

Foreign Policy Association together with Friedrich-Ebert-Stiftung offer you a newsletter on foreign policy and European integration issues of the Republic of Moldova. The newsletter is part of the "Foreign Policy Dialogue" joint Project.

# NEWSLETTER

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## Synthesis and Foreign Policy Debates

The newsletter is developed by Mădălin Necșuțu, editor-coordinator

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### News in Brief



The Speaker of the Parliament, Igor Grosu, had, in Ankara, on January 26, a meeting with the Turkish President, Recep Tayyip Erdogan. During the discussion several topics were addressed, including the security situation in the region and the challenges caused by Russia's war in Ukraine. "We appreciated Turkey's efforts in securing the grain transportation corridor from Ukraine and thanked the authorities in Ankara for the humanitarian aid provided to our country in 2022 to deal with the refugee crisis, and the support provided during the meetings of the Support Platform for Moldova," said Grosu. The Republic of Moldova is interested in intensifying trade with Turkey and attracting investments, as well as strengthening cooperation in the energy sector. The leader from Ankara thanked, for his part, for the invitation to participate in the second edition of the meeting of the European Political Community (EPC), which will take place on June 1 in Chisinau.



The Republic of Moldova has completed only half of the measures it undertook until the end of 2022, in order to fulfil the nine recommendations submitted by the European Commission in June, when the country received the EU candidate country status, reports Radio Free Europe. The source states that out of the 35 measures included in the authorities' plan supposed to be completed by December 2022, 16 have been completed, nine are at the "final stage", and the other ten have not been completed yet. Most of the measures relate to justice, the fight against corruption and the alignment of the national legislation with the European one. Through this plan, the authorities set out to fulfil within one year, until June 2023, all nine conditionalities of the European Commission, after which accession negotiations could begin. In the field of justice, the authorities wanted to carry out six actions, but only half of them were completed.



The amendments to the Criminal Code, which refer to the crimes of espionage, treason and separatism, entered the phase of public consultations, organized by the Parliamentary Legal Committee. The draft voted in the first reading in December last year aims to ensure the security of the Republic of Moldova, and the amendments are aimed at punishing the separatist regime from Tiraspol and not the population and civil organizations, the representatives of the Security Intelligence and Service (SIS) emphasized. The draft law addresses certain challenges that the Republic of Moldova has been facing for several years and that were in no way regulated in the national legislation, emphasized the president of the Legal Committee, Olesea Stamate. Thus, new notions are to be introduced in the Criminal Code to allow the punishment of separatism and non-constitutional paramilitary organizations.

## Navigating through the storm: The Republic of Moldova in the midst of a turbulent year in 2023



Moldovan diplomacy works to ensure the reforms required by the EU.  
Photo credit: Moldovan Government's Facebook page

The Republic of Moldova is far from resolving the crises that marked the year 2022, so the current year is not expected to be an easier one for the pro-European Moldovan authorities. First, the authorities will have to find the necessary resources to revitalize the economy and lower inflation.

In 2022, Moldova had the highest inflation in Europe, after Turkey, recording highs of around 35 percent. Based on current data, analysts predict it is likely to halve in 2023, which will reduce the speed of price increases expected to happen also this year.

It is also difficult to believe that foreign investors will flock to a country with a war raging nearby, so Moldova must continue to rely on grants from foreign donors and preferential loans.

Despite these difficulties, Moldova will have to solve all nine EU

► recommendations. Six of them refer to the justice sector, so all eyes will be on the progress that the country will register or not in this regard. If successful, Chisinau has the chance to enter a new stage of the accession process in 2023, namely the opening of chapter negotiations with the EU.

A major challenge in 2023 will be the modernization of the army and special services so that they can ensure a minimum of security and defence of the country. Even if the defence budget was increased by 70 percent, this translates into an increase of 0.55 percent of GDP,

compared to the 2 percent that the NATO countries currently allocate to this sector. Also, the secret services need a complete cleansing of the staff and methods inherited from the Soviet Union in order to become competitive in the Western framework and respects democratic values in parallel with its security missions.

Last but not least, the year 2023 is going to be a major electoral test, after the Action and Solidarity Party took over the power following the early parliamentary elections in July 2021. The local elections in the autumn will show how much

confidence this party still enjoys, after two years of governance with multiple and overlapping crises.

The biggest electoral battle will be fought for the Chisinau City Hall, where the pro-Europeans hope to oust the current mayor of Chisinau with pro-Russian views, who recently converted to a left-wing pro-European politician. In 2019, the pro-Europeans suffered a stinging defeat, for the first time in Chisinau in almost 30 years. And this time they seek revenge in the fiefdom of the pro-Europeans from the Republic of Moldova.

*Madalin Necsutu*

## ***It is very important for the government to produce results in the European integration process***

*Igor Botan, Executive director of the Association for Participatory Democracy ADEPT, political analyst*

***The executive director of the Association for Participatory Democracy ADEPT and political analyst, Igor Boțan, has analysed the most important political events in 2023. We have talked about the local elections this fall and the implementation of much-needed reforms for the continuation on the European path of the Republic of Moldova. We are inviting you to read the interview in the following lines:***

■ **Mr Botan, what major political events can we expect in 2023 in the Republic of Moldova? Are the local elections planned for this autumn important?**

■ First of all, local elections are very important. These elections are predictable and ordinary in nature. What is unpredictable is the war in the neighbouring Ukraine.



Local elections are interesting from the perspective of public-administrative reform. According to the concept of the reform, which has already been published, the reform is going to last until 2030, but there are many problems with it. We do not know how successful this reform is going to be. However,

this is one of the conditionalities of the European Union.

If we refer to positive events that we expect in 2023, we have to see if the Government manages to meet the EU conditionalities by the middle of this year and report on their fulfilment.

The Government seems to be eager to fulfil them, and the local elections will show whether things are moving in terms of public administration. We have seen it that the Government is cautious. It starts with amalgamation [the possibility of localities to unite into larger entities]. This amalgamation process was also provided for in the 2012 and 2016 Strategies, but nothing was done.

This time resources from the state budget in the amount of MDL 250 mln was promised for this amalgamation, but we do not know how this process is going to unfold. We have no idea. This process is put on the shoulders of mayors and citizens, and nobody knows who should do it or who should start it.

■ **Could we expect a PAS victory similar to the one in the early July 2021 parliamentary elections, or it will rather be a test for PAS to see how much popularity it still has, after two years in government?**

■ I do not think the popularity issue is important now for PAS. President Maia Sandu has two more years of mandate, the Government has about two and a half years left, so it is important for the Government to keep its ranks and not admit splits, which is what the pro-Kremlin opposition wants very much. We have seen that the most important leader of the opposition, Igor Dodon, is very skeptical that the opposition can somehow influence things. According to his statements, the Shor's protests were not in the position to strengthen the opposition showing rather its inability to unite.

Dodon also said the local elections are no longer so important because the government wants to reduce the influence of the district councils, transferring all the power to the mayors, and the mayors are resourceful people who will stay away from the parties. It will be difficult to understand

whether at the local level citizens are supportive of the government or the opposition.

It is very important for the government to deliver on the European integration process and it depends a lot on what will happen in Ukraine. If the war ends, and it depends how, say in a year's time, then the government will be in a much better situation than currently, with a real chance of extending its mandate, taking into account the quality of the opposition.

So things are volatile. The situation in the Republic of Moldova depends a lot on the situation in the region. The opposition is weak, dispersed, and the government is gaining experience. We have seen that the government has already learned to manipulate relatively successfully.

The government is convinced that we will get through this winter relatively easily and that the worst times are behind. Furthermore, we have seen the determination of the EU to assist Moldova to make progress within the European integration process. In principle, there is a ray of hope. If we look at the opposition, whether pro-Moscow or pro-European, it is extremely weak and without resources. All resources, according to the legislation, belong to the PAS.

### ***Political battle for Chisinau***

■ **How do you see the battle for Chisinau City Hall? What are the chances of the current mayor Ion Ceban and what should be the profile of the right-wing candidate who could defeat him?**

■ I think the chances of the current mayor of Chisinau, Ion Ceban, are very high. He has been acting like a seasoned politician. He promised a lot but has been doing little, but what he is doing is visible. In addition, this is one of the basic tools for success in this space.

Here, Ceban has been playing by the book.

People's impression of Ceban is that he is a good manager and is doing something for Chisinau. As for the profile of the candidate that could be a strong opponent to him, this is a very difficult question.

■ **Could we expect surprises from the parties on the right wing or will PAS march on this segment? Who can we look out for?**

■ We should only pay attention to the developments within the PAS. It remains to be seen whether the dissensions that have surfaced can lead to a split. That would be the most dramatic thing. The other pro-European extra-parliamentary opposition parties seem to have decent, competent people, but I'm afraid they don't have the resources to succeed. I mean media, financial, and even human resources. There are exceptional people among the leaders of these parties, but winning an election campaign also requires resources.

■ **Are there chances for a European left, a segment that remains vacant on the political scene in the Republic of Moldova?**

■ I understand that Ion Ceban is committed to this segment. He made unequivocal statements in this regard. He spoke about European integration, without "any kind of fourth way" or Euro-Asian integration. He also said that Russia is the aggressor in the war against Ukraine.

That positions him very clearly. Now it depends on his success or failure in autumn. If he wins the Chisinau City Hall, his party will become a political force that will have to be taken into account. And this would not be bad if we had a pro-European left party in order to put pressure on the PAS.



For PAS, the biggest danger comes from the fact that it holds all the power, the opponents are weak, and that power corrupts. There are camps in PAS and they are consolidating around certain interests. Access to the levers of power makes these interests take shape, and this is where the big corruption slowly begins. Moreover, this is an extraordinarily great danger.

We believe Maia Sandu is honest, which is true, but the party is a completely different thing.

### **PAS continues to march on the right segment**

■ **From the latest polls it becomes clear that PAS will not be able to repeat the success of July 2021 and thus will need a political partner with whom it could eventually form a parliamentary majority in the next elections. How realistic is this and who could be the PAS partners in this?**

■ I think it is premature to talk now about possible partners of PAS. As long as there is a danger of split within PAS, we cannot talk about this aspect now. Things are so volatile that we can only guess now. If there were an imminent danger of PAS splitting, then the question would be topical.

The Coalition for Unity and Welfare (CUB), led by Igor Munteanu, could be a coalition partner to PAS, I think, and also probably several other parties such as the Party of Change led by Stefan Gligor, or the People's Power Party, led by Ruslan Codreanu. These parties have decent, competent leaders, but PAS shows no interest in them because it feels it has no real competitors.

■ **The year 2023 marks the beginning of an electoral cycle – local elections in autumn 2023, presidential elections in 2024, and parliamentary elections in 2025. Can this influence the reform**

**agenda? Are systemic reforms still possible, such as the territorial-administrative reform or the central public administration reform?**

■ The Republic of Moldova has European integration as its country project. It is extremely important that the EC requirements be met in order to start the process of chapter negotiations. Once this process with the EU begins, the situation will change dramatically. The “ground zero” will start from there in the relationship with the EU.

In contrast, the opposition has no idea what it could do to capture the interest of the citizens. It just does not exist. The Eurasian Economic Union is on the brink, the “third way” is an illusion with no potential to launch without partners like the EU.

■ **There is increasing talk about the shortcomings of governance in terms of transparent and participatory decision-making. There is frequent criticisms of the government, such as not allocating enough time to public consultations and consultation of stakeholders for the adoption of several laws of major interest. How can this affect the country's democratic development and European course?**

■ It is true, this can have a negatively effect. However, any government we establish now in the Republic of Moldova will have the same problems - lack of competent staff, interest, etc. There are some political circles that are expressing their attitude towards governance criticising it for lack of transparency and it is good they are doing it.

Nevertheless, it should be mentioned that the main evaluator of the current power is no longer the opposition, but the European Union that gives grades

and holds the hand on the switch of the negotiation process. Otherwise, we only have the manifestation of systemic weaknesses characteristic to each government.

### **Arrears on reforms**

■ **How do you see the implementation of reforms in Chisinau and will the Republic of Moldova receive green light from the EU for the next step on its European path in 2023?**

■ I have seen an interim report that qualifies the Republic of Moldova as lagging behind Ukraine and Georgia in terms of reforms. It is a signal for Moldova, but as I said, the administrative capacity is weak. It is not known how this situation can be corrected because we have all seen that everything depends on the motivation of competent people.

Competent people do not accept low wages. On the other hand, the opposition is criticising the increases in the salaries of officials and ministers, but also complains that professionals abandon the current government. It is kind of a trap that the government must get out from.

In conclusion, everything depends on the developments in Ukraine. If this country resists and a way out of this conflict is found, we probably have a good chance that the EU will decide that these two countries - Ukraine and the Republic of Moldova - will be removed from the gray zone, because otherwise we will constantly have demonstrations from Russia to recapture what Moscow considers as lost territories. That is why the situation is volatile, but there is also a window of opportunity and reasons to be optimistic.

■ **Thank you!**

# ***With the intensification of the Russian military actions in Ukraine, I do not think that Russia's agenda for the Republic of Moldova has disappeared***

**T**he executive director of the Platform for Security and Defense Initiatives (PISA), Natalia Albu, spoke in the interview below about the need for the Republic of Moldova to invest in defense in the context of the Russian militarism in Ukraine and the region. We have talked with Natalia Albu about the risks, threats but also forecasts in the area of security and defense for the current year. Read the interview with the security expert below:

■ The year 2023 promises to be at least as bloody on the Ukrainian front. There are voices of military analysts who even anticipate an increase in fighting. How could an eventual intensification of the fighting in Ukraine impact the Republic of Moldova?

■ This year brings no prospects or perceptions of an immediate resolution to the violent situations taking place in Ukraine. As for the perception of danger from Ukraine, it is still there. We could say that, depending on how the actions in Ukraine develop, we could talk about a danger of medium intensity in the long term.

Russia still maintains its initial vision of this military invasion in Ukraine, and we see it that it will not reduce the intensity of its actions. Ukraine is resisting, but for the Republic of Moldova, at the political level, there is more talk about the country's defence needs. We no longer



have these fears in society to talk openly about support with military equipment.

In 2022 there was more talk about non-lethal equipment, but now we see a tendency to discuss the need to strengthen the relationship with the North Atlantic Alliance (NATO). If we were to analyze the policies and programmes recently debated at the public level regarding the Government's national development programme for 2023, we can notice that the elements related to the security sector reform and the adoption of certain internal crisis management procedures also refer to the security sector and defence.

Violation of our airspace have exposed our vulnerabilities in the air defence capabilities. There are many initiatives in this regard and we see that the society does not show reluctance or fear regarding the necessity to strengthen the army.

## ***Increased budget***

■ We know that the defence budget was increased by 70 percent for the year 2023. Where this money could be used as a matter of priority to increase the defence capabilities?

■ The figure of the budget allocated to defence has amounted this year to 0.55 percent of GDP, but if we

take into account the neutrality status, an allocation of 2 percent of GDP would be needed to develop the national army over time.

The gradual increase from 0.55 percent and even up to 2 percent is an indicator showing that concerns towards the military sector are very important in the current security environment. On the other hand, you also need to be credible to donors. We have support from the EU through the European Peace Facility. We have bilateral partnerships with Germany and the USA, but we also need to prove that we are a credible partner that seeks to strengthen its domestic financial capacity through contributions to the defence budget.

In general, this budget will be used to strengthen Moldova's anti-aircraft defence capabilities and equip military subunits with air surveillance equipment. It is also important to produce the gradual increase of the military forces through the contract. Apart from provision of equipment, we need trained human resources.

There is a need to develop a modernized and socially attractive package for the military. Now, this package is not very attractive in order to contract soldiers at the sergeant and private level. The public policies developed earlier were very attractive for this category of soldiers. However, over time, the new budget law and other actions led to the diminution of this social package.

Even though it would seem that the defence budget is increasing, a big part will be largely used to increase attractiveness and development of the national military.

### ***The need for defence investment***

■ **We know Germany has sent three Piranha armoured personnel carriers and another 19 are on the way. Can we expect similar aid with military equipment from other countries as well, and where could it come from?**

■ Yes, there has been a lot of talk about the provision of military equipment by Germany, specifically the provision of these Piranha-type armoured vehicles, some of which are produced in Switzerland, which is a neutral country. This equipment comes to complement and replace the old one, which cannot be repaired and used. We are talking about the equipment from the 60's – 80's.

We need to explain to the citizens that this is not about militarization and preparation for war, rather about proactive actions by the army. The nature of wars is changing and so are the threats, so this equipment will contribute to the development of the national military. On the other hand, we have a new tool, namely the European Peace Facility which is a programme launched in 2021-2022 to enhance the defence capabilities of partner countries in the EU's neighbourhood.

There are programmes and agreements, which will be implemented at the national level, regarding the provision not only of non-lethal equipment, part of the EUR 7 mIn package announced in 2022, but also of equipment that will come in the next 36 months in the form of logistics elements such as armoured personnel carriers, medical equipment, etc.

Also, the cyber defence is very important for the defence sector. This together with staff training will also be ensured through this programme in partnership with the EU. We can see now that the Ukrainian military is also having certain military exercises in the EU to be able to handle this equipment.

■ **President Maia Sandu has stated recently at the World Economic Forum in Davos that she had asked the strategic partners of the Republic of Moldova for anti-aircraft defence systems. Can such help materialize?**

■ If these actions are integrated in the National Army Development Programme for the years 2023-2025, there are already trends or confirmations regarding support in the field of airspace security. External partners who want to strengthen the region are interested in equipping the Republic of Moldova with air defence systems to ensure their own security.

Although this neutrality status is being discussed, it also does not bring security guarantees. At the World Economic Forum in Davos, where the Republic of Moldova participated for the first time, other aspects were also discussed, such as the financial support package related to inflation in the country or the energy security. All the above require foreign assistance. It just depends on its shape.

### ***War and propaganda***

■ **How do we see the Republic of Moldova in 2023 from the point of view of information security? Could the pro-Russian propaganda amplify in the Republic of Moldova? What measures could be taken to reduce this phenomenon?**

■ Russian propaganda as an element of Russia's hybrid warfare in the region will not diminish or decrease in intensity. This will continue, because the Moldovan society remains divided on the country's development path.

There are also differences in the perception of vulnerabilities by the authorities and the society at large. People expect immediate results and from this perspective the intensity of propaganda will maintain and will partially succeed. We saw the propaganda during the COVID-19 pandemic, then in the case of the suspension of the licenses of certain TV stations. The Security and Intelligence Service (SIS) has also taken certain actions on punishing the people who use hate speech, promote phobias and messages of war.

Attempts are being made to adopt legislation on combating malicious information coming from outside. I am talking about this package of laws discussed very intensively at the end of last year regarding additional powers for the Security and Intelligence Service in this area. It is becoming clearer now that there is a need to combat propaganda.

It is not enough to just combat this misinformation by shutting down websites or TV stations, there is a need for measures to counterbalance such actions. The informational space which was blocked should somehow be occupied so that it is not used again by those forces who want to destabilize the situation in the country.

That is why we must focus on strategic communication and

there are already programmes and initiatives to develop this segment.

■ **How important will the reforms with regard to the Security and Intelligence Service be? Can SIS function as a genuine Western-style intelligence institution, or does it still have Soviet-type reminiscences?**

■ There is an imprint of Soviet nature in the SIS management culture. There is a perception that the institution was controlled by the intelligence services of the Russian Federation. This problem also reflects on the other institutions that are part of the security and defense sector. However, there is an intention to modernize and strengthen SIS in order to work in the national interest.

The main issue discussed in the above-mentioned draft laws on increasing the SIS powers is the security mandate that would allow SIS to act by avoiding the bureaucratic procedures until a criminal action is initiated for the SIS to take actions. Especially in the case of propaganda, fake news, or hate speech. If these legislative packages pass the Parliament, then the SIS will be allowed to act immediately.

An organizational culture is needed so that, over time, we reach the level of operation of the special services of other countries.

### **Potential destabilization**

■ **Can we expect events to be orchestrated by Moscow in the separatist region of Transnistria, but also in the UTA Gagauza? How prepared should the authorities be to prevent destabilization in these regions?**

■ Largely, this danger existed also last year. With the intensification of Russian military actions in Ukraine, I do not think that Russia's agenda for the Republic of Moldova has disappeared. The vulnerability of the Republic of Moldova regarding the resolution of the Transnistrian conflict and that in the Gagauzia region remains. It will always exist, and so will the danger of exploiting these vulnerabilities.

Chisinau's preventive actions should be taken through soft tools. We see this with regard to energy security and the policies pursued by Chisinau in this regard in relation to the right bank of the Dniester, in order not to allow Russia to destabilize the situation through direct involvement. On the other hand, we have Gagauzia, where Moscow used this autonomy to undermine the Government's actions, especially when it comes to European integration.

As in other sectors, more decisive steps are needed to promote the European integration. Many people from those regions do not know what happens in the country, because they do not speak Romanian and English to read or watch relevant news. They are influenced by the news coming from the Russian Federation.

The year 2023 will be a complex one for the Republic of Moldova, because it will have to integrate the needs of the EU integration process in all segments. This refers also to the defence and security. And this should also take into account the UTA Gagauzia.

■ **Thanks!**



# We continue to have big gaps in the competitive framework and certain price increases are not necessarily justified

**T**he director of the Expert-Grup's "Business environment and SMEs" programme and economic analyst, Stas Madan, spoke in the interview for the newsletter below about the economic challenges and risks in 2023 for the Republic of Moldova, and also about the forecasts for the country's economy. We also discussed about the expectations with regard to the foreign assistance and about profitable sectors of the economy. Find out about all this in the following lines:

■ **What are the economic prospects for the Republic of Moldova in 2023, against the backdrop of international experts predicting that the world economy will enter recession? How can this impact the Republic of Moldova?**

■ The relevance of forecasts now is rather questionable because we really have a lot of risks and uncertainty. If we talk about the current situation, we will probably have an economic growth of about 2-3 percent. The National Bureau of Statistics predicts an economic decline of around 4 percent for the year 2022.

In 2022 we had an economic decline, so 2023 is expected to see a better return in agriculture due to the realities in this field in 2022. Altogether, we will probably have a modest economic growth of 2-3 percent.



These assumptions start from the premise that the world economy will not go into recession. If we have a new recession in the world economy, of course the Republic of Moldova will be affected, because we are a small and open economy, and all the shock waves reach us.

■ **What solutions could be viable for reducing inflation and prices in 2023? What can the current Government do better in this regard?**

■ Regarding inflation, it is obvious that the pace of inflation growth will slow down in the current year. While in 2022 we had an average inflation of about 30 percent, this year the annual average is forecast at about 15 percent, twice as lower. However, prices will continue to rise though at a slower pace.

What can the Government do?

First, on the social dimension, it could help the most vulnerable. The inflation that hit our economy is affecting the most vulnerable, because we were most affected by the increase in the prices for utilities and food. In the Republic of Moldova, compared to other states, these products and services have a much greater weight in people's budget. That is why the population is more affected compared to other states.

So, the main interventions of the government are in the social area. From this point of view, if we look at the Budget Law for 2023, the government has stretched the rope on this dimension. In general, if we analyse the data from the last three years on how



the share of GDP spending on social protection has evolved, we can see a very large increase. As much as possible money was allocated.

In the context of inflation, an improvement of the competition and transparency framework is required in the Republic of Moldova. Though, for the most part, the inflation in Moldova is imported, there are certain developments that show that we still have great deficiencies in the competitive framework and certain price increases are not necessarily justified.

### **Indispensable foreign assistance**

■ **Does the Republic of Moldova remain dependent on the financial aid of the Western partners in 2023 to keep the state afloat, or does Moldova have the necessary resources to deal with multiple crises?**

■ If we analyse how the budget for the year 2023 was designed, it relies heavily on external assistance. It is inevitable for covering all the spending programmes of the Government. Like in 2022, the volume of external assistance expected to be absorbed into the budget is very large. Since the budget deficit for the current year is set at more than MDL 18 billion, most of it will be financed from external money.

■ **The year 2023 promises to be at least as bloody on the Ukrainian front. There are voices of military analysts who even predict an escalation of the conflict. Can the country expect new foreign investments in such**

**an uncertain security climate? What are your predictions?**

■ It is very complicated for the investment environment because having a war on one's border does not make it easy. This risk of war affects the investment attractiveness a lot.

Therefore, probably the main policy direction of the Government during this period would be to create premises and opportunities for all the money that is already available in our economy to be channeled mainly to investments.

### **With an eye on the IT industry and energy security**

■ **What are your forecasts for the development of the IT sector in Moldova and how can the country perform in this sector?**

■ This sector is doing well, from a quantitative point of view it is going very well. When we have the final data in 2022, the IT product exports will probably exceed half a billion USD. For comparison, in 2015-2016, this value was about ten times lower. It is indeed an impressive growth, especially due to this preferential fiscal and administrative regime in which IT companies operate.

As for the outlook, the IT sector will probably continue to grow this year, but of course not at the same impressive pace. A challenge for the IT sector in Moldova is that, although we have relatively large exports, it mostly sells more work [services] than IT products.

The big challenge for our IT sector is to enter higher value-added chains and sell more products than

services, especially since artificial intelligence is doing wonders today. It is possible that in the near future the demand for such kind of work will be replaced.

■ **Can the Republic of Moldova do more in 2023 to get rid of the Russian energy dependence, or will we again witness periodic crises in the energy sector? Is it possible to get closer to the EU in this field of energy security?**

■ This is a must for Moldova. We are bound by the current circumstances. Crises may still occur, as the situation on the energy market remains quite volatile. If the war continues, more people are already anticipating that the next winter, from the perspective of gas supply, will be a rather complicated one, including at the EU level.

For the Republic of Moldova, challenges could arise. What the Government could do is to support renewables for which certain steps were taken last year. They need to accelerate in this area. While in the last ten years the Government was sceptical to support the renewable energy sector because the prices were higher, at the current rates it makes sense to support this sector.

Another challenge would be if we continue to buy gas from other suppliers than Gazprom for the right bank of the Dniester, because buying gas from the spot market is not sustainable. The challenge for 2023 would be for the Government to find certain stable suppliers with long-term arrangements that allow gas supplies for a better than the market price.

■ **Thank you!**

# Tangible results will matter a lot when the EU evaluates our progress and readiness for the negotiation process of the new accession treaty

**T**he executive director of the Institute for European Policies and Reforms (IPRE), Iulian Groza, spoke about the importance of the year 2023 for the accession process of the Republic of Moldova to the EU, but also about the internal processes among which the local elections that will take place in autumn. The experience of other EU aspiring countries will also be beneficial for the accession process that Chisinau is currently going through, says Iulian Groza. We are inviting you to read the interview with the IPRE director below:

■ Mr. Groza, where are we today in terms of European integration and what is feasible to happen in a positive sense for the Republic of Moldova in 2023?

■ First, the Republic of Moldova is a candidate state to the European Union. This is a historic decision adopted last year in June. This new status also implies a new approach in the relationship of the Republic of Moldova with the European Union, but also a new evaluation of our preparation to become an EU member state.

This means Moldova is no longer just a neighbouring and associated state of the EU, but a candidate state. All the evaluations that take place at the level of the European Union in relation to the Republic



of Moldova will be more rigorous and will involve finality, namely the negotiations of an accession treaty.

The year 2023 is an important one from a political point of view in relation to the European Union, because there is an announced stake to open the EU accession negotiations. For this to happen, the Republic of Moldova has to fulfil the nine recommendations formulated last year by the European Commission (EC).

At the national level, the plan is to fulfil these recommendations. At the meeting of the Commission

for European Integration last week there was presented the latest information regarding the progress of implementation of those measures. From the evaluations presented by the Ministry of Foreign Affairs and European Integration (MAEIE), almost two thirds of the measures planned to be implemented by the end of the current year have a certain dynamic of achievement.

More measures are going to be implemented in the future. The initial deadline was June 2023, but in the meantime, it was mentioned at the National Commission for European Integration that the

speed of fulfilling those measures should be increased. Why? Because in December 2022, the European Council adopted a conclusion regarding the European course and the evaluation of the two candidate countries - Ukraine and Moldova, but also potential candidate Georgia -, and the European Council invited the European Commission to initiate the evaluations already this spring.

This means that in spring, the EC will conduct an interim evaluation, and towards the end of this year, in autumn, when the EC presents the reports under the enlargement package, we will already have a more complete evaluation of the results achieved through the lens of the nine conditionalities. That evaluation will also cover areas under the enlargement package.

### ***Justice, a sensitive area***

■ **Six out of the nine EU conditionalities refer to the justice sector. How have we moved so far with their implementation? Is it possible to fulfil them in 2023?**

■ The actions planned for the implementation of the five-six measures aimed at the justice system, among which the fight against corruption, the asset recovery, the investigation of the bank fraud are basically those assumed last year by the Government.

Most of the actions planned to achieve these measures have been initiated. The pre-vetting process is ongoing. We know this process is taking longer than expected, therefore it is important that in spring-summer this process have a finality in the case of the Superior Council of Magistracy (CSM) and the Superior Council of Prosecutors

(CSP). These are self-governing institutions of the justice system that will have an important role in the process of resetting the judicial and prosecution systems in the second phase of the extraordinary evaluation process - vetting.

There are other measures to take into account, such as reducing the influence of private groups in the public, economic, and political sectors. These are mentioned under the title of deoligarchization. The Ministry of Justice has already initiated a process of developing the legal framework and adjusting the national framework to create new tools to reduce the influence of such private groups. Other measures cover the financing of political parties, the media, and the competition sector.

All the above measures are planned to be completed this spring. Now let's see if the government will manage to maintain momentum, because most of the indicated measures will matter a lot. Tangible results will count when the EU analyzes if we are ready for the negotiation process of the new accession treaty.

### ***Civil society, indispensable to the accession process***

■ **Is the expertise of NGOs still needed in 2023, as it was the case in 2022 when filling out the EC questionnaires, or has this process become eminently political and belongs to the authorities alone?**

■ First of all, one of the EU nine conditionalities refers to the cooperation framework between the authorities and civil society. This is also a commitment assumed by the authorities. The involvement of non-state actors - non-governmental

organizations, business associations, etc. - in the process of drafting public policies or consulting laws will be decisive.

We will be evaluated by the European Commission. A key aspect that will matter is the transparency of the decision-making process. We will see to what extent the authorities will manage to respect the rigors of the decision-making transparency when drafting the legislation. We also know it from the preliminary evaluation carried out by our colleagues from the Promo-LEX in 2022 that this aspect is one of the shortcomings, at least at the level of the Parliament.

We know that many draft laws were initiated at the parliamentary level, bypassing the public consultation process. On the other hand, we know that those initiated by the Government, for the most part, respect the rigors related to the publication of draft laws and their consultation. However, also in this case the process was shortened. An example in this sense is the approval of the 2023 draft budget at the end of last year.

Therefore, the role of civil society, NGOs, and business associations will also be important this year, not only from the perspective of their inclusion as stakeholders in the decision-making process, but also in the process of formulating proposals and providing expertise. They will be involved this year in the elaboration of normative acts, strategies, public policies, including those under the EU nine conditionalities.

■ **Should the Republic of Moldova in your opinion somehow stay on the same train with Ukraine on the way to the EU, or rather find the resources and partners' support by itself in this process in 2023?**



■ I think what matters is that there should be close cooperation especially between Ukraine and the Republic of Moldova, but also Georgia, in this process of European integration. All three countries are associated countries and were included in the enlargement package. It is natural to have such cooperation: exchange of experience and expertise on different processes and sectors.

Each of the three countries are at different stages. Some are more advanced in one sector, others in other sectors, and obviously, the cooperation between the three countries at the governmental level, or even of the NGOs, is very important.

At the same time, we know very well that there were certain deficiencies in the structuring of this cooperation. Although in 2020 there were also discussions about the Associated Trio, on a practical level, in 2022, a very high intensity of cooperation was not observed. Despite all this, the bilateral cooperation between the three countries was maintained, but it somehow took a back seat.

On the other hand, when it comes to Ukraine, there were several agreements signed in December 2022 during the visit of the Prime Minister Natalia Gavrillita to Kyiv. One of them was the development of a common agenda regarding the European integration.

It was agreed at the level of governments between Chisinau and Kyiv that there should be a synchronization and an exchange of experience between the two countries, something that I think is welcome.

At the same time, there were such interactions at the level of the Foreign Ministries of Moldova and Georgia. There was also a visit by the Georgian Foreign Minister and this framework was reconfirmed.

What matters most for us, as a candidate country and aspiring to become a member country is that we must have a framework of cooperation, but understand that our European path is still an individual one.

The evaluations made by the European Commission are individual, based on the merits and processes of each country. We observe this from the experience of the Balkan countries. Even though all the Balkan countries received the European perspective [in Thessaloniki in 2003], they have moved at different speed. Croatia is now a member of the EU, other countries have candidate status, or others are negotiating chapters.

In their case, the EU assessment was made for each individual country. This is what happens in our case. Moldova will be evaluated individually in the following stages. Obviously, each country – Ukraine, Moldova and Georgia – has its advantage when it comes to the European agenda.

For example, Moldova has already been part of the South-East European cooperation process for 20 years. Together with the Balkan countries, Moldova is the founder of the Regional Cooperation Council with the Balkan countries. Moldova is a member of the Central European Free Trade Agreement. Moldova has a direct connection built over the years with the Balkan states that gives us several advantages and opportunities,

including connecting the other countries to these processes.

At the technical and procedural level, Moldova is involved in exchanges of experience with the Balkan states. It will be important to develop the relations with these states that have more experience with the EU accession negotiations.

In 2022, I visited several countries in the Balkans and noticed that there are many similarities and many lessons that we can learn from North Macedonia. This could help us with meeting the conditions for opening the accession negotiations and subsequently in the negotiations over accession.

### ***Placing the Republic of Moldova on the international agenda***

■ **What signal is the fact that the Republic of Moldova will host the second meeting of the European Political Community (EPC) in Chisinau this summer? Will this give more weight to the candidacy of the Republic of Moldova to the EU?**

■ The European Political Community (EPC) initiative is new and complementary to the European integration process. The European Political Community launched last year involves several countries, not only the EU members, but also other countries from the European continent. It is important to understand that this European Political Community does not replace the framework for discussions agreed to by the enlargement policy. At the same time, obviously the meeting hosted in Chisinau offers us several opportunities.

First, it puts us high on the international agenda. It gives us the unprecedented opportunity to host over 47 European leaders, presidents, and heads of government. The format of this meeting gives us more possibilities that we can capitalize on, including in terms of our European aspirations.

The summit will have a separate agenda that will be dictated by the regional context. The issue of regional or energy security will not disappear from the agenda. It is important that this summit also have forward-looking topics on the agenda. One could address the dimension of development, reconstruction, and support from the EU for the post-war situation for Ukraine, but also for the Republic of Moldova.

### ***The EU will continue to help the Republic of Moldova***

■ Depending on the developments of the war in Ukraine and the generation of new waves of refugees, should we expect new financial aid for the Republic of Moldova?

■ In 2022, Moldova will benefit from international support in order to recover from the multiple

crises we are facing. The crises and their impact have not disappeared yet. The agenda of support from partners will continue to be expanded. We also have the dedicated support format for the Republic of Moldova, initiated by Romania, Germany, and France. There were several meetings in 2022. The next meeting in this format will take place in Chisinau, in spring or summer.

The discussion on capitalizing on the last year's support will continue within this platform, and also new support packages for the Republic of Moldova will be announced, not only for the management and minimization of the effects of crises. I hope it will look to the future and aim at investments and sustainable development of the Republic of Moldova.

■ Will the autumn local elections be a test for the government to see how European the electorate's options remain?

■ Any election is an electoral test for governance. This year's local elections have high stakes and will be very competitive. They are going to be a test for the ruling party. It is important that the elections take place within the electoral rigors prescribed by the new recently

adopted Electoral Code, in which several recommendations of the OSCE, ODIHR, ECHR are transposed.

So, these elections will be held in much better and legal conditions. There are high political stakes, as these elections will be followed by presidential elections in 2024 and then by parliamentary elections in 2025. That is why the local elections will be a test for the politicians regarding the extent they have responded to citizens' expectations.

On the other hand, there is another aspect that should not be overlooked. There is an initiated process of local public administration reform and decentralization. This reform which is about to start will count a lot on the agenda of debates in these local elections.

The local elections will also be a subject of very careful monitoring by the competent organizations in this field, but considering the importance of the political criterion, when the Republic of Moldova is evaluated in relation to our status as a candidate country, the observance of all the requirements related to the electoral processes will be very important.

■ Thank you!

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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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