, and bearing in mind that in case of likely snap parliamentary elections in the Republic of Moldova the Socialist Party has good chances to increase its presence in the Parliament of the Republic of Moldova, President Dodon will have a decisive role in shaping the policies in the Republic of Moldova, including the foreign policy. Moreover, President Dodon may suggest some concessions to Ukraine as the "price" for a meeting with the Ukrainian President prior to the elections.

But there are some important cons too. First, it cannot be excluded that the President of Moldova may utilise the meeting with Volodymyr Zelensky for his campaign purposes but later reject any concessions to Ukraine and fail to keep his promises. Second, there is no proof that President Dodon will be able to conduct foreign policy without Russian influence and therefore it is still doubtful whether Ukraine can consider him an independent player or just Putin's proxy. Third, there is a risk that during the electoral campaign and afterwards President Dodon will propel the efforts to settle Transnistrian conflict on the Russian terms (Transnistrian settlement is among the priorities of President Dodon, and some of the related ideas supported by him contradict Ukraine's interests, e.g. a special status for the secessionist region, legalised presence of the Russian troops in the Ukrainian direct neighbourhood, etc.). That may create precedents unacceptable for Ukraine, and cooperating with President Dodon indirectly will mean Ukrainian consent on applying the mentioned precedents in Ukraine in the future.

b) "Confrontation scenario"

Bearing in mind the pro-Russian positions of the Moldovan leadership and the risks they pose, Ukraine may follow a confrontational pattern currently applied by Romania. In January 2020, Romania's Prime Minister Ludovic Orban during his visit to Brussels declared that what happened in the Republic of Moldova after the Government led by Maia Sandu fell is "devolution". He also emphasised that in talks with European officials he urged them to look with maximum circumspection

and maximum exigency at everything that happened in the Republic of Moldova, and, basically, if the commitments it made regarding the European orientation of the country were not respected, the European Union and the European Commission should react accordingly. Romania's President Klaus Iohannis on 16 January 2020 at the annual meeting with diplomats accredited in Bucharest also declared that "Romania has continued in the Republic of Moldova only the projects directly benefiting the citizens" and urged the new Government in Chisinau to pursue visible reform, especially in the areas of justice and anti-corruption, in order to unblock full cooperation. One may speculate that such an approach is being applied by Orban's government and President Iohannis in order to motivate those Moldovans who hold Romanian passports to vote for their political force, PNL, at the upcoming snap elections in Romania. However, the key rivals of PNL – the Romanian Party of Social Democrats (PSD) – also are not enthusiastic about the Moldovan leadership and its current policies.

If Ukraine sides with Romania, that will provide an added value and leverages of influence on the Republic of Moldova since Ukraine and Romania are the only two neighbours of the Republic of Moldova. Also, there is a high probability that such an approach will find support in Brussels. Moreover, allying with Romania on the Moldovan case may eventually contribute to strengthening mutual trust between Kyiv and Bucharest.

The weak side of this scenario is the risk of being blamed for direct or indirect interference into the internal affairs of the Republic of Moldova (as well as implicit support to the Moldovan opposition) and thus influencing the electoral results. It is likely that Russia will also speculate that Ukraine's siding with Romania questions its status of an unbiased mediator in the process of Transnistrian settlement.

Besides, in order to implement such a scenario and efficiently ally with Bucharest, Ukraine has to resolve some bilateral issues with Romania. There is an obstacle in the current Ukraine-Romania relations that can undermine their close and coordi-

nated policy towards the Republic of Moldova. It is the protracted issue of Article 7 of Ukraine's Law on Education, which was only partly resolved by the recently passed Law on Secondary Education. That causes a certain lack of trust in the bilateral Ukraine-Romania relations and slows down progress and cooperation in other fields, including the case of Moldova.

Finally, unlike Romania that has financial instruments of influence and also may use its membership in the EU for additional pressure on the Republic of Moldova, Ukraine possesses only limited, mostly political, tools of influence on Chisinau.

There is also a risk that, by pushing too hard and by confronting the regime of Dodon, Romania and Ukraine may cause further and deeper cooperation of the President of Moldova with the Russian authorities and his reliance on the Russian support, and thus the effect of pressure will be opposite to the desirable.

c) "Compromise scenario"

The Ukrainian leadership may further abstain from direct contacts with President of the Republic of Moldova Igor Dodon while continuing cooperation with the government. That's the pattern Ukraine applied in its relations with Moldovan ex-Prime-ministers Pavel Filip and Maia Sandu. By applying such an approach, Ukraine will not demonstrate its support of President Dodon but simultaneously will leave the window of opportunity for cooperation with the Republic of Moldova open. Any progress in terms of bilateral cooperation will be dependent on Moldova's ability to proceed with European integration and ability to deter Russian influence on its territory.

By applying this option, Ukraine will gain additional space for manoeuvre, will not fuel further deterioration of the relations at the level of political leadership, and will provide opportunities for solving burning issues in the bilateral relations, e.g. the environmental issue. At the same time, there are risks similar to the risks outlined in the first scenario.

Anyway, there are also few unlikely scenarios which nevertheless cannot be excluded:

d) “Ceremonial President”

In case Maia Sandu and ACUM mobilise their resources, benefit from the failure of President Dodon and Socialist Party, and utilise the support of the Western countries, it can help them to win the elections. For Maia Sandu, it will be a success since it will bring her back to power and provide with certain tools of influence. Still, however, a lot will depend on the composition of the Parliament. Being the President of Moldova without a majority in Parliament is a challenge. Even if Igor Dodon loses elections, he can still use his faction and Prime Minister subordinated to him to block Sandu’s initiatives. Moldovan history also proves that even the President’s “veto” power is limited. If the President rejects governmental proposals more than once, then the Constitutional Court may get involved. Since this institution is controlled by Igor Dodon, usage of the Constitutional Court for limiting Maia Sandu as a President cannot be excluded.

In the bilateral relations with Ukraine, that would mean that there will be no obstacles for the contacts at the presidential level. However, the President of Moldova will have only ceremonial power, which will be not enough to ensure dynamic and efficient cooperation. Basically, the President of Moldova will not be even able to block the pro-Russia pivot of the country - the Parliament and the government will have the power to decide on that.

e) “Pro-European Moldova”

Another even less likely scenario is the victory of Maia Sandu at the presidential elections followed by snap parliamentary elections where pro-Western parties will get the majority of votes. Such a scenario will most probably ensure European integration of the Republic of Moldova, unblock its dialogue with Ukraine and Romania, and open new windows of opportunities for regional initiatives with the participation of Moldova. However, to ensure this scenario, the ACUM bloc and pro-Western parties of the Republic of Moldova have to unite their efforts immensely. Otherwise, the probability of such a scenario is close to zero.

3. TOPICAL ISSUES OF THE BILATERAL COOPERATION

Despite the sensitivity in the bilateral relations caused by the electoral process in the Republic of Moldova and murky prospects of its geopolitical cooperation, there are some fields that are at the first glance only indirectly influenced by the intensity of political dialogue. These are the economy, environment, and energy.

1) Economic cooperation: opportunities and obstacles

In the area of economy, there is certain progress in the bilateral relations. In 2014, the trade turnover between the two countries reached \$

However, according to the latest available data, the level of the bilateral trade turnover decreased again, down to \$749,267,000, during January–November 2019. The ambitious goal to have \$1 billion trade turnover, announced by the President of Ukraine back in July 2019, was not reached.

Moreover, back in May 2019, the Inter-Ministerial Commission on International Trade made a decision to impose anti-dumping duties on import of cement clinkers and Portland cement from Russia, Belarus, and Moldova to Ukraine. The Economic Development and Trade Ministry of Ukraine noted the presence of dumped imports from these countries in 2015–2018. At the same time, the share of imports of cement clinkers and Portland cement from Russia, Belarus, and Moldova in the total volume of import of these goods to Ukraine throughout the study period has been steadily increasing, indicating a probable further increase in the volume of dumped imports from these countries. Consequently, the decision was taken to apply an anti-dumping duty of 114.95% for the goods originating in the Russian Federation; 57.03% for the goods originating in Belarus, and 94.46% for the goods originating in the Republic of Moldova. The decision is to be valid for the next five years unless any other decision will be negotiated in bilateral talks between Ukraine and the Republic of Moldova. The existing mechanism of

the Mixed Ukrainian-Moldovan Intergovernmental Commission for Trade and Economic Cooperation provides a window of opportunity for further negotiations. Co-chairs of the Commission – Minister of Social Policy of Ukraine Yulia Sokolovska and Vice Prime Minister of the Republic of Moldova, Minister of Finance Serghei Pușcuța – met in Kyiv on 30 January 2020, and the next session of the Commission is expected in March 2020 in Chisinau.

One of the initiatives that can give an additional impetus to economic cooperation is to create tools for the functioning of the Free Trade Area between GUAM countries (Georgia, Ukraine, Azerbaijan, and Moldova). The idea to launch a full-fledged free trade area between the GUAM member states was voiced by Prime Minister Volodymyr Groysman in 2018.

During the December 2019 GUAM summit in Kyiv (attended by Prime Minister of Georgia Giorgi Gakharia, Prime Minister of the Republic of Moldova Ion Chicu, and Deputy Prime Minister of the Republic of Azerbaijan Ali Ahmadov), Prime Minister of Ukraine Oleksiy Honcharuk also emphasised that, alongside the implementation of the concept of the GUAM Transport Corridor, it can significantly enhance economic cooperation between the countries of the region. However, in this case, political will and courage are required to implement the initiative in spite of a probable reaction of the Russian Federation. Both the Republic of Moldova and Georgia may be hesitant to make fast moves toward strengthening the GUAM cooperation mechanism in order to avoid any escalation of tension in their relations with Moscow.

2) Cooperation in the field of energy security

Another promising field of cooperation is the energy sector. There is certain progress in this field. Back in 2017 at the meeting of the Central and South-Eastern European Energy Connectivity (CESEC) Initiative, nine EU Member States (Austria, Bulgaria, Greece, Croatia, Hungary, Italy, Romania, Slovenia, and Slovakia) and eight Energy Community Contracting Parties (FYROM, Serbia, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, Kosovo, and Moldova) agreed on a joint approach to electricity markets, energy efficiency, and renewable development

and established a list of priority projects to build an interconnected regional electricity market. Also, on 28 June 2017, Ukrenergo signed the Agreement on the conditions for the future interconnection of the power systems of Ukraine and Moldova with the power system of Continental Europe, which consists of the Catalogue of Measures, a list of required studies and the Roadmap. Interconnection of the integrated power system (IPS) of Ukraine with ENTSO-E is provided within a joint control block with the power system of Moldova. In 2019, the ENTSO-E Project Group Ukraine-Moldova conducted a number of studies and tests aimed at defining the best technical model for the interconnection of the power systems of Ukraine and Moldova with the power system of Continental Europe ENTSO-E.

Besides, Ukraine and Moldova were able to cooperate efficiently in the field of gas supplies. In 2019, Ukrtransgaz offered Moldova to mitigate the potential risk of possible disruption of natural gas transit from the Russian Federation and guarantee the security of gas supply to Moldovan consumers by means of using the capabilities of the Ukrainian gas transmission system. Ukrtransgaz also offered Moldova its underground gas storages to accumulate insurance gas volumes to ensure uninterrupted gas supply in winter 2019/2020. The capacity of the Moldova-Ukraine interconnectors allows transportation of up to 15 million cubic meters of gas per day, which fully covers the needs of consumers in Moldova.

In December 2019, GTS operators of Ukraine and Moldova signed an interconnection agreement and contracts on gas transmission via the territories of Ukraine and Moldova for cross-border consumers of both countries. Also, during the 17th meeting of the Energy Community Ministerial Council, held in Chisinau on 13 December 2019, Moldova and Ukraine signed a Memorandum of Understanding on cooperation in the area of Security of Gas Supply. Both countries agreed to inform each other immediately in case of a national gas crisis. The signatories of the Memorandum will endeavour to work together and examine how their national emergency measures might be applied in a coordinated manner in order to ensure gas supplies to the citizens of both countries.

However, as in the case of economic cooperation, a lot depends on the political will to continue cooperation under the EU umbrella and in accordance with the European norms and regulations. In case of Moldovan pivot toward Russia, the existing plans for cooperation and common projects may be questioned.

3) Environmental issue

One of the most burning issues in the bilateral relations is the environmental one. Starting from 2013, both Moldovan and Ukrainian ecologists as well as the OSCE highlight emerging problems at the Dniester River. In this regard, the OSCE has launched the initiative "The change of climate and security in the Dniester basin" under the umbrella of the UN ENVSEC Initiative. The situation further deteriorated in 2016 when the ecologists from Moldova reported that the level of water in the Dniester reached critical indicators that may result in a cut of water supplies to Chisinau. The Moldovan side was blaming Ukraine for limiting water flow from Ukraine-owned water reservoirs. In its turn, Ukraine blamed Moldova for contamination of the river by Moldovan cities (in particular Soroca).

Furthermore, Ukrainian decision to build six more hydro-electric plants on the Dniester, taken in summer 2016, caused the eventual risk of the lack of water supply not only to Moldovan cities, including Chisinau, but also to Odesa in Ukraine. There was certain progress in 2017 when Ukraine and Moldova expressed readiness to request the European Commission to analyse Ukraine's plans on construction of new hydroelectric power plants on the Dniester and the Parliament of Ukraine ratified the Intergovernmental Ukraine-Moldova Treaty on cooperation in protecting and developing the river's basin. However, the issue is far from being solved. The debates at the First Ukraine-Moldova Expert Forum in January 2020 proved that both parties were lacking trust in each other. There is a definite need for enhanced dialogue among ecologists, energy companies, and relevant authorities in both countries with the participation of international observers and mediators.

Chances are high that in case the "compromise scenario" or the "Pro-European Moldova" scenario are

realized, the issues in economic, energy and environmental fields may be eventually resolved (although in some cases, with the participation of international mediators). In case the countries follow the confrontation scenario, the problems will be most probably deadlocked. In case of the reconciliation scenario, there are some chances for improvement; however, the guidelines for the resolution of the bilateral issues may be written in Moscow rather than in Kyiv and Chisinau and will not comply with the European norms and values.

Also, relations with the EU and readiness to enhance regional cooperation notwithstanding Russian objections can be a driver of progress in the bilateral relations. Moldovan pivot toward Russia, on the contrary, may result in further deterioration in relations with Ukraine, Romania, and the EU.

Summarising, presidential elections in the Republic of Moldova and relations of the Ukrainian leadership with President Dodon play a crucial role for the prospects of the bilateral relations between Ukraine and the Republic of Moldova. The issues to be resolved in the bilateral relations are in the shadow of the elections.

While elaborating policy towards the Republic of Moldova, Ukraine has to take into consideration the dynamics of the electoral process, Russia's likely meddling in the electoral process, and Romania's and the EU's approach to the Republic of Moldova and its leadership. All pros and cons have to be taken into consideration. Any improvement of relations with the Moldovan leadership should depend on the situation with democracy in the Republic of Moldova and the Moldovan political elites' willingness to continue European integration of the Republic of Moldova.

The role of civil society in this regard is to monitor the situation as well as elaborate and advocate recommendations that will prevent Moldova from shifting to an authoritarian pro-Russian regime and enable the Ukrainian and Moldovan governments to find win-win solutions and ensure European integration of both countries.