



How Bucharest can Support Pro-European and Reform Agenda in the Republic of Moldova

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Executive

The Republic of Moldova is entering a new stage of reconstruction, after the July elections result, which brings a pro-European parliamentary majority to a reforming president. External partners have already announced their support. Romania has a crucial role in supporting Chisinau, directly - through financial assistance or strategic projects, and indirectly - by supporting the reforms to be undertaken by the current power. The Romanian Centre for European Policies and the Foreign Policy Association analysed the priorities taken on by the Romania - Moldova Strategic Partnership launched on April 27, 2010, the recent actions taken in Bucharest and the immediate needs of Chisinau, and publishes today the short-term action priorities to support the reform agenda of the Republic of Moldova.

Throughout a decade of Strategic Partnership, Romania has become the main trading partner, as well as an influential political ally for the Republic of Moldova. Romania has established itself as an active and loyal supporter for Chisinau within the EU and is today among the most important development partners of the Republic of Moldova. However, because of the lack of genuine reforms towards advancing the European agenda of the Republic of Moldova, the potential of the Strategic Partnership has yet to be fully harnessed.

The election of Maia Sandu as President of the Republic of Moldova in November 2020 and the victory of the Action and Solidarity Party (PAS) in the parliamentary elections of July 11, 2021 radically changed the political context. This gave Bucharest and Chisinau the chance to relaunch the Strategic Partnership for European Integration of the Republic of Moldova, drawing new perspectives for the further evolution of the bilateral partnership.

This repeated victory creates the expectation that the Republic of Moldova will quickly adopt a pro-reform agenda, will give a strong impetus to the fight against corruption and will uncouple the corrupt system in Chisinau from the state resources. However, resistance to reform is extremely high as the country is riddled with corruption and organized crime. Winning the election only sends out the first signal that power is no longer in the hands of a small group of oligarchs and that, after many years, Chisinau can really take on the anti-corruption message.

Such a paradigm shift will meet with resistance both inside and outside the system. There are many stakeholders wanting to keep Moldova in a gray area. It is no less true that Moldova needs an extremely well-prepared human resource to be able to manage a reform agenda, and this resource is increasingly limited in a country that is massively affected by migration and systemic corruption. Those reformists willing to support the agenda promoted by Maia Sandu will be difficult to find in the public administration, in the judiciary or in the state-owned companies in Moldova, but outside the public system as well.

Now the level of ambition that PAS will assume politically on major issues is to be seen, especially what it will be able to deliver from what it is set out to do. A young party, with people who mean well, but lack experience in managing unreformed public systems, will not be able to show results quickly. The political democracy, the inherent disputes of the government, to which interferences from anti-Western and anti-reform forces will no doubt be added, will test the coherence and efficiency of the government.

The Republic of Moldova needs now more than ever the support of Romania, the European Union and the United States for the implementation of the reform agenda promised by Maia Sandu.

Bucharest's support for the Republic of Moldova must continue and even speed up with technical and financial assistance in exchange for progress on the reform agenda. Maia Sandu is the best guarantor of potential reforms in Chisinau. If Bucharest's agenda really supports a pro-reform movement in Chisinau, it must focus on real, selfless support that will boost Chisinau's European path. The agenda and calculations of some politicians in Bucharest proved to be completely wrong as, until recently, not only did they not give any chance to Maia Sandu's victory, but they also ignored her anti-corruption program.

What Maia Sandu managed to do in Chisinau, that is to put in the background the cleavages intensely promoted by the Russian Federation and to propose an anti-corruption agenda and message, followed by massive popular support, must also be supported by Bucharest in its strategy for Moldova. Once a reformist politician enters the political struggle in Chisinau - Maia Sandu in the 2016 presidential election - they remain valid for Bucharest: Romania must support Moldova's Europeanization and reform through its deoligarchization, just as politicians in Bucharest must stop using Chisinau for electoral purposes.

After 10 years of Romania-Republic of Moldova Strategic Partnership, CRPE and APE (Association for Foreign Policy [ro: Asociația pentru Politică Externă]) proposed to come up with an assessment from the perspective of the civil society on what this bilateral agenda has brought regarding each of its major objectives, in order to show the synopses and their causes as well as come up with proposals for the future. It is clear that the challenges that the Strategic Partnership set out to address 10 years ago are different from the current and future ones. What prevails in this assessment is the urgency of some measures and the importance to adapt some initiatives to the immediate needs from the reform agenda. Chisinau promises to deliver this reform agenda with the help of the parliamentary majority obtained historically after the July 11 elections.

1. A new agreement instead of the EUR 100 million agreement

The agreement between the Romanian and Moldovan governments on the technical and financial assistance program based on a non-reimbursable financial aid amounting to EUR 100 million signed in April 2010 is no longer valid as of March 2021. A new agreement needs to be negotiated and talks should begin immediately after the installation of the new government in Chisinau. It was thought to financially support strategic and large-scale projects for the Republic of Moldova.

Ten years after the entry into force of this agreement, however, about EUR 60 million from this fund remain unspent. The double play of the former political power in Chisinau that mimicked reforms along with corruption scandals that devastated the country's economy brought one by one the blocking of financial assistance and additional conditionalities to grant foreign aid to the Republic of Moldova. As an EU member state, Romania could not have done otherwise. Despite the insistence of the Romanian side, the government in Chisinau did not give Bucharest a timely answer and did not accept conditionalities that would stimulate essential reforms; therefore the extension of the agreement was no longer possible.

2. A development fund for the Republic of Moldova

The availability of the government in Bucharest to provide reimbursable financial assistance, amounting to EUR 150 million, was not fully harnessed either. The creation of a *development fund*

for the Republic of Moldova would have the role of supporting, complementarily or *in extenso*,

reforms that Chisinau will assume through the Economic Recovery Plan. Supported by the EU, with a value of EUR 600 million, this plan comes with macro-financial assistance, investments and grants for post-COVID recovery. Experts close to the reformist forces in Chisinau stated for CRPE and FPE that the reimbursable assistance funds should be used in projects of strategic importance for the Republic of Moldova, and not only as a support for the budget.

It is also important to identify, among the objectives of the Recovery Plan, the priorities that can be supported by Bucharest. A new commitment on reimbursable and non-reimbursable bilateral financial assistance can be initiated by March 2022 with all necessary approvals in Parliament. The Republic of Moldova is expected to negotiate a new cooperation program with the IMF, which would unblock financial assistance packages and send a signal of credibility to strategic partners and Romanian and foreign investors. Bucharest, in its turn, in close negotiations with the Moldovan side, must establish the areas and priorities of intervention that it can take on.

3. Completion of major impactful projects for the Republic of Moldova

The advancement and completion of large strategic infrastructure projects that would ensure the connection of the Republic of Moldova through Romania to the EU energy system and common economic space are crucial for the energy security and independence of the Republic of Moldova. Romania, with its own funds and a substantial contribution from the European Union and international creditors, has managed to complete important parts of these objectives.

The Iasi-Ungheni-Chisinau gas pipeline, completed in July 2020, has increased the degree of interconnection and contributes to the diversification of energy sources, which is extremely important for the Republic of Moldova. This interconnector, connecting the Republic of Moldova to the European gas transmission system, is an important step in ensuring energy independence and supply security for a country that is 90% dependent on Russian energy sources. However, currently, the Iasi-Ungheni-Chisinau gas pipeline has an operating capacity of 60 to 70%. Additional technical works are necessary to ensure its full use. The supply and sustainability of deliveries remain challenges so far without clear answers from Romania and EU's plans to connect to alternative systems.

It is also necessary to speed up the works to connect the energy system of the Republic of Moldova with the European Network of Transmission System Operators for Electricity (ENTSO-E), a project initiated in partnership with Romania. Regarding the integration of road transport infrastructure with Romania and the EU, several projects need to be carried out as soon as possible: to consolidate the Galati – Giurgiulesti road bridge, to rehabilitate the Galati – Giurgiulesti railway bridge, and to build road bridges from Leova and Ungheni, which will later connect the Republic of Moldova to the Union Highway.

4. Investments and support for the economy of the Republic of Moldova

The strategic investments of Romanian companies in the Republic of Moldova, either with majority state capital or private ones, are modest. There was intense discussion in Bucharest about the participation of Romanian companies in strategic areas in the Republic of Moldova (gas, energy, telecommunications), but Chisinau remains dependent on Russian gas and electricity from the Cuciurgan power plant in the Transnistrian region.

This reality is in contrast with the annual increase in trade between the two states. Bucharest must take on an investment program in the Moldovan economy, especially in the strategic sectors and support the private companies present in Romania to expand their activity across the Prut. There are pertinent arguments for the reluctance with which Bucharest was involved - democratic deficit, major corruption scandals, banking system exposed to money laundering, politically subordinated justice. But the plans and ambitions are not in line with the needs and potential.

Apart from these objectives, most of which with an already advanced progress, it is necessary to identify high-impact projects for the citizens of the Republic of Moldova. Vaccine donations at a time when the need was huge, the aid provided by Romania to farmers in the Republic of Moldova facing drought in 2020 consisting of diesel (a total of 6,000 tons of diesel was promised in the form of aid) were highly appreciated, said Chisinau officials consulted by CRPE and FPA.

5. Medical assistance to limit the impact of the COVID-19 pandemic

The Republic of Moldova has faced a shortage of vaccines against COVID-19, the vaccination campaign being initiated late and only after substantial donations from Romania, EU countries, the United States or the COVAX platform. The pandemic once again highlighted the limits in technical, financial and human resources of the medical system in Chisinau, affected by a massive migration of medical staff to Romania and other EU countries and the lack of essential equipment (fans, intensive care beds, laboratories). This shortage was felt especially at the district level where Moldavian hospitals were overwhelmed by the magnitude of the pandemic.

Thus, it is necessary to continue a support program in the medical field, correlated with the needs of the Republic of Moldova, agreed at the level of ministries of health, public health institutes and public health advisers within the presidential administrations with priority on

(1) training programs, exchange of experience and paid internships for medical staff; (2) reimbursable and non-reimbursable financing programs for the procurement of medical equipment, especially for district medical units; (3) continuation of the vaccine donation program or, in case of availability and requests from Chisinau, its sale; and (4) technical support to improve the capacity of laboratories from Chisinau for sequencing the genome of the COVID-19 virus; (5) technical support for the institutional strengthening of the National Agency for Public Health (ANSP) which is facing a shortage of medical staff, including epidemiological specialists.

6. How Romania can support the Republic of Moldova in Brussels

The relationship between the European Union and the Republic of Moldova has been rather cold over the recent years, with funding programs suspended due to lack of undertaken reforms, the cancellation of local elections in Chisinau and fears that funding is being used to fuel corruption schemes. The election of Maia Sandu as president was followed by a "thaw" of the relations, including a massive package of support for the Republic of Moldova amounting to EUR 600 million, the first non-EU country to be offered such a program.

The Eastern Partnership Summit will take place in December 2021 and it is an ideal time to correlate the financing and reform needs of the Republic of Moldova with the proposed new directions of the European Union for the Eastern Neighbourhood: (1) economic development and better connectivity; (2) investment in the green transition; (3) investment in digital transformation; (4) the fight against corruption and the reform of the judiciary; (5) inclusive and open societies. Romania

needs to correlate its financing and reforms support programs with the priorities already presented by the European Union.

Unfortunately, Romania has a low experts and expertise presence in technical assistance projects carried out in the Republic of Moldova by the European Union, as well as in twinning projects. The fact that Romania and Romanian experts are not present in the technical projects in Chisinau is in opposition with the message promoted by Bucharest. They can also be promoted bilaterally in order to support Moldovan expertise in accessing European funding programs.

The new political context in Chisinau is also a good opportunity for Bucharest to initiate the relaunch of the Group for European Action of the Republic of Moldova (GAERM) created in 2010 at the initiative of Romania and France, with the purpose of promoting the interests and visibility of Moldova on the European agenda.

7. Combating media misinformation in Chisinau

Chisinau remains a testing ground for the projection of the Russian influence in Eastern Europe, with real vehicles in the media to promote Russian and anti-European narratives. Moldova has no antibodies to fight against the Russian propaganda. It is one of the countries that are most exposed and vulnerable to Kremlin's information war. Most televisions are dominated by content in Russian. All major Russian channels are broadcast in the Republic of Moldova, compared to the missing Romanian ones.

In Chisinau, TVR Moldova remains a minor player in the media space. It has an extremely low share and often broadcasts programs from Romania unrelated to the Republic of Moldova. The Romanian TV stations that are broadcast in Chisinau are also few in number. However, Romania has set for itself the key objective to support media content through bilateral assistance programs. There is a need to rethink TVR Moldova's strategy and its extensive support program in order to counter pro-Russian propaganda in the Republic of Moldova, coupled with the development of support programs for quality TV, radio and media channels in the Republic of Moldova.

8. Eliminating roaming costs between the Republic of Moldova and the European Union

Roaming costs between the Republic of Moldova and Romania, respectively the European Union, remain high. Discussions regarding the elimination of roaming costs between EaP states and the European Union were launched in 2019, but the process is dragging on and will be a long one. At the level of the Eastern Partnership countries, there is also a discussion on a common telecommunications space, without roaming costs, which should be finalised by the end of 2026. The countries of the Western Balkans have already signed an agreement to eliminate roaming charges for cross-border calls.

However, the Association Agreement between the Republic of Moldova and the European Union does not provide for regulations on roaming policy (referring to the reduction of tariffs or the creation of a space without roaming on a European model) nor does it set objectives in this regard. Romania cannot unilaterally eliminate the overcharging of roaming costs between the two countries, but can actively support, in the negotiations at European level, the EaP states and the

Republic of Moldova to accelerate the process of eliminating roaming charges with the European Union. It can also encourage dialogue between telecommunications operators in the two countries.

9. Strategic communication and expanding support for civil society reforms

In a state with an acute democracy deficit, where anti-Western and pro-Russian influences are very active, pro-European reforms will be accepted with reluctance by local authorities, as well as by the central one. Providing an explanation, an aligned communication of the politicians, clear, articulated and congruent messages in the public space are essential in the strategic communication effort required of the current power in Chisinau. This will not be an easy task for the leaders of a relatively young party, who will have to face - for the first time - the resistance of a public system, to manage failures, syncope and accept public criticism and misinformation shortly after taking power.

The communication and explanation of the reforms to the population by the government in Chisinau will have to be supported by Romania's effort to address the population, the media, NGOs and to encourage reformists in several parts. The support from Romania and other international partners for civil society and supporters of reforms inside and outside state institutions is extremely important. There is also a need for a support program dedicated to the consolidation of civil society in Chisinau, structured on the reform priorities to be taken on by the Republic of Moldova in relation to the European Union and Romania, and which can also help as a technical assistance program. The program must be managed transparently, correlated with the financing programs of the other development partners, and can be thought on the model of Norwegian grants in Romania.

*** *The cover photo is taken from the webpage of Ziarul de Garda*

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