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NEWSLETTER

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Synthesis and Foreign Policy Debates

The materials are realized by Lina Grau, foreign policy expert and programme coordinator with APE.

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The last period has been marked by several important events in Moldova.



The Prime Minister Chiril Gaburici announced his resignation on June 12, less than after three months since his investiture and two days before the local elections.



The Moldovan interim government led by Natalia Gherman announced on July 1, suspension of the spending on investment and purchase of non-essential goods and services and of budget investments. Gherman explained the socio-economic situation by resignation of the Prime Minister Chiril Gaburici and cancellation of the IMF mission, which "affected the state of the macroeconomic indicators". The interim Prime Minister assured that the state will continue payment of wages and social obligations without delays.



The World Bank announced it would not provide \$45 million budget support to Moldova without decisive actions to address the problems in the banking sector. "It would be illogical and irresponsible of the WB to transfer the money of its shareholders through the "front door", while there are risks that bigger amounts of public money may get lost through the "back door" because of frauds and corruption in the banking sector," reads a press statement signed by the Head of the WB for Moldova, Alex Kremer.



The pro-European parties in Moldova have won most of municipalities, including Chisinau, in the local elections from June 14th and 28th, the latter being considered to be a test of the geopolitical choice of the electorate.



The economic relations between Russia and Moldova will depend on Chisinau's position on the Russian peacekeeping troops from Transnistria, said the Russian Deputy Prime Minister, Dmitry Rogozin, during a question and answer sessions with the Government held in the State Duma.



The United States underlined that corruption is "the most significant human rights issue" in the Republic of Moldova, being "wide-spread" in the justice sector, the tax system, customs and other public institutions. The new State Department report on human rights, published on June 25, is mentioning among other abuses mistreatment of detainees, erosion of the freedom of the press, opacity of the media outlets ownership, discrimination of religious minorities, Roma, LGBT people and other. Another major problem is the impunity of officials. The US report also says that the state of human rights has deteriorated in the Transnistrian region.

At the end of a visit to Moldova and after discussions with the chief negotiator from Chisinau, Victor Osipov, the OSCE Special Representative for the Transnistrian settlement, Ambassador Radojko Bogojevic expressed hope that the official negotiations in the "5+2" negotiations format will be resumed by the end of this year. Radojko Bogojevic is making a tour through the capitals of the countries involved in the "5 + 2" to convince the parties to advance the dialogue on resolving the conflict. The last city to be visited is Tiraspol on July 7th.



Moldova seen by European partners one year since the signing of the Association Agreement



Lina Grău: One year since the signing of the Association Agreement with the European Union, Moldova, considered once the success story and hope of the EU Eastern Partnership raises more and more questions about the integrity of the political class and sustainability of reforms. The European partners are setting tougher conditions for combating corruption and transparency in the management of the assistance they provide, while the Moldovan society is increasingly

disappointed by the political class, disoriented and worried about the future of the country.

The one-year anniversary of signing of the Association Agreement has passed virtually unnoticed in the public space of Moldova. June 27th, the day before the second round of local elections was a day of silence, the Moldovan politicians letting this anniversary pass unnoticed, when they could have drawn certain conclusions.

Stefan Meister: It's a frustration, but at the same time, an awareness of the Moldovan political realities

In the European capitals, including Berlin, the prevailing mood in relation to Moldova is that of deception. Against the background of other major issues such as the crisis in Greece, the Islamic State and the war in Ukraine, the Moldovan question has passed in the background and is no longer considered of importance at least in the short and medium term.

Stefan Meister, programme director with the German Foreign Policy Association (DGAP), specializing in Central and Eastern Europe, Central Asia and Russia, says Moldova was a priority of the German foreign policy and had a real chance to rapidly advance towards European integration, but the inconsistency and corruption of the Moldovan political class made of Moldova a big disappointment for the European partners.

■ **Lina Grău:** How is the Republic of Moldova seen in Berlin from the perspective of the European Integration?

■ **Stefan Meister:** Moldova had a priority in the German foreign policy. You remember the Meseberg process where the German Government and the chancellor Merkel were trying to negotiate with the Russians a solution to the Transnistrian conflict. Moldovan officials travelled a lot to Berlin and there was support in Brussels and also from the German side to help Moldova become a success story. It was read positively as a success story.

What we are observing now is a deep frustration about what is going on in



Moldova and about people like Filat who are not different from what was before. There was a hope linked to the European alliance but then we found out that they are more or less normal oligarchs who want to make money and are involved in corruption.

I think there is a growing understanding that despite the support given to Moldova and the progress made by it, the EU credibility in Moldova is undermined. It's a big problem, as we supported a government which in the end is very corrupt. Politically, we decided in the EU there was progress in Moldova even if they did not complete everything. We did so, as we needed a success story and we wanted to see Moldova as a success. There is a growing understanding now that Moldova wasn't a success. It reminds me a bit of the enlargement

with Bulgaria and Romania. Yes, we have the impression now that it was a mistake to give them the EU membership as they were not prepared for joining EU and now we had problems inside the EU. I think that in case of Moldova the perception is the same. As a result, Moldova is not a priority any more like it was in the past. It's just going down, as you may know, we have the Ukrainian crisis and also a lot of internal crisis. I think that the drive that Moldova is the best case example and it needs support at the top level and that Germany should take lead on Moldova is over. There is an understanding that Moldova is not so important, as we have other crises which need more attention. If Moldova is not able to do reforms by itself and change the political culture and behaviour, we have limited possibilities to support it. It's frustration but also a realization of reality of the Moldovan policy.

■ **Lina Grau:** How do you explain what happened in Moldova: is it the fault of the EU that needed that badly a success story and it heled it at any cost or it's the fault of the Moldova political class which failed to implement reforms?

■ **Stefan Meister:** It depends whom you ask: me as analyst or the political discourse. I think the political discourse is that Moldova is a problem: "We expected more from you and you promised that you would do reforms and make the change, but you did not do it. We found out in the end that you are as corrupt as the Ukrainian elites". I think that is the man political discourse in Germany – a failure of political elites. "They had the chance but they did not use it. They are just corrupt."

My reading would be more that we have just lost the eyesight. We should have known that they are corrupt. We should have seen it as it is so visible they are corrupt. As all the problems with Yanukovici started, the EU had really a problem. With Saakashvili there was this problem and there was a change in Georgia, then in Ukraine the problem started. So the only country left without problems seemed to be Moldova and the EU needed a success story for its Eastern Partnership Policy. And again it made like in the past -with Bulgaria and Romania, and the orange revolutions- compromises that should have never been done. As far as I am concerned, that is the main problem – you don't look at what is happening in the country, but you think more of yourself as EU and your own policy and that at this moment you need a success story.

I think in the end it's both: in the beginning they raised expectations, but I think the main problem is here in the EU that had a hope and needed a success story. And I think this is one of the main reasons of the failure.

■ **Lina Grau:** How big a disappointment is this? Is it possible to restore trust and what should be done for that?

■ **Stefan Meister:** As you may know, the whole EaP and ENP policy was in a deep crisis and if there is a country in the region which is really doing reforms and which is really willing to implement reforms and show progress, it is Georgia. I think Georgia has done a lot, much more than all other countries. That's the forerunner. For me, Georgia is the real forerunner. But you can see now stagnation in Georgia too with the current government.

If there is a real success and a visible will for change, then you can get the attention back, maybe not to the extent you've had this time as there was a political will and wish that the

EU needed a success story. But I think it always has to do with the European Union Neighbourhood Policy – the EU is just doing technical things and then it decides politically if it's a priority or not. That's about the member states, while the EU Commission is dealing more with the technical issues. If the countries use that and implement reforms, they can go much further than expected in the beginning and offered by the EU. If Moldova did the things that are necessary, which I don't see it at the moment in Moldova, to be honest, it would have a much higher attention, as Moldova is not a big country, it's not like Ukraine, where if you want to reform the economy, you need to put hundreds of billions of Euro. While in Moldova we speak about tens of billions of Euro. So, it is a different thing and that is possible. But you need in the country elites and a civil society which do the things that are necessary. That is possible, but I don't see how you can do it at the moment in this country.

■ **Lina Grau:** In autumn, the reform of the ENP is going to be launched. Do you know what the main changes will be? Is there a need for the EaP countries to be given hope and EU perspective in the medium and long-term as a motivation? Will that find itself in the reviewed EaP policy?

■ **Stefan Meister:** It's a big discussion now, because what we have observed at the Vilnius Summit with Ukraine, it was a big failure of the policy. Recently, we have had the Riga Summit and everybody was happy that it's working to some extent - there was progress with the visa liberalization regime and so on. I think the big problem is that the EU does not take into account the consequences of this huge conflict we have with Russia that has direct impact on the EaP Policy and countries. The EU is still afraid of getting into a conflict with Russia and is not really willing to enter into such a conflict, so you can see in

the final version of the Riga Declaration that everything which was regarded as criticism towards Russia was just deleted from the document and Germany played a key role in this. And this discussion: "we don't want to provoke the Russians as it is difficult enough and we have to find a modus vivendi with Russia". So, we are not willing to take the consequences which are necessary.

In my opinion, the countries need a membership perspective even if it is for long term. There is need for much better work with the civil society in these countries. You need much pressure from inside and outside on the elites, tougher conditionality on funding but you also need really serious funding for these countries and much bigger budgets. Differentiation is now a big word, but you really need to differentiate and I don't see it at the moment. You need really to look at every country and how to reform them. And then we need more enlargement instruments than we have at present. You need people in the administration who would do and implement reforms, involving the civil society in the monitoring processes and so on. So, there is a large range of things what is possible, but I don't think there is real will to invest more in the countries.

We have now discussions about closed windows of opportunity for Ukraine, for example, and maybe even for Moldova. "You don't do reforms, so sorry then." We know this is a problem of the elites. They are corrupt and they don't have an interest in reforming the country. So you need to address the real problem and involve the civil society by which I mean not only NGO, but also small-sized companies and the business community and other agents of the society. Thus, there is need for much better work. We are also in a crisis as we are not able to solve the Greek issue. So, how can we tackle the Ukrainian or Russian crisis? And now we should be able to develop a really serious neighbourhood policy. Normally,

I am a realist but in this sense, I am more pessimistic that the EU is taking the right consequences from this large-scale conflict with Russia that destabilizes completely our neighbourhood and has direct consequences on the European Union. I think that is a big problem and I see no significant changes at the moment.

Lina Grau: What is the strongest opinion regarding Russia at the political level?

Stefan Meister: There are different opinions. For example, the Green Party of Germany is saying that we have to contain Russia and that we have to invest money. You have parts of the Christian-Democratic Party who agree with that, but then you have another part of the Cristian Democrats and the Social-Democrats who say: "We have business with Russia, we have energy with Russia and we want peace in Europe. So, let's find a way as we don't have the instruments to resist Russia." And you have the pragmatic people who say that there are so many other conflicts in the EU to tackle – the Islamic terrorism; China is a challenge and so on. So why shall we go on a tough conflict with Russia?" And I think that is the dominant approach at the moment: "Let's find a way with Russia in order not to blow up the relations as Russia may use in the end its nuclear forces and attack the Baltic States and so on". So people just look at what it is possible and say: "No, we are not prepared for that, so let's find a way of communication with Russia, a *modus vivendi*".

Lina Grau: How was received in Germany the fact that the Moldovan politicians stole a billion of Euro from the banking system? What can you say about the quality of the Moldovan political elites?

Stefan Meister: I think it would be much more difficult for Moldova in the future to get credits from the EU. So the conditions will be much tougher for Moldova. This is part of the frustration

here, as we understood that they are not partners and not the people who will really reform the country and change the attitudes in the country. That's in the end a reality check that they should have taken earlier, before they took the money. The understanding is that Moldova is not what we wanted to have and what we expected. This EU disappointment will make it much more difficult for Moldova and the will to integrate Moldova will get down. This is making things complicated for Moldova. All the good will which was there and which is important is gone. Many think that things in the EU are decided by bargaining, but in the end it's the political decision which counts, as even if we speak about criteria, in the end the decision is political. The will to make a positive assessment and decision for Moldova is just by zero.

So, it is very bad for the image of Moldova and the EU has even understood that it's bad for the EU image in Moldova itself, as they have been supporting corrupt elites and this way they supported the system. That means for the EU at the moment: "Don't touch Moldova too much."

Lina Grau: How do you see the future of this region – Ukraine and Moldova? Is there a EU perspective in the mid to long term?

Stefan Meister: I still believe that on one hand, the change comes from the society. In this sense, I think you have a growing gap between society and the elites. The societies are getting frustrated and even cynical, but they also understand there is a model which works. Even if the EU is also in a crisis, its model works much more for the people than their own model. I think this is the chance for these countries – that the change comes from the civil society and that it comes from inside.

And then it also depends on the EU and on how the EU fixes its own domestic problems and stays attractive for these countries and is willing to make steps

-medium and long term- in terms of integrating these countries. At the same time, I believe that Russia has not a reliable model. I think it won't work for ever. Maybe it will work longer that we hope, but Putin has no economic or social model. All the problems that Russia has identified until 2014 are still there and are getting worse in terms of education, health system, corruption and economic development. So I think things will become worse in Russia.

It depends on how stable these countries will stay and how stable the EU will stay, but I think they have a European perspective and that there is a society which is close enough to the EU in both countries. So, this development could be positive and integration possible, because this is what the people want. They want a better life and that is their main attention. I don't think that in the long term, Russia will bring a better life to these countries, not even in the short term. Russia has less and less to offer and less incentives to give and it will develop a much more disruptive policy to these countries, as less resources the Russia has the more aggressively it will react. And this will push the countries away from Russia, determining them to look for other alternatives.

In general, I think there is a chance for change, for positive change and the question is if the EU can stay an attractive model and can fix its own problems. I hope this works and we will work on that.

Lina Grau: Are we speaking about a 5-year, 10-20-year perspective?

Stefan Meister: We are speaking about a long- term perspective of more than 10-15 years. But things will change and Putin will not stay forever, as how stable the Russian system is? Russia is a multi-ethnic state with a lot of problems, which wastes a lot of money. At the same time the self-organisation of the society is growing. A lot of people just leave the country. This is also a process that you observe in Moldova where the most active people

leave the country. That's also a problem, because they will not change the country. What you see in Ukraine at the moment is that young people come back as they hope to change the country. If the Government fails, they will leave the country again, but there is a hope that they will change the country.

■ **Lina Grau:** If we look back, they were saying that Moldova had real chances to join the EU in a 5 to 10-year perspective. If the positive development trend continued and if the political class acted together and did not get involved in corruption, would the EU integration chance of Moldova have been real? As some say it was a chimera and Moldovans have been given empty promises.

■ **Stefan Meister:** It was not a chimera. As I said, Moldova is small and it is not costly to integrate like other countries. So, why not having a positive example in the case of Moldova? Some of the EU member-states like Poland, Sweden, and the Baltic states were really willing to push this integration forward. Especially Romania was always Moldova's advocate in the EU, trying to bring Moldova to the attention of the member-states. So, I think if Moldova had been a success, we could have seen a dynamic, as if we integrated Croatia, why not integrate also Moldova which is so small?

I think that is possible, especially under the conditions that the EU will also change itself. You will have new forms of integration within the EU. You will have a new core in the EU which will integrate more and a periphery which will integrate less. That will also help to integrate other countries in the periphery and maybe Moldova will become part of the core. So I think, the terms of integration will change in the European Union and this makes it easier for Ukraine and Moldova to integrate if the elites and the society change the country. I think that many officials were serious about it that there is a chance even if they cannot talk about it now.

Johannes Grotzky: In order to recognize propaganda, you should know the facts and get informed from several sources



Below is an interview on the subject with Professor Johannes Grotzky, former director of the Bavarian public radio and professor of East European studies at the University of Bamberg, Germany.

■ **Lina Grau:** Why is propaganda dangerous?

■ **Johannes Grotzky:** In general, propaganda is never dangerous as long as you can recognize it. If you take it as pure truth, it is very difficult. For example, when "Rossia 24" speaks about the "fascist government or the fascist hunta" in Kiev, this is pure propaganda. They can attack the government in Kiev, they can say they have other values, but they cannot call them fascists. Or another piece of propaganda from the Russian side was that the Russian language is forbidden in Ukraine. That is stupid to say, because I work in Ukraine only with the Russian language as I don't speak Ukrainian. And then, eight of ten nation-wide newspapers are published in Russian and not in the Ukrainian language or in both languages. And 78% of Ukrainians speak both languages as more or less as their mother tongue. To recognize propaganda, you have to know facts and therefore you have to listen to different sides.

On the other hand, you can say we have also propaganda from the Western parts. Not everything which comes

One aspect that increasingly worries the Western countries is the Russian propaganda, which has become very active not only in the former Soviet states but also in Western Europe. And if last year the topic was missing from the agenda of the western officials being considered a marginal issue having strictly to do with the freedom of mass media, at present, the subject is being discussed at all levels in an attempt to identify the mechanisms of combating propaganda. This issue was addressed among other topics by the Global Media Forum, organised at the end of June, in Bonn, by the German Deutsche Welle.

from Germany, America or France is without a certain view of propaganda. Everybody wants to show that its political system is better.

■ **Lina Grau:** Where does the difference lie then?

■ **Johannes Grotzky:** The difference is that you don't have state- controlled propaganda in the western countries to the extent you have it in Russia.

■ **Lina Grau:** How dangerous is propaganda for Moldova in the context of the Ukrainian conflict?

■ **Johannes Grotzky:** Moldova is in a very difficult situation and not only because of the Ukrainian crisis. Transnistria has been a problem since Yeltsin's times. It is a very old problem. We accepted, for example, the Russian tanks and military in Transnistria at the time when Moldova was already independent. So, we accepted that Russia took influence there. We accepted that Russia took over Abkhazia and South Ossetia and now Crimea. Why did we accept that? Because we were afraid that Russia might cause bigger problems and even military problems to other countries than Moldova and Ukraine.

On the other hand, there are some historical aspects -for example, when you read what Alexandr Soljenitin has written about the Russian question. If you read this, it is like a book advising Putin to do so. He is writing about South Ossetia, he is talking in this manifesto about Abkhazia. He is talking about Crimea and eastern Ukraine and that they all belong to Russia. I'm very much interested in this influence, because Putin as president and Alexandr Soljenitsin were very close over the last years. I'm interested in how far Putin was influenced by this nationalistic thinking of Soljenitsin.

■ **Lina Grau:** Given the Russian interests in the region and the Transnistrian conflict, many are of the opinion that Moldova is next. How do you see it from outside? Is there a potential for conflict in Moldova?

■ **Johannes Grotzky:** The first problem is that in the western part of Europe people don't really know very much about Moldova. We don't take into account that Moldova is an independent state, pretty poor and even from the Romanian side which is more or less the brother nation of Moldova, you have a lot of prejudices now and the first enthusiasm about Moldova being a brother nation which should get help is a little bit out of the political agenda in Romania since Romania is part of the European Union now. The best protection for Moldova would be, of course, to be member of a larger organisation -the EU or NATO- as the Baltic States: Latvia, Lithuania and Estonia. Whenever a Russian tank or rocket attacked Lithuania or Latvia, for example, that would mean that Turkey is attacked, Canada is attacked, Germany is attacked, America is attacked and they would fight back. The whole NATO would fight back. That's a protection for these countries. This is what Moldova lacks.

On the other hand, my idea is that we have to find a way to live with Russia and not against Russia or Russians, though I am critical about the policy right now in Russia. We have to find a way for Russia to become a member of the community and there were a lot of tendencies of Russia willing to join the community. My personal opinion is that the western part has made some mistakes, for example, it did not activate the Russian-NATO council during the crisis in Ukraine. We were not able to endorse an agreement which was signed by

three western foreign ministers in Kiev- Poland, Germany, and France. The representatives of the Maidan have skipped this agreement for a peaceful transition in Ukraine. So, all these show to the Russian side that we are also weak, although we have our weaknesses in our policy towards Central and Eastern Europe.

■ **Lina Grau:** What do you think about Moldova's European perspective? Some years ago, Moldova was called the success story of the EaP, while now the situation is very difficult and we can speak of a Russian revanche in Moldova.

■ **Johannes Grotzky:** We have the programme of the Eastern Partnership and Moldova is part of it. We have to develop as many as possible political, economic and cultural ties with Moldova. This can be done at the bilateral level or at the EU level. On the other hand, Moldova is somehow in the centre of an area of conflict of interest. As you know, all the borders from the Baltic down to the Black Sea is the border land which was once discussed, handled and decided by two dictators- Hitler and Stalin. And we suffer up till now from these terrible times. And Moldova has problem with finding its own identity.

Another problem is that Moldova is divided, and even if Transnistria is a small part of the state, it is something like a permanent wound to the Moldovan question and nobody cares about this. We accepted this as a frozen conflict and the longer you accept the frozen conflict, the more the world is willing to accept it. I'll give you an example where we accepted something: a NATO country with military force has split a country and created a new state -northern Cyprus. Now it is a frozen conflict.

And there is another frozen conflict, which is Kosovo. Kosovo was built by some states within Serbia – an independent state, whose sovereignty suffered because Serbia committed mistakes as regards the Albanian question. But Kosovo is not recognized by all the members of the European Union. So we have many things which are quite shaky but we have to learn to live with frozen conflicts. The only possibility is that we have prosperity in the economical way so that we have very good economic relations and very close economic ties and then the political relations will follow. I don't think we should do the other way round as just political ties are not enough because the economy always rules the country much more than any dictator.

Lina Grau: Do you think countries like Germany and France should continue support the European perspective of Moldova?

Johannes Grotzky: On one hand, the European Union is supposed to be open to everybody. On the other hand, the EU has a problem with Turkey- if the EU accepts it in, it will be the biggest country by the population in the European Union. And Moldova is a small country- you could easily integrate Moldova, but you have to fulfil a whole chapter of preconditions as Moldova is a state full of corruption and it is a state where you don't have a healthy industry. Moldova has a lot of political fights but this is ok. It has also a lot of media outlets which are pretty independent among others. So, Moldova could come closer to the EU if Moldova was willing to go this way. And maybe the EaP will help Moldova to develop the preconditions to become one day member of the European Union.

Reassessing the European Neighbourhood Policy: The Eastern Dimension



In March 2015, the EU launched a review process of the European Neighbourhood Policy (ENP). In the interest of supporting this urgently needed review, the Friedrich-Ebert-Stiftung requested six position papers from experts in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – the countries of the EU Eastern Partnership (EaP).

The six contributions have been published in the FES Policy Paper „Reassessing the European Neighbourhood Policy: The Eastern Dimension.“ <http://library.fes.de/pdf-files/id-moe/11483.pdf>

The main conclusions of the paper are as following:

- This FES Perspective reveals the Eastern Partnership's catch-22: The EU

is regarded as a major – if not the sole – hope for bringing about sustainable democratic and economic change in EaP countries. However, there are considerable discrepancies between expectations about the EU's role within the cooperation and its financial possibilities, as well as its willingness to commit.

- The country perspectives clearly show the importance of considering specific conditions and developments: In the past twelve years, the six EaP countries have developed so differently that a 'one-size-fits-all'-approach is no longer appropriate. The Eastern Partnership could continue to serve as an organizational umbrella with its own merits – especially the very helpful, civil-society multilateral dimension – while allowing for the partner countries' real, and very different, ambitions.

- The ENP reassessment also reveals that the region's political developments since early 2014, along with the newly constituted European Commission, make it the right time for a review. The region's increasing complexities and needs require more supple, tailor-made approaches. Country-specific conditions and the various relationships with the Russian Federation should be reflected through greater differentiation. The EU must urgently determine what it hopes to achieve with the Eastern Partnership: its local partners from politics and civil society have great expectations. This ambiguous state of affairs makes it time to push the reset buttons.

Below we invite you to read the opinion of the Moldovan contributor on the revision of the EaP

by Victor Chirila, Executive Director, Foreign Policy Association of the Republic of Moldova (APE), Chisinau

Moldavan-EU Relations

In the past five years, Moldova has successfully exploited the opportunities offered by the Eastern Partnership (EaP) dimension of the European Neighbourhood Policy (ENP) to qualitatively advance its relations with the EU. On 27 June 2014, Moldova signed the Association Agreement (AA) and a Deep and Comprehensive Free Trade Area (DCFTA) with the EU that transformed its relations from partnership and cooperation to political association and economic integration. On 2 July 2014, Moldova's Parliament ratified the AA/DCFTA, and on 1 September 2014, the Government began its provisional implementation. After Moldova fully implemented the conditions of the Visa Liberalization Action Plan, the EU liberalized its visa regime for Moldovan citizens on 28 April 2014. Since then, more than three 300,000 Moldovans have travelled to the EU without visas.

Moldova has managed to develop a dynamic relationship with the EU: The European Commission, European Parliament and EU member states have rewarded its engagement regarding European integration reforms with more attention, political support and financial assistance. The speedy AA/DCFTA negotiations and progress in making reforms, especially with regard to the dialogue on visa liberalization, have made Moldova a priority partner and an EaP ›success story‹. However, the EU's eagerness to help Moldova to move



forward on its European integration agenda has caused it to repeatedly overlook the undemocratic practices of pro-European governing coalitions in Moldova.

Integration

Moldova's full integration into the EU is a national strategic priority. Moldovan authorities consider that the AA represents a preparatory stage towards acquiring EU candidate status and the AA/DCFTA offer the perspective of EU economic integration. In the past six months, however, it has become obvious that it is not going to be easy to implement the AA/DCFTA. The pro-European governing elite, intertwined with oligarchic interests, is more concerned about its political survival

than implementing the AA's far-reaching structural reforms. The fight against corruption is not serious, judicial reform has been slowed and public-prosecutor reform is stalled. Less progress is being made on deep and sustainable democracy and respect for human rights and fundamental freedoms, whilst increased concentration, opaque media ownership and political interference threaten media freedom. The investment climate remains hostile, and the stability of the banking sector is badly undermined by the USD 1 billion (30 per cent of Moldova's budget) that has been siphoned out of the country.

“More-for-More”

The dialogue on visa liberalization with the EU proved that the ›more-for-more‹ principle can effectively drive domestic reforms if there is a clear-cut objective that motivates and empowers civil society to constantly pressure the central authorities and political class to reform. Unfortunately, the AA lacks a powerful objective that can rally the society behind an ambitious reform agenda and push an increasingly selfish pro-European political elite to deliver its commitments. ›More-for-more‹ is actually motivating the Moldovan pro-European kleptocracy to make fewer and fewer reforms that would challenge its control over the judiciary, banking sector, economy, media and so forth. Civil society perceives ›more-for-more‹ as way of rewarding a corrupted, egoistic

and cynical political elite for merely mimicking reforms.

Receiving more money for more superficial transformations compromises the ideals of European integration and discourages society from supporting the EU's reform agenda for integration. Enhancing the "more-for-more" principle could help us out of the current deadlock by giving Moldova the perspective of future membership if, and only if, it makes substantial reforms and fulfils all the criteria. As long as "more-for-more" falls short of this promise, it will remain an incomplete, unconvincing, mistrusted and ineffective principle.

Policy Focus

Focusing on cooperation with the EU on common interests is the right way to move forward. Inclusive and sustainable economic development, connectivity (transport and energy), security (conflicts and organized crime), democratic governance, migration, health, environment, gender and youth exchange are of paramount interest for Moldova. It is also important to add rural development to the list, as it is a strategic priority.

Around 58 per cent of the population lives in rural areas, the least developed territories of Moldova, where the employment rate, the lowest in the country, has plummeted from 59 per cent in 2000 to 36 in 2011. This negative trend is caused by the lack of employment opportunities, the dwindling size of the economically active population, low wages in the agricultural sector, insufficiently diversified economic activities, a weak service sector, and an underdeveloped social and economic infrastructure. As a consequence, the active rural work force is emigrating in droves. According to the National Bureau of Statistics, around 320,000 Moldovans (10 per cent of Moldova's

population and 20 per cent of Moldova's active work force) currently work outside the country, mainly in Russia and the EU. Every fourth migrant comes from the rural areas. This means that more than 20 per cent of rural income is generated by remittances, which are mainly used for consumption.

In addition to other measures discussed in this paper, the EU should target connectivity (transport and energy) by fully integrating the Moldovan electrical grid into that of the EU; extending the Romanian-Moldovan Iasi-Ungheni gas interconnector, launched in August 2014, to Chisinau; and modernizing the Chisinau-Bucharest rail connection.

Policy Tools

The EU policy tools used in Moldova must be based on a persuasive positive and negative conditionality, which means that the "more-for-more" principle has to go hand in hand with "less-for-less". EU policy tools should include but not be limited to: regular political dialogue at the highest levels, direct budget assistance in exchange for reforms, trade incentives, investments in strategic areas of the national economy, direct support for economically sound SMEs, grants and low-cost loans for rural development and infrastructure, promotion of cross-border cooperation with EU member states, and business, youth, academic and cultural exchanges.

Economic Development

Moldova is riddled by endemic and systemic corruption, a biased and politically servile judicial system, a bloated and inefficient central bureaucracy, a politically dependent local administration, an opaque banking and financial sector controlled by oligarchs, systemic disregard for the rules of economic competition, a lack of institutional accountability and a weak

civil society. By helping the authorities to fight corruption at all levels, build an independent and fair judiciary system, and develop responsible, accountable and efficient central and local administrations, the EU could seriously promote Moldova's sustainable economic and social development, which in turn would generate sustainable employment.

Special attention should be given to rural development in Moldova. The EU could help local authorities to develop their capacities and to mobilize the resources needed to promote sustainable economic and social development in rural areas. Moldova can partly achieve this objective by fostering local rural development partnerships that engage local authorities, entrepreneurs and civil society organizations. The Local Action Groups (LAGs) for rural development developed in many EU member states are good models for Moldova. Estonian LAGs, for example, represent one of the most successful implementations of the 'Leader approach' of the Common Agricultural Policy (CAP), a bottom-up, decentralized approach to develop rural areas.

The Regional Dimension

Taking Neighbours' Interests into Account

The Russian Federation's interests should be taken into account as long as they do not run counter to the EaP countries' strategic interests. In terms of Moldova, Russian interests mean that the country should have no political association or economic and energy integration with the EU and no perspective of EU membership. Accepting these interests would mean abandoning Moldova to Russia's sphere of influence. Therefore, the ENP should only accommodate Russia's reasonable political, economic

and security interests – those which do not undermine Moldova's sovereignty, independence, territorial integrity and democracy or its strategic choice of European integration.

The EU's Role and Neighbourhood Conflicts

The EU has substantially increased its role regarding the Transnistrian issue since 2005, when it got observer status in the 5+2 political consultations format – along with the US. With EUR 40 million already allocated, the EU is the greatest contributor to confidence-building measures (CBMs) for Moldova and the Transnistrian region. It is also the largest export market for the region: more than 40 per cent of its exports go to Europe. However, the EU has not used economic leverage to maximize its political influence there. Whilst the DCFTA offers Moldova real opportunities to rebuild its common economic space with the region of Transnistria, because of Russia's opposition and despite the

obvious benefits, the Transnistrian administration refuses to join. That is because taking such a step would entail unbearable political, economic and financial costs for the Transnistrian region. Therefore, the EU and Moldova should devise a package of persuasive economic and financial development incentives, and the EU should also engage in sector cooperation projects with Moldova. EU assistance must continue CBMs to multiply economic synergies and institutional partnerships between Moldova and the Transnistrian region.

Security

The ENP should definitely give greater importance to security sector reform in EaP countries. The Russian-Ukrainian conflict underscores the urgent need for a comprehensive overhaul of Moldova's security sector. The EU is already assisting Moldova in reforming its interior ministry, including the border police, mainly within the framework of the visa liberalization dialogue. It should further help Moldovan authorities

to streamline their strategic security planning and decision-making processes, including cyber security, and enhance the operational capacities of key security sector institutions as well as the National Security Council's coordination and decision-making status.

The Eastern Partnership

For the EU to abandon the EaP would be a great strategic mistake. One of the main flaws of EaP multilateral cooperation is that its activities and achievements are poorly communicated to the public. However, despite widespread belief about the inefficiency of the EaP's multilateral dimension, its thematic platforms are valuable instruments for discussing common problems, finding joint solutions, sharing information and learning best practices. The flagship initiatives help EaP countries to achieve the bilateral objectives, implement domestic reforms and bring their policies in line with European norms and standards.

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Foreign Policy Association (APE) is a non-governmental organization committed to supporting the integration of the Republic of Moldova into the European Union and facilitating the settlement of the Transnistrian conflict in the context of the country Europeanization. APE was established in fall 2003 by a group of well-known experts, public personalities and former senior officials and diplomats, all of them reunited by their commitment to contribute with their expertise and experience to formulating and promoting by the Republic of Moldova of a coherent, credible and efficient foreign policy.



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