

UKRAINE-MOLDOVA: COMPETITION, COOPERATION AND INTERDEPENDENCE

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- In the recent years the relationships of Ukraine and Moldova had positive dynamics, which nevertheless is clouded with certain problems, which can be figuratively marked with four “E”s: economy, energy, ecology, and ethnic minorities. The solution of these problems is possible, provided the intergovernmental dialogue continues and the international structures, foremost the EU, further support and mediate this process.
- Mutual interests of Ukraine and the Republic of Moldova in stability and security in the region became even more relevant and both sides support concordant policy towards Transnistrian settlement, as well as principles of borders inviolability and territorial integrity of Ukraine and the Republic of Moldova. However, further progress in this sphere largely depends on the results of the 2018 parliamentary elections in Moldova.
- The main problem of the bilateral relationships remains unpredictability and mutual lack of trust. This problem can be solved, provided there is political will of both sides, as well as mediatory efforts of active civil society, which remains the main driver for democratization of both countries.

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Abstract

The authors of these two policy papers aim to identify the main themes in the bilateral relationship between the Republic of Moldova and Ukraine, which can serve as a basis for developing a new agenda for cooperation. Therefore, the aim is to give a perspective on the future strategy of approaching the partnership between Kyiv and Chisinau, highlighting one by one the strategic interests of the Republic of Moldova in the relationship with the neighboring state, but also that of Ukraine in the relationship with Moldova. Another priority of this approach will be the analysis of the arguments that made cooperation more difficult in certain periods.

The ultimate goal is to develop recommendations or alternative suggestions for improving partnership so that the two state actors can coordinate certain foreign policy actions to prevent for the future new threats to national security that could be emphasized by inefficient dialogue.

Research tools used to identify the main approach towards the bilateral relationship between Ukraine and Moldova are the analysis of the official statements, public policies documents, decisions and official speeches, as well as analysis of reports and studies elaborated by Ukrainian and Moldovan experts identified as potential influencers of this bilateral dialogue.

Ukraine and Moldova – newly emerging challenges and opportunities in bilateral relations

Sergiy Gerasyrchuk

Foreword

The Republic of Moldova and Ukraine's political cycles coincide seldom. Its usual practice when the leadership of Moldova is seeking cooperation with Ukraine the Ukrainian government has other priorities and vice versa – the periods of openness of the Ukrainian government happen when the political circumstances in Chisinau are not favorable for Kyiv. That has already resulted in protracted problems and unresolved issues, lack of mutual trust between the governments and presidents. Currently the countries approach another round of the same cycle when in the Republic of Moldova the most-likely winner of the parliamentary elections is sharing pro-Russian views and believes that cooperation with Russian Federation should dominate the foreign policy agenda while in Ukraine such approach is perceived as a potential challenge for the Ukraine-Moldova bilateral relations.

Besides, the parties rather compete than cooperate although in some issues like economics, ecology of the Dniester river etc. both Ukraine and Moldova have huge potential for cooperation and are interdependent.

The possible solution for finding mutually beneficial solutions in the bilateral relations is rooted in cooperation of civil societies and expert communities of both countries which have a long record of successful cooperation, speak common language, share the same values and can elaborate the strategies of the improvement of the bilateral cooperation grounded on the win-win approach.

Thus the aim of this study is to focus on the most sensitive issues in bilateral cooperation emerging recently (e.g. economic tensions, misunderstanding in energy sector, environmental problems, minority issues, political divisions, cross-border cooperation and

border management and Transnistrian settlement), key success stories in bilateral relations and the possibilities for applying win-win approaches and mutually beneficial strategies which are to be promoted and advocated by civil society of both countries.

Economy, energy - the importance of an efficient commercial partnership after 2014 (market and consumers)

The economic relations between Ukraine and Moldova are at a good level, and Ukraine today is one of the main trade and economic partners of the Republic of Moldova. As of 2016 Ukraine was ranked among Moldova's top-10 trade partners¹ with the tenth position.

The key instrument of interstate economic cooperation between Ukraine and the Republic of Moldova is Interstate Ukrainian-Moldovan intergovernmental commission on trade and economic cooperation (Ukrainian part of the Commission is headed by First Vice-Prime Minister, Minister of Economic Development and Trade S. Kubiv, Moldovan by Vice-Prime Minister, Minister of Economics O.Calmîc).

According to the Prime Minister of the Republic of Moldova P. Filip as of October 6, 2017 the volume of trade between Ukraine and Moldova increased by more than 30% compared with the same period of the last year, and 1,128 enterprises with Ukrainian capital operate in the Republic of Moldova².

Alongside with the other GUAM partners (Azerbaijan and Georgia) Ukraine and Moldova reached an agreement to create a free trade zone among the GUAM-member states³ that will give the additional impetus to commercial-economic cooperation and will strengthen

1. <https://wits.worldbank.org/CountrySnapshot/en/MDA>

2. <https://www.ukrinform.net/rubric-economy/2319800-trade-volume-between-ukraine-and-moldova-increased-by-more-than-30-moldovan-pm.html>

3. <http://open4business.com.ua/guam-member-countries-agree-free-trade-zone/>

GUAM's capacities as a transport corridor as well. Also both countries benefit from DCFTA with the EU.

However, it is necessary to admit that there were also the cases of economic tensions between Ukraine and the Republic of Moldova, in particular in 2016 when on the initiative of the Ministry of Economics of the Republic of Moldova an increase from 0% to 10-15% import duties on poultry meat, sausages, milk, butter, cheese, ice cream, and cement was introduced alongside with the quotas on dairy and meat products (the Decree of the Government of the Republic of Moldova №576 dated by 06.05.2016)⁴. That was the attempt of the Moldovan government to protect the domestic producers (the share of Ukrainian dairy production reached 12% in 2015: share of butter – 6%, sour-milk products – more than 72%, milk and cream – more than 62%, cheese – approximately 25%)⁵. Such step was perceived by the government of Ukraine as discriminatory and as a violation of WTO rules, since it was aimed only at Ukrainian goods (consequently resulting in losses of medium business located in the border area and focused on the Moldovan market – sometimes as a result of reorientation from Russian market). It resulted in the decrease of export to Moldova. The position of the Ministry of Economic Development and Trade of Ukraine was critical to the decision of the Moldovan government⁶ since prior to imposing duties by Moldovan sides both Ministries had consultations and came to conclusion that it is necessary to have another round of negotiations before the decision of the government of the Republic of Moldova will come into force, however that negotiations never happened and the final decision was taken by Moldovan side unilaterally.

Only the direct dialogue between the Ukrainian Prime Minister Volodymyr Groysman and

Moldovan Prime Minister Pavel Filip resulted in the agreement to find mutually acceptable solutions and to boost trade relations between the two countries that had suffered from the imposition of trade restrictions by the Republic of Moldova since spring of 2016. However, anyway, Moldova maintained trade restrictions on Ukrainian goods, within the quotas for dairy and meat product imports until the end of 2016⁷.

In the field of energy cooperation both Ukraine and Moldova have ambitious plans to elaborate and implement plan of joint activities aimed at integration of Ukrainian and Moldovan energy systems to the continental European energy system ENTSO-E in order to decrease dependence on energy systems of Russian Federation and Belarus.

Also on September 29, 2017, at the meeting of the Central and South-Eastern European Energy Connectivity (CESEC) Initiative⁸ in Bucharest which brought together nine EU Member States (Austria, Bulgaria, Greece, Croatia, Hungary, Italy, Romania, Slovenia, Slovakia) and eight Energy Community Contracting Parties (FYROM, Serbia, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Moldova) the participants agreed on a joint approach to electricity markets, energy efficiency and renewable development. They also established a list of priority projects to build an interconnected regional electricity market, as well as actions to boost renewables and investment in energy efficiency. The European Commission Vice-President for Energy Union Maroš Šefčovič said: "Cooperation under the CESEC umbrella has turned into an exemplary success story, proving that solidarity is the solution. Given its rapid accomplishments in the field of gas, we are expanding the scope of cooperation in the region to electricity, renewables and energy efficiency. It is a positive and powerful message to citizens of

4. <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=364806&lang=1>

5. <http://agroportal.ua/news/ukraina/molochnyi-vopros-ukraina-gotova-k-peregovoram-s-moldovoi/>

6. http://www.kmu.gov.ua/control/uk/publish/article?art_id=249055919&cat_id=249891105

7. <http://me.gov.ua/News/Detail?lang=uk-UA&id=db47e216-ef7a-4f2c-a8db-99f42c05f113&title=UkrainaIMoldovaVidnoviliAktivnuSistemnuVzamodiiuZPitanTorgivlii-Ekonomiki-EnergetikiTainfrastrukturi>

8. The Central and South-Eastern European Energy Connectivity (CESEC) Initiative, launched by the EU in 2015, aims to strengthen solidarity and enable a safer and more affordable gas and electricity supply. It also helps citizens and businesses across Central and South Eastern Europe to improve energy efficiency and access renewable energy.

the region, with benefits going beyond the energy systems.”⁹

However, despite the ambitious plans and joint declarations the situation in the field of energy cooperation remains problematic. One of the examples of misunderstandings in the field of energy cooperation was failed attempt of the Moldovan side to decrease its dependence on the supplies of electricity from Russia-owned producers. On April 1, 2017, Ukraine’s DTEK Trading and Moldova’s state-owned intermediary Energocom signed a one-year contract, on the supply of electricity to Moldovan distributors. DTEK has won a bid in competition with the located in Transnistria and owned by Russian Inter RAO Kuchurgan Power Station. The DTEK’s offer was \$50.2 per 1 megawatt. The Kuchurgan station in the first round of talks proposed a price of \$58.5 and decreased it to 54.4 dollars¹⁰.

However, already in June 2017 Moldova’s Ministry of Economy decided to modify an energy contract awarded through a public tender to the Ukrainian company and introduced a new clause allowing the government to buy electricity from a Russian-owned plant. As it was explained by Energocom new negotiations had taken place and Inter RAO offered a better price than the Ukrainian company.

Such approach of the Moldovan side has caused the concerns expressed by the EU Delegation to Moldova and the EU. The High Level Adviser for Energy Policy expressed concerns that there was unfair competition and the Ministry of Economy was too involved in the tender. Besides, such decision contributed into the increase of mistrust between Ukrainian and Moldovan economic agents¹¹.

Summarizing, the cooperation in the field of economics and energy sector between Ukraine

and the Republic of Moldova looks promising but there are certain tensions and misunderstandings caused by unilateral steps of the Moldovan side that cause embarrassment in Ukraine and create the negative background for the further cooperation. The good practices within the existing multilateral formats e.g. GUAM and the Eastern Partnership should be considered and transposed to the bilateral relations while sensitive issues have to be discussed in open and transparent format.

Environmental problems - hydropower plants on Dniester - common environmental issue

The deterioration of the ecological situation in the Basin of the Dniester River has been a main issue of concerns for both Moldovan and Ukrainian ecologists for quite decent period of time. Back in 2013 the OSCE has launched the initiative “The change of climate and security in the Dniester basin” under umbrella of UN ENVSEC Initiative whereas in 2015 high level government representatives from Ukraine and Moldova, along with parliamentarians, experts and NGO representatives from both countries, convened in Kyiv on 23 April 2015, to discuss the trans-boundary climate change adaptation strategy and co-operation in the Dniester/Nistru River basin.¹²

However, despite the international efforts on fixing the ecological problems of the Dniester, the situation further deteriorated and reached another high point in 2016. The ecologists from Moldova reported that the level of water in Vadullui Vodă is at the critical indicator of 8.4 meters which created the risk of cut of water supply to Chisinau¹³.

While the Moldovan side was blaming Ukraine for limiting water flow from Ukraine-owned water reservoirs, Ukraine was emphasizing the lack

9. http://europa.eu/rapid/press-release_IP-17-3506_en.htm

10. <https://jamestown.org/program/moldova-ukraine-energy-deal-upsets-russia-cutting-transnistria/>

11. <http://www.balkaninsight.com/en/article/moldova-new-energy-deal-raises-questions-over-russian-pressure-06-08-2017>

12. <http://www.osce.org/secretariat/152791>

13. http://en.publika.md/chisinau-might-be-left-without-water-supply-be-cause-of-low-water-level-in-dniester-river_2625902.html

of will of Moldovan authorities to negotiate the problematic issues and contamination of the river by Moldovan cities (in particular Soroca). The tensions reached its high another point when Ukraine announced about plans to build 6 more hydro-electric plants on the Dniester river. Such decision was undertaken by the Ukrainian government in summer 2016. According to the ecologists the construction of the power plants may result in lack of water supply not only to the Moldovan cities including Chisinau but also to Odesa in Ukraine¹⁴.

The positive sign in this regard is the fact that Ukraine and Moldova expressed readiness to request the European Commission to analyze Ukraine's plans on construction of new hydroelectric power plants on Dniester River. Besides, in June 2017 the Parliament of Ukraine ratified the Intergovernmental Ukraine-Moldova Treaty on cooperation in protecting and development of the river's basin¹⁵ (it was ratified by the Parliament of Moldova back in 2013). The Treaty aims at creation of legal and organizational preconditions for rational and ecologically justified usage and protection of water and other resources and ecological systems of the Dniester basin in the interests of the population and sustainable development of the parties to the Treaty. In particular the parties will work on the decrease of the contamination of the Dniester and Black sea basin, preventing degradation of ecosystems and their restoration and preservation of biological diversity in the Dniester river basin. The parties of the treaty have to define the national body that will coordinate the implementation of the provisions of the Treaty at the territories of the participating states and create the Commission for the sustainable usage and protection of the Dniester river basin the Treaty is valid for the 5 years and is automatically prolonged if none of

the parties has objections.

The ratification to accept the EU as arbiter and ratification of the Treaty proves that both sides are interested in constructive dialogue, despite the existing differences in the approaches towards the ecological situation in the Dniester basin.

An ethnic minority – Ukrainians in Moldova – how difficult is to be a minority representative

Ukrainians numerically constitute the second largest group in the Republic of Moldova. According to the 1989 census, the overall number of Moldovan Ukrainians amounted to approximately 600.000 and their share in the ethnic structure of the republic was 13.8%. The 2004 census data provides the number of 282.198 Ukrainians living in the country (excluding the left bank regions). According to the Ministry of Economy of the unrecognized TMR, the census of November, 11, 2004 recorded the Transnistria population size as 555.500 persons; 28.8% or 159.984 among them where Ukrainians.¹⁶

On both sides of the Dniester the Ukrainian minority faces several problems, however the most noteworthy is the problem with education. Despite such numerous presences at the Moldovan terrain the minority faces some problems in particular in terms of education.

Because of the educational reform in the Republic of Moldova the number of schools with teaching of the minority languages is constantly decreasing. In 2000 there were 78 schools with teaching Ukrainian language and literature, in 2007 – 57, nowadays – 50 educational institutions (lyceums and gymnasiums) where Ukrainian language is being taught (only 2 with Ukrainian as a teaching language for other subjects on the right bank and 4 on the left bank of the Dniester river). Teaching usually is limited to 3 hours per week for studying

14. <http://www.dw.com/uk/%D0%BD%D0%BE%D0%B2%D1%96-%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D1%81%D1%8C%D0%BA%D1%96-%D0%B3%D0%B5%D1%81-%D0%BD%D0%B0-%D0%B4%D0%BD%D1%96%D1%81%D1%82%D1%80%D1%96-%D0%BC%D0%BE%D0%BB%D0%B4%D0%BE%D0%B2%D0%B0-%D0%BF%D1%80%D0%BE%D1%82%D0%B8/a-37841675>

15. https://www.unece.org/fileadmin/DAM/env/water/activities/Dniester/Dniester-treaty-final-EN-29Nov2012_web.pdf

16. http://www.irf.ua/files/eng/text_eng.pdf

Ukrainian language, literature and traditions (the classes for studying Ukrainian are created on the basis of Russian schools). Although in 2017 the Ministry of Education of the Republic of Moldova has recommended to teach Ukrainian instead of Russian there are not that many institutions that have considered this recommendation so far.

Annually the Embassy of Ukraine to the Republic of Moldova financially assists in publishing Ukrainian books in Moldova but the costs are limited.

As the outcome the Ukrainians of Moldova with the few exceptions do not associate themselves with Ukraine, have little understanding of the developments in Ukraine, belong to bigger Russian-speaking minority in the Republic of Moldova and have fragile identity.

Obviously, both Ukraine and Moldova should be interested in, on the one hand, strengthening ties of the Ukrainian minority with Ukraine as a state and, on the other hand, in cultivating loyalty of Ukrainians to the host state. However, systematic work in this field is in deficit and the issue has to be tackled much more seriously.

Moldova in parliamentary debates – political parties leadership, statements, declarations during Parliamentary sessions

Although most of the Ukrainian Members of Parliament while commenting on the international relations and making statements related to foreign policy of Ukraine usually refer to big players e.g. the United States, the EU, Germany or Russia, Moldova is also mentioned in their statements.

Back in 2015 certain optimism regarding bilateral relations was observed. For example, in the Analytical Report to the Annual Address of the President of Ukraine to the Verkhovna Rada of Ukraine, the President Petro Poroshenko has mentioned the Republic of Moldova in a context of relations with Romania and expressed interest

in cooperation in multilateral format including both Romania and the Republic of Moldova. Furthermore, Moldova was mentioned as a potential participant of international transport corridor "Baltic Sea-Black Sea" initiative and the necessity of deepening political dialogue with Moldova and Georgia in the context of the common goals of European integration and security in the region was highlighted. Besides, according to the Analytical Report Ukraine was seeking for the opportunity to bring into the Organization for Democracy and Economic Development (GUAM) composed of Georgia, Ukraine, Azerbaijan and Moldova new quality connected with the processes of deepening integration with the EU. Moldova alongside with Georgia was also perceived as "the core" of the Eastern Partnership¹⁷.

Besides, Moldova was also mentioned in the Military Doctrine of Ukraine¹⁸, however with less positive connotation – in the context of Russia's armed aggression against Ukraine and potential risks connected with the demarcation of the state border.

In 2016 the Analytical Report to the annual Address of the President of Ukraine to the Verkhovna Rada¹⁹ mentioned the Republic of Moldova in the context of NATO support for strengthening military capabilities of countries neighboring Russia, and in the light of coordinating efforts to counter the hybrid war with the Russian Federation. The developments in the Republic of Moldova were perceived without much interest though. In April 2016 the Speaker of the Parliament Andriy Parubiy commenting on the rise of pro-Russian forces in the Republic of Moldova and dissatisfaction of the Moldovan population with the performance of pro-European coalition and government in the Republic of Moldova called to consider the lessons of Moldova and to prevent "Moldovan scenario"²⁰ (meaning the rise of the

17. <http://www.niss.gov.ua/articles/1855/>

18. <http://zakon2.rada.gov.ua/laws/show/555/2015>

19. <http://www.niss.gov.ua/articles/2316/>

20. <http://www.pravda.com.ua/news/2016/11/14/7126753/>

revanchist forces and success of pro-Russian political forces).

At the same time the interest in cooperation with the Republic of Moldova in the context of GUAM development remained in place. The Prime Minister of Ukraine Volodymyr Groysman came with the initiative to resume practical activities of the Joint Ukrainian-Moldovan Intergovernmental commission on trade and economic cooperation and appealed to establish free trade zone between GUAM states²¹.

The trigger for the statements of the Ukrainian politicians regarding the Republic of Moldova was the results of the Moldovan presidential elections. In this regard, the Chair of the Verkhovna Rada Committee on Foreign Affairs, Hanna Hopko said that in case of the pro-Russian candidate victory in Moldovan presidential elections, Ukraine could get a source of Russian destabilizing influence in its neighboring state²², while MP from "Petro Poroshenko Bloc" Iryna Friz even urged not to recognize the elections in Moldova, as they were rigged. President Poroshenko was less emotional while commenting on the election of Igor Dodon as a President of the Republic of Moldova and expressed hope that the policy of the new President would be pro-Moldovan and pro-European.

However, the 2016 year and inauguration of President Dodon became a turning point in relations with the Republic of Moldova. While the working relations with the pro-European government of the Republic of Moldova remained stable, the Government of Ukraine and the President of Ukraine abstained from direct interaction with the President of Moldova.

In 2017 the most vocal member of the Parliament of

Ukraine who was regularly mentioning the Republic of Moldova in her statements has been Iryna Friz. In her statements one can see a clear separation line between the Government of the Republic of Moldova and the President of Moldova. Friz who is simultaneously the member of Parliament of Ukraine and advisor to the President of Ukraine, on the one hand has been strongly supportive towards the initiatives of the Moldovan government to raise the issue of withdrawal of Russian troops from the Moldovan secessionist region Transnistria whereas on the other hand regularly criticized President Dodon for his close cooperation with the Russian Federation²³, support to Eurasian Union and willingness to get the status of observer there, and most recently for Dodon's statement that Transnistria has to choose whether it will stay with Moldova or join Ukraine²⁴.

Another trigger that caused mentioning Moldova in the statements of the Ukrainian politicians in 2017 was the Law of Ukraine "On education" passed in 2017²⁵. The article 7 of the law envisages that teaching only in minority languages in Ukraine will be limited to 5th grade while after that minority language will be taught as a separate subject and the teaching of the rest of the subjects will be in state language. This provision of the law has caused lots of criticism in the neighboring countries, including critical statement of the President of Moldova. However, nowadays Ukraine is looking for the compromise solutions and the member of "Petro Poroshenko Bloc" Andriy Spivakovskyy has stated that Ukraine and Moldova will create a working group for the comfortable implementation of the Law "On education" with taking into consideration the interests of the Moldovan minority in Ukraine²⁶.

Interestingly, while the President of Ukraine, the Government and the representatives of "Petro Poroshenko Bloc" are usually critical towards

21. <http://www.dw.com/uk/%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D0%B0-%D1%85%D0%BE%D1%87%D0%B5-%D0%BF%D1%80%D0%B8%D1%81%D0%BA%D0%BE%D1%80%D0%B8%D1%82%D0%B8-%D1%81%D1%82%D0%B2%D0%BE%D1%80%D0%B5%D0%BD%D0%BD%D1%8F-%D0%B7%D0%B2%D1%82-%D0%B7-%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D0%B0%D0%BC%D0%B8-%D0%B3%D1%83%D0%B0%D0%BC/a-38137150>

22. <https://www.ukrinform.ua/rubric-politics/2108586-moldova-rizikue-stati-dzerelom-destabilizacijogo-vplivu-rf-u-regioni-gopko.html>

23. https://ukr.lb.ua/news/2016/11/14/350680_bpp_zazhadali_viznavati.html

24. http://www.ng.ru/ideas/2017-11-13/1_7114_dodon.html

25. <http://zakon3.rada.gov.ua/laws/show/2145-19>

26. <http://solydarnist.org/?p=144233>

President Dodon whereas supporting the government of the Republic of Moldova, there are also parliamentary political forces which are less enthusiastic. For example, the member of the Parliament of Ukraine who is representing "Samopomich" political faction Victoria Voytsitska is explicitly critical towards the de-facto leader of the parliamentary coalition in the Parliament of the Republic of Moldova Vlad Plahotniuc. She refers to Moldova as a "captured state", criticized Plahotniuc for total control of media sector in Moldova, corruption, violation of human rights etc. She also criticized President Poroshenko for alleged friendship with Plahotniuc²⁷.

In general the analysis of the statements of the Ukrainian politicians proves that on the one hand they are critical towards the President of Moldova and most vocal in this regard are the representatives of "Petro Poroshenko Block" and on the other hand the Government of the Republic of Moldova also is not perceived through the idealistic lenses. Criticism by Victoria Voytsiska from Samopomich is a good proof of that.

However, anyway, the current Government of the Republic of Moldova is still perceived as the natural ally in deterring Russia in particular in Transnistria and the relations with the current Moldovan government are perceived pragmatically.

Cross-border cooperation, border management

Both Moldova and Ukraine benefit from Moldova–Ukraine Eastern Partnership Territorial Cooperation Program. On February 1, 2017, the Program provided financing to 16 projects selected in accordance with the three priorities defined by the Moldova–Ukraine Program namely: improving the living conditions of local communities, addressing common crossborder challenges, education, culture and sport. The

27. <http://m.nv.ua/ukr/opinion/voitsitskaya/shljah-ukrajini-v-captured-state-jak-ne-povtoriti-dosvid-moldovi-1560278.html>

overall amount made available by the EU under the Moldova-Ukraine Program is 3.3 million EUR²⁸.

Besides, in October 2017 the Prime Ministers of Ukraine and Moldova agreed to find the necessary costs for the demarcation of border between Ukraine and the Republic of Moldova and welcomed continuation of the activities of the Commission on demarcation of state border the last meeting of which took place on October 17-18, 2017²⁹.

The promising fields of cooperation e.g. joint border control at the Transnistrian segment of the border is also tackled below.

The Transnistria issue – an impossible/possible dialogue

Transnistrian settlement has always been topical for the Ukraine-Moldova bilateral relations. Secessionist Transnistrian region is located along a major part of the Ukrainian-Moldovan border (452 km out of total of 1222 km of a joint border).

Ukraine has a status of the guarantor of the Transnistrian settlement, was party to the 1997 Moscow Memorandum (Moldova and Transnistria as conflict parties and Russia, Ukraine, and OSCE as mediators) and to the existing 5+2 negotiations format launched in 2006 which includes the Republic of Moldova, Transnistria, Russia, Ukraine, OSCE (and the EU and the US as the observers).

After the start of war with Russia the Ukrainian interest towards the developments in Transnistria has increased significantly. On the one hand, the situations in Transnistria is perceived as one of the possible scenarios that Russia may impose in the East of Ukraine. On the other hand, the Russian troops placed in the territory of Transnistria are perceived as the potential threat to Ukraine

28. <http://www.eaptc.eu/en/news/view-a-new-boost-to-moldova-ukraine-cross-border-cooperation.html>

29. <https://www.ukrinform.ua/rubric-politics/2330063-grojsman-i-filipp-domovilis-znajti-grosi-dla-demarkacii-kordonu.html>

(Russian troops illegally placed in Transnistria as Operative Group of Russian Forces consist of approximately 1600 persons³⁰).

Ukraine has undertaken number of steps aimed at limiting Russian influence in Transnistria and deterring Russian troops there. In order to limit the risks potentially coming from the Moldovan territory On March 21, 2015, the Verkhovna Rada adopted the Law "About Denouncement of Agreement between the Government of Ukraine and the Government of the Russian Federation about Transit through the Territory of Ukraine of Military Units of the Russian Federation that are Temporarily Located on the Territory of the Republic of Moldova"³¹. By adopting the Law Ukraine has limited the possibility of the rotation of the Operative Group (currently the only option for the Russian Federation to ensure the rotation of the troops is recruiting them from local population with the Russian citizenship). Also in 2017 Joint border control between Ukraine and Moldova has been introduced at the Kuchurgan-Pervomaysk crossing point. At the first stage of the project, members of the Customs Service and Border Police of the Republic of Moldova will jointly control only export operations from Transnistria's region. The border police will monitor transportation means and people, register foreign citizens entering and leaving and report information about national legislation concerning migration to the interested parties. Ukraine and Moldova aim to ensure joint control at all the crossing points located at the Transnistrian segment of Ukraine-Moldova border (this intention has been already perceived by the Transnistrian side as the attempt of "blockade of Transnistria").

On August 21, 2017, President Poroshenko appointed Viktor Kryzhanivskyy as a special representative of Ukraine on the issues of the Transnistrian settlement. Kryzhanivskyy held this position in 2008-2010.

However, at the same time, the negotiation process in 5+2 format is inactive. The last meeting

within the format took place on June 2-3, 2016 in Berlin. During the meeting the parties elaborated the roadmap for the further steps on Transnistrian settlement but none of its provisions was implemented so far.

What cause the concerns for the Ukrainian side are the activities of the President of the Republic of Moldova Igor Dodon who is aiming at arranging settlement measures in close cooperation with Russia and on Russian terms. The situation reminds the one that occurred back in 2003 when Moldova rejected the so called Kozak Memorandum (named by its author Russian diplomat Dmitry Kozak) suggested by Russia. The Memorandum envisaged special status for the Transnistrian region with the right to veto foreign policy steps of the Republic of Moldova (that would consequently limit the European path) and legitimization of the permanent presence of Russian military units in the region. There are the indicators that current President of the Republic of Moldova and the Party of Socialists of the Republic of Moldova may eventually return to the discussion of possibility of Transnistrian settlement on such terms which is hardly acceptable for Ukraine since would result on justification of Russian military base on the border of Ukraine and, besides, further may be used as the pattern to be applied in the East of Ukraine.

Another matter of concerns is the recent interview of President Dodon for the Russian media outlet, in which he suggested that Transnistria has two options: either reintegration to the Republic of Moldova or joining Ukraine. By such statement President Dodon allegedly refers to the updated edition of so called "Belkovsky plan" – proposal of the Russian spin-doctor "to give" the territory of Transnistria to Ukraine whereas the Republic of Moldova will be attached to Romania, which was released in 2004³². Nowadays, the issue of unification of Moldova with Romania is not on the agenda, however the pretext of "giving Transnistria" to Ukraine can be further used as the

30. <http://fpp.com.ua/shhodo-situatsiyi-navkolo-pridnistrovskogo-regi-onu-respubliki-moldova/>

31. <http://zakon.rada.gov.ua/laws/show/463-19>

32. <https://www.soros.md/files/publications/documents/Geopolitical%20Interests%20policy%20paper%20final.pdf>

pretext for negotiating the status of Crimea which is also hardly acceptable for Ukraine nowadays.

The main concern on the Ukrainian side is the possibility of winning of the next year parliamentary elections in the Republic of Moldova by the Party of Socialists of the Republic of Moldova. Although Ukraine does not intend to interfere into the choice of the people of Moldova it is clear that the victory of the Party of Socialists will provide President Dodon with the additional levers to promote his initiatives on Transnistrian settlement in Russian

conditions and they may contradict the interests of Ukraine in the region.

Summarizing, Ukraine has activated its efforts on Transnistrian settlement and deterring Russian influence in Transnistria, however further steps in this field would be possible only in case Kyiv will have a reliable counterpart on Moldovan side. Otherwise there are chances for the further stagnation of the negotiations process.

Moldova and Ukraine - in search of a complex compromise

Angela Gramada

Introduction

The new context of regional policy, where threats to the national security of the states in the region are multiplied by the unilateral decisions of the Russian Federation, creates opportunities for governmental authorities in the Republic of Moldova to reevaluate bilateral relations with neighboring states. In this respect, Ukraine cannot be an exception, especially as this partner has been subjected to dramatic threats that have affected its territorial integrity and sovereignty. However, these external challenges and threats are the basis for the changes that have occurred in the bilateral relationship between Kiev and Chisinau. Four years after EuroMaidan (November 2013) and almost four years after the annexation of Crimea, the governmental authorities of the Republic of Moldova and Ukraine managed to change in a positive direction the question of the bilateral relationship. Not all issues have been resolved or improved, but there are some positive trends that need to be properly assessed and analyzed so as to generate opportunities for national security and future partnerships, otherwise, this window of opportunity is likely to be closed, and the parties will remain prisoners of a complicated past.

Most of the unresolved dossiers are difficult to manage because they impact on national, but also private interests. Political dialogue development has often been impossible to secure due to different positions in the Transnistrian conflict negotiation format, some issues related to economic opportunities - the Moldovan property files on the territory of Ukraine, in Odessa region, strategic, such as the Novodnestrovsk hydropower plant, or those referring to national minorities situation. Authorities in Chisinau should create a set of imperative conditions for the political, economic and security priorities to be well understood by Kiev. It is

a difficult task, but only through a correct approach governmental authorities, together with other non-state actors can contribute to the survival and promotion of national interests in this complicated regional context.

Issues mentioned above will be the subjects under analysis in. The final objective of the demarche is to identify opportunities and solutions for a more consistent bilateral dialogue and to explain, from the perspective of Chisinau, the topics of major interest for the Republic of Moldova in the relationship with Ukraine.

Problem description/What is the current policy? Why is it being conducted this way?/ Why is the policy not working? Why is it necessary to find an alternative?

Most of the issues that have dominated the bilateral relationship between the Republic of Moldova and Ukraine arose from the political elite's inability to order and promote political and economic interests. Unlike authorities, civil society is more prepared to interact to find effective solutions to common problems. It is more open for cooperation and communication around those problems that can create difficulties for the content for future projects or partnerships. The existence of common frontiers, similar challenges in terms of economic and social development, and political life, were signs that the need for bilateral co-operation is not a fake challenge but a real necessity. However, very often the governmental authorities of the two states did not manage to appreciate, not only at the declarative level but also, in reality, the bilateral partnership as a strategic one.

Bilateral diplomatic relations between the Republic of Moldova and Ukraine were formally established on March 10, 1992. The high level of interaction resulted in signing of over 200 bilateral treaties. The political interaction was characterized during time by a greater interest from the Chisinau authorities

than from Kyiv³³. The different attitude towards the bilateral relations is due to the different realities faced by the two states: the Transnistrian conflict and the need to fight for integrity and sovereignty - Moldova and the identification of a new political role for the Ukrainian state at a regional level, for the political and economic elite in Kiev - Ukraine. Throughout this period of political ignorance or economic insecurity, the bilateral partnership has suffered, and many opportunities for cooperation have not been capitalized.

Political dialogue between Ukraine and Moldova – the biggest challenge for the political elites

The biggest challenge today, for both states, is the lack of any predictability regarding the political processes that the two countries are going through. Both states are obviously facing political crises that are used by Russia to undermine the democratization of their societies. The difference is only in the form of manifestation and the resources used by local political elites to gain electoral dividends. For Chisinau, it is important that Kyiv can manage the conflict in the East of the country in order to minimize the risk of military operations being extended to the South and Southwest and in the same time to have political stability in Ukraine³⁴. For Kyiv, the ability to rely on Chisinau to manage potential challenges coming from the Transnistrian region is essential. In this regard, it is important to notice that both parts have found during last year's political resources in order to ensure that type of cooperation that can contribute to the security and stability of the citizens located in the border regions and continue to support the European path of Ukraine. This was an imperative measure that became possible only after a proper evaluation of

the domestic political risks associated with external challenges. The trend should continue in terms of creating social opportunities for the people at the border and to be prepared to deepen the economic part of the co-operation.

Another priority is the development of bilateral political dialogue and cooperation between public institutions. This time, the destabilizing element is in Chisinau. Under the conditions of a pro-Russia-oriented president who makes incorrect assessments of the territorial integrity of the neighboring state, it is up to diplomacy to take charge of the public discourse, pointing it in the right direction. If the country's president cannot provide discursive guarantees for an effective political dialogue, then the involvement of other public institutions, capable of avoiding any form of regional isolationism, is needed. In this context, for Moldova, the action should be oriented towards ensuring continuity in the bilateral dialogue with Kiev. The argument is pragmatic: Ukraine is one of the most important trading partners of the Republic of Moldova.

Also within the political dialogue can be included the themes that refer to the possibilities of cooperation in order to ensure the conditions for good governance in both states. None of the two partners has been able to cope with the challenges of fighting corruption, independence of the judiciary and transparency of the decision-making process. Of course, interacting with it is difficult in the absence of visible results both in Chisinau and in Kiev. However, cooperation in this respect could create new premises for diminishing the negative impact of corruption schemes at a regional level. Such a proactive approach to combating corruption can contribute to the image of these two countries.

After the annexation of Crimea in March 2014, Chisinau authorities supported the sovereignty and territorial integrity of Ukraine³⁵, but failed to

33. Quantitative, the Moldovan authorities have carried out several official visits to Kiev than the other way round. Ucraina. Relatii diplomatice, Ministry of Foreign Affairs and European Integration of the Republic of Moldova, September, 2017, <http://www.mfa.gov.md/cooperare-bilaterala/ua/>

34. HOTĂRÎRE Nr. 19 din 06.03.2014 pentru aprobarea Declarației Parlamentului Republicii Moldova în legătură cu evoluția situației din Ucraina, Publicat : 14.03.2014 în Monitorul Oficial Nr. 60-65, art Nr : 126, Data intrării în vigoare : 06.03.2014, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=352076>

35. R.Moldova a votat PENTRU rezoluția ONU care recunoaște Crimeea drept teritoriu ocupat de Rusia, Timpul, December 21, 2016, <https://www.timpul.md/articol/r-moldova-a-votat-pentru-rezoluia-onu-care-recunoate-crimea-drept-teritoriu-ocupat-de-rusia-102017.html>

capitalize on the «potential» of the new regional context, or to align their public discourse with that of Kyiv and to push the settlement of the Transnistrian conflict with that of the Ukrainian case. There are two reasons that can explain such an approach. On the one hand, we have a segregation of the political elite in Chisinau on the basis of foreign policy orientation: pro-European or pro-Russian. On the other hand, the interaction with the Ukrainian authorities is dominated by the lack of confidence in the ability of the Ukrainian leadership to see beyond their own political, economic or security priorities, beyond “internal selfishness”.

Crimea annexation – before and after presidential election in Moldova. Igor Dodon’s position regarding Crimea annexation

Fortunately, the presidential elections in November 2016 Moldova did not change the content of the political dialogue with Kiev on a wrong path even if the head of state became Igor Dodon - a promoter of a shift to Russia and the Eurasian Economic Union in Moldova’s foreign policy and for whom Crimea belongs to Russia, and not to Ukraine³⁶. The cooperation continued, even if at a lower level.

What President Dodon cannot capitalize on, because of his position regarding Crimea, and especially the erroneous prioritization of Moldovan national interests and their excessive exposure to the Russian leadership, are able to partially exploit the exponents of other political parties in power. Even so, the military aggression in the East of Ukraine, and later its consequences, that is, the sanctions against Russia, managed to influence the content of the Chisinau public and parliamentary debates. Representatives of various political parties mistakenly appreciated the «opportunity» offered by this regional crisis³⁷. Some of them chose the internal destabilization

36. Igor Dodon revine asupra declarațiilor despre Crimeea, Europa Liberă, November 1, 2016, <https://www.europalibera.org/a/28088618.html>

37. Sergiu Stati despre audierile parlamentare închise pe marginea situației din Ucraina, Promis, 21 martie 2014, <http://www.promis.md/persoane/sergiu-stati/>

tactic, putting forward a censorship motion to the executive led by Iurie Leanca³⁸, on the grounds of the Republic of Moldova’s accession to the Western sanctions imposed on Russia. Others have chosen to explain the inappropriateness of implementing reforms and deepening European integration processes in order not to upset the Kremlin using the fear-induced tactics of the population that Moldova might follow after Ukraine.

The political elite in Chisinau did much better when the time came to capitalize the financial impact of the conflict between Ukraine and Russia. The Moldovan foreign partners have allocated more technical and financial assistance in this regional context to the states involved in Eastern Partnership project in order to show the support for the European integration processes. For Europeans, reforms and democratization of societies mean contributing to security and stability. This was one of the expected results from Moldova. But, in short-time, Moldova failed to be an example for Ukraine or other Eastern Partnership member states.

The Transnistria issue – a difficult cooperation in the past that is possible now

The lacks of an exclusive influence over the Moldovan decision making process sets the tone of the dialogue between the Russian Federation and the Republic of Moldova. A pro-Russian president is not enough for Moscow when the Association Agreement with the European Union is working. In this bilateral relationship the Transnistrian conflict, along with energy resources remain effective tools that keep the stability of the political dialogue. Namely, that explains Moscow’s refusal to withdraw its military forces from the region, under the pretext of maintaining peace in the area and does not allow the dialogue to degenerate, thus eliminating any possibility for the

38. Moțiunea de cenzură asupra activității Guvernului privind aderarea la sancțiunile UE față de unii cetățeni ai Federației Ruse, E-democracy, ADEPT, Chisinau, April 3, 2014, <http://www.e-democracy.md/parties/docs/pcrm/201403281/>

parties to resort to military operations as a form of dispute settlement between them.

When speaking about Transnistria, the terms used are "instrument for blackmail" to retain the authorities in Chisinau within the influence of the Kremlin. But Moldova is not only within the Russian foreign policy interests. After Crimea annexation and military aggression in Lugansk and Donetsk regions, the settlement of the Transnistrian conflict became a national interest of Ukraine.

Ukraine is an active participant in the conflict resolution process since its initiation on March 2nd, 1992. It always maintained that the resolution of this conflict must be made taking into account the principle of sovereignty and territorial integrity of Moldova. Although it did not have experience in managing conflicts of this kind (until aggression in Eastern Ukraine), the Kyiv presence within the negotiation format, from the moment it started, allowed Ukraine to participate in all the negotiations' stages and even come up with proposals and plans for solving the conflict that were more or less acceptable to the parties involved. Thus, Ukraine's expertise is explained more by its presence during negotiations rather than through experience in managing similar crises.

In April 2005, Victor Yushchenko proposed the "7-step plan", which consisted of solving the conflict through democratization. This proposal was not accepted by the Moldovan Parliament³⁹. Moreover, the democratization of the Moldovan society was the central element of several projects and proposals in this regard. In January 2017, Ukraine's Ambassador to Moldova Ivan Gnatisin⁴⁰ announced during his visit to Tiraspol that Kiev authorities are drafting a new plan to solve the Transnistrian conflict. The Ukrainian interest for

the development in the negotiations format, which has changed over time, is explained primarily by the border that this unrecognized region has, that produces multiple risks and threats to its own national security.

In Kiev, there has always been the tendency to act only in a manner that would prevent accepting federalization of the neighboring state as a solution to this conflict, now even more than in the past. This is due to the fact that at a regional level there is a tendency to export previous precedents. The independence recognition of Crimea region after the illegal referendum in March 2014 by the Russian Federation and following annexation are the best examples.

However, the most important argument in favor of the involvement of Kiev's authorities in the settlement of the Transnistrian conflict must be motivated by the figure of 30% of the inhabitants of the region⁴¹, who are Ukrainian ethnic and whose rights and freedoms must be protected and promoted, by Kiev as well. The ethnic component in this region should remain core argument when emphasizing the reasons for finding consensus. Unfortunately, Ukraine's intentions have had less credibility when compared with the Russian Federation and that is simply because Ukraine has rarely tried to put the resolution of this regional crisis in terms of inhabitant's ethnicity in the area that is, to defend their rights. It was a leverage that Ukrainian state has not used to argue for a faster settlement for the conflict.

The peacekeeping troops in Transnistria, and weapons in Colbasna, allow Russia to control internal and external policy decisions in Moldova. Regarding Ukraine's participation in negotiating format, it should be mentioned here that the authorities in Kiev have chosen in the past to adopt a strategy of neutrality regarding Russia and others parts of the negotiations. This is due to the presence of 14th Army weapons, and of

39. Parlamentul nu va aproba planul ucrainean de solutionare a conflictului transnistrean, afirma Iurie Rosca, Moldova.org, June 8, 2005, Chisinau, <http://www.moldova.org/parlamentul-nu-va-aproba-planul-ucrainean-de-solutionare-a-conflictului-transnistrean-afirma-iurie-rosca-3039-rom/>

40. Ivan Gnatisin: Ucraina elaborează un plan de soluționare a conflictului transnistrean, Radio Chisinau, January 31, 2017, <http://radiochisinau.md/ivan-gnatisin-ucraina-elaboreaza-un-plan-de-soluționare-a-conflictului-transnistrean---45013.html>

41. Nantoi, Oazu, Rolul Ucrainei în soluționarea conflictului transnistrean, Institute of Public Policies, Chisinau, http://www.ipp.md/old/public/files/publication/Ukraine_ro.pdf

the special interests that some business people and politicians (Moldovans, Ukrainians and from other European and non-European countries) have in Transnistria. Russia used the 14th army and peacekeeping mission to persuade Ukraine not to work towards resolving the conflict but to maintain this uncertainty situation. Ukraine's attitude brought mistrust and sometimes complicated bilateral dialogue between Kyiv and Chisinau.

Now, when the situation has changed, the Ukrainian authorities are interested in supporting Moldovan actions for the conflict resolution. After August 2017, the Moldovan authorities officially asked the UN to include the issue of the withdrawal of Russian troops from the left bank of the Nistru River to the agenda of the General Assembly fall session. Ukraine announced that it will support Moldova's initiative to withdraw Russian troops from Transnistria⁴². The Ukrainian diplomatic aid is essential in this regard.

Cross-border cooperation, border management

Border management co-operation is no longer just about managing illegal migration flows, reducing illicit trafficking in goods and arms from Transnistria to Odessa or other regions of Ukraine or Moldova, or issues related to border demarcation on certain segments. At present, this is a field of cooperation that is quite difficult to manage. The results obtained by both parties, including the opening of common border management points⁴³, are factors that demonstrate openness and capacity to interact in order to achieve common objectives. On the other hand, this is a sensitive area that is used by some political forces in Chisinau to manage the public

42. Chișinăul cere cu jumătate de gură ONU să preseze Rusia să-și retragă trupele din Moldova, DW, August 25, 2017, <http://www.dw.com/ro/chi%C8%99in%C4%83ul-cere-cu-jum%C4%83tate-de-gur%C4%83onu-s%C4%83-preseze-rusia-s%C4%83-C8%99i-retrag%C4%83-trupele-din-moldova/a-40237237>

43. R. Moldova și Ucraina au semnat Acordul privind controlul în comun în punctele de trecere a frontierei comune, Ministry of Internal Affairs, Border Police, October 7, 2017, <http://www.border.gov.md/index.php/ro/3780-r-moldova-si-ucraina-au-semnat-acordul-privind-controlul-in-comun-in-punctele-de-trecere-a-frontierei-comune>

debate in a negative direction so as to please external forces that are not interested in solving the Transnistrian conflict or in an effective dialogue between Kiev and Chisinau. The compromise, which is opportune for the authorities of both countries, and which is in contradiction with some particular interests, as it results in mutual control and therefore greater transparency of the border processes. At the same time, it is important to mention here that the common point of view has been reached in a period that is rather aggravated in terms of Russian – Ukrainian interaction in the region: the annexation of Crimea, military aggression in the East of Ukraine, Russian military exercises in another neighboring state to Ukraine (Zapad-2017, Belarus), extending the EUBAM mission activities by 2020⁴⁴ or resuming public debates about the need to withdraw Russian troops from the Transnistrian region and the need to replace them with a peacekeeping mission.

This search for compromise required continued political and diplomatic efforts. The dialogue was not simple and lasted for quite a long period. The necessary regulatory framework for the positive results to increase significantly already exists - due to the negotiation process of the Association Agreements with the EU, which implied the improvement of the legal framework in the field of joint border management and cooperation with accredited international organizations (EUBAM, Interpol, etc.)⁴⁵. The next objective is to find the political will needed to make effective the use of this new collaboration tool to ensure mutual benefits.

An ethnic minority – Ukrainians in Moldova, Moldovans in Ukraine – how difficult is to be a minority representative?

Although it does not seem to be important for the Kiev decision maker, the Ukrainian minority

44. Moldovan cabinet rules to extend mandate of EU Border Assistance Mission, Moldpres, October 18, 2017, Chisinau, <https://www.moldpres.md/en/news/2017/10/18/17008137>

45. ANNUAL REPORT: 1 DECEMBER 2014 - 30 NOVEMBER 2015, EUBAM, Odessa, pag. 17, http://eubam.org/wpcontent/uploads/2015/12/Report_2015_ENGL.pdf

on the territory of the Republic of Moldova has a great potential to influence political processes in both states: Moldova and Ukraine, as a number of Ukrainian representatives constitute the largest ethnic minority on the territory of the Republic of Moldova⁴⁶. The relevance of approaching the community becomes more obvious in electoral times when the Ukrainian community's vote is needed by the pro-Russian political forces to show the willingness of Moldovan public to join political or economic processes in the Eurasian space. Minority voting may not necessarily damage the image of the country of origin but can affect its potential to cope with external threats and propaganda, ie to promote national interests, as in the case with Ukraine. Russia is very skillful in manipulating ethnic minority representatives on the territory of neighboring countries. The problem in this context is that even after 26 years of independence neither Moldova nor Ukraine have developed any resilience in this respect.

Only in 2014, before the parliamentary elections in the Republic of Moldova, a political actor in Ukraine, Petro Poroshenko, decided that a meeting with the members of the Ukrainian community in Moldova was opportune⁴⁷. The purpose of this meeting, although bearing a political character, can be considered to be a noble one: to persuade Ukrainians in Moldova to vote for pro-European parties and not those considered pro-Russian. Until that time, the Ukrainian community was considered relevant only for some political forces, with anti-European orientations, to argue their opposition to the measures implemented in the reform of education⁴⁸ and encouraging the ethnic segregation of the Republic of Moldova. Due to more frequent interactions with pro-Russian political parties and because of errors committed

by pro-Europeans, Ukrainians in Moldova have come to be assessed as pro-Russian by ethnic majority.

The Russification of the Ukrainian minority on the territory of Moldova is a reality. They prefer to capitalize the opportunities offered by knowledge of the Russian language, including those of an economic nature (seasonal work in Russia). They are more exposed to Russian propaganda and are not too interested to deepen their knowledge of the political situation in Ukraine.

"Ukrainization" of Moldovans in Ukraine - this topic was included again on the public agenda after the adoption of the law on education in Ukraine in September 2017. The Ukrainian perspective on education reform and the inability to eliminate the political factor in this reform can be understood only in the context of military aggression and propaganda to which this state is subjected. The period of time chosen to introduce changes to the article 7 of this normative act is not appropriate. In this context, Ukrainian authorities should not seem surprised by the reaction of foreign partners. Recent history has shown that poor management of debates that relate to «identity,» language, history, may result in an external military aggression.

The two processes (the Ukrainization of the Moldovans in Ukraine and the Russianization of the Ukrainians in Moldova) may in the future lead to the transformation of the two communities into a source of regional political instability in each of the two states. Both phenomena originate in ignorance of the real needs of the representatives of the two minorities or manipulation in political interest. In the short term, these processes can generate benefits for political actors, but in the long run they can become a problem.

Economy, energy - the importance of an efficient commercial partnership after 2014 (market and consumers)

The economic part of the cooperation with Ukraine is extremely important for the Republic

46. Population Census for 2004, Populația pe naționalități și localități, în profil teritorial, Bureau of Interethnic Relations of the Republic of Moldova, Chișinău, <http://www.bri.gov.md/index.php?pag=sec&id=55&l=>

47. President has visited the city of Balti in Moldova and had a conversation with the Ukrainian community, President of Ukraine, Petro Poroshenko official website, November 20, 2014, <http://www.president.gov.ua/en/news/prezident-u-moldovi-vidvidav-misto-byelci-de-pospilkuvavsya-34088>

48. The reform of education has resulted in the closure of several Ukrainian schools.

of Moldova. This could also be seen from the agenda of the official visit of Prime Minister Pavel Filip to Kiev in February 2017 or in Odessa in September 2017. Both states are signatories of the Association Agreements and DCFTAs with the European Union, so they can coordinate their economic policies on the basis of a legal framework quite similar to content. Of course, the major difference is the set of resources available to the two states and the absorption capacity of the Ukrainian market for goods and services of Moldovan origin. However, the trade balance is a negative one for the Republic of Moldova, proof that the Moldovan side does not capitalize the potential of the economic interaction with the neighboring country. The trade dialogue even faced a crisis in 2015. Ukraine was accused of dumping⁴⁹ on the domestic market of Moldova. As a result of the loss of the Russian market share, a large quantity of dairy products of Ukrainian origin reached the Republic of Moldova. This situation caused losses for the domestic producers. The reaction of the Moldovan side displeased the Kyiv authorities, accusing Chisinau of not complying with the provisions of international trade rules, especially those assumed in the WTO.

Solving the problem of Moldovan properties on the territory of Ukraine is another challenge for Chisinau. Solving this problem was not a priority for either party. It was brought to public attention in "good times" to emphasize the complexity of the political dialogue between Ukraine and Moldova, to show that the high level of mutual suspicion is argued. It is, however, a problem that needs to be solved for several reasons:

- The right to private ownership is not protected – as a result we are witnessing the fall in investment interest. The lack of guarantees of respect for the right to private property, including potential investments, affects the image of any state. In this respect, Ukraine fails to provide the necessary conditions for

attracting foreign investments or developing current partnerships. The strategy adopted by both sides, but especially by the Ukrainian side, does not provide the necessary guarantees to encourage trade or mutual investment.

- The illicit activities promoted through non-transparent management of these assets are encouraged.⁵⁰ Ukrainian authorities should monitor how the assets of these properties are used and guarantee their functioning for the purposes introduced in the bilateral agreements.
- The factors mentioned above show how fragile the political and economic dialogue is, when promoting private, non-transparent interests. Consequently, one cannot talk about an efficient economic partnership. We have official interest, but we do not have concrete measures to help interested parts multiply their results.

The economic infrastructure projects, namely the lack of progress in the development of some initiative in this regard, are again a problem. It affects the assurance of the economic interests of both countries. Thus, both parties diminish their role in regional trade and fail to become important elements of transit for goods and services to and from Europe. Although political dialogue is the element that ensures the existence of the necessary resources to establish the framework for the development of the bilateral partnership, economic cooperation is the one that generates the interconnection of the societies and leads them towards a positive dialogue. The economic dialogue at this time is underdeveloped, even though there have been more interactions in this respect⁵¹.

With regard to energy cooperation, the communication needs to be encouraged to develop in a much more transparent direction

49. Dumping ucrainean pe piata lactatelor. Cum va supravietui ra-mura, Mold-Street, September 22, 2017, <https://www.mold-street.com/?go=news&n=4120>

50. Международная афера: как экс-мэр Сергеевки и сын главы Одесского центра занятости зарабатывают на молдавских санаториях, Izbirkom, October 25, 2017, Odessa, <https://izbirkom.org.ua/publications/tsentr-publichnykh-rassledovani-32/2017/mezhdunarodnaia-afeta-kak-eks-mer-sergeevki-i-syn-glavy-odesskogo-tsentraniatosti-zarabatyvaiut-na-moldavskikh-sanatoriiakh/>

51. Ministrul Calmic a discutat aspectele colaborării moldo-ucraineană cu mai mulți membri ai Guvernului de la Kiev, Agora, June 7, 2016, <http://agora.md/stiri/19734/ministrul-calmic-a-discutat-aspectele-colaborarii-moldo-ucrainean-a-cu-mai-multi-membri-ai-guvernului-de-la-kiev>

because it affects the interests of citizens. Ukraine has the potential to export electricity to the Republic of Moldova. Currently, electricity demand of the Republic of Moldova is provided by the Ukrainian company DTEK Trading⁵². An electricity supply contract for the period of April 1, 2017 - March 31, 2017 was signed by the Moldovan government with the management of the Ukrainian company. The diminishing role of the Transnistrian intermediary⁵³ in the electricity delivery (the Kuciurgan plant, Transnistria region), ie in ensuring the civil security of the Republic of Moldova, was a necessity. Chisinau needs a stronger partnership with Kiev in this area. This could mean not only to diminish the influence of the Russian factor on the Moldovan economy but also an essential contribution to the independence of the decision-making process in Chisinau. Energy dialogue must follow the rules established within the European Energy Community, where both states are members.

Environmental problems, hydropower plants on Dniester - common environmental issue

Civilian citizenship is the key element of effective and responsible governance. Although it does not seem to be part of the national interest in an obvious way, as it is the settlement of the Transnistrian conflict, human security remains a priority. For different political and economic reasons, both countries have failed to give the necessary attention to resolving environmental issues which already affect the capabilities of both states to cope with threats of non-military origin. In this case, it is the impact of building strategic economic objectives, such as the Novodnestrovsk hydropower plant.

The operation of this hydroelectric plant influences in a very dangerous manner the

security of the inhabitants of both states, even if the impact for the Ukrainian citizens is not so visible at the moment. Negotiations for the launch of this project have been lengthy and involved the transfer of a part of the territory of the Republic of Moldova in order to become viable. Currently, however, for the civil society and the Chisinau authorities, the Novodnestrovsk power plant turns into a direct threat to the security of the citizens, while for the Ukrainian side, the one managing the project is a source of economic benefits. The power hydropower plant has become a source of financial resources for the state budget.

The possible consequences for the ecology, and therefore the safety of the citizens, are better perceived in Chisinau than in Kiev. Moldovan civil society managed to put more public pressure on government authorities than ecologists in Ukraine.

Conclusion

Political dialogue development between the Republic of Moldova and Ukraine remains the most sensitive area of the bilateral relationship. The reasons for this situation have been listed above. However, in order to improve the quality of political communication and public institutions, from Kyiv is required a more effective analysis of the political processes and challenges faced by the Republic of Moldova.

Mobilizing government authorities in both states to identify common interests must be a constant process. It should not be due solely to opportunities that arise during regional crises or external threats. Dialogue must be a constant one, no matter what political forces are in power.

52. Moldova are energie. De unde primim curent electric si la ce pret, Mold-Street, April 4, 2017, <https://www.mold-street.com/?go=news&n=5762>

53. Transnistria, suparata, clatina sistemul energetic al Republicii Moldova, Mold-Street, April 14, 2017, <https://www.mold-street.com/?go=news&n=5803>

Conclusions and Recommendations Grounded on the activities within the Project “Ukraine- Moldova: Competition, Cooperation and Interdependence”

Supporting the idea of closer cooperation between Ukraine and the Republic of Moldova the authors recommend to the national governments to enhance interaction at the governmental level and to ensure mutual interest towards the sensitive issues of bilateral relations.

The authors conclude that the political interaction was characterized during time by a greater interest from the Chisinau authorities than from Kiev. The situation is improving gradually and the 2017 seems to be a turning point marked by the visit of the Prime-minister of Ukraine to Chisinau. The authors stress that the existing trend has to be preserved and calls to the respective governments to ensure regular meetings of the Prime-ministers of both countries in Chisinau and Kyiv as well as ensuring regular dialogue in a framework of Interstate Ukrainian-Moldovan intergovernmental commission on trade and economic cooperation.

Ensuring predictability of Ukrainian and Moldovan decision with regard to political, economic and security cooperation is the main prerequisite for the fruitful and mutually beneficial cooperation. In this regard, the authors recommend ensuring the transparency and predictability of the decisions-making process. The bilateral dialogues at the governmental level should be supplemented by the enhanced dialogue of civil society of both countries. In this regard, it is desirable to enrich the bilateral political dialogue with the regular Ukraine-Moldova Civil Society Forum which can be organized either at bilateral level or on the margins of the existing platforms for civil society cooperation (e.g. regular bilateral side event within the framework of the annual Black Sea NGOs Forum). The practice of the briefings for the expert communities and journalists organized by the respective Embassies would have additional value for understanding the

current state and prospects of the bilateral relations.

Considering that the EU and OSCE role in the region, the authors recommend to ensure involving of these institutions into the bilateral dialogue. Such approach will have the added value in particular in cases when the sensitive issues are tackled (e.g. in ecological issues the role of ENVSEC Initiative and the respective UN and OSCE bodies is indispensable). In particular case of development of Dniester river basin usage and protection of water and other resources and ecological systems of the Dniester basin should be in compliance with the interests of the population and sustainable development. The respective national bodies should ensure public monitoring of the implementation of Intergovernmental Ukraine-Moldova Treaty on cooperation in protecting and development of the river's basin. The EU's recommendations on the development of the Dniester river basing should be considered by the national governments. The additional tools provided by Dniester Euroregion should not be underestimated;

Recalling the importance of the Transnistrian issue for the further strengthening of regional security and stability, in particular within the context of Ukraine's conflict with Russia and illegal annexation of the Crimea by Russia, the governments of Ukraine and Moldova have to outline the red lines and possible compromises acceptable for both sides. The respective statements are to be elaborated and released after the consultations with the expert communities of Ukraine and the Republic of Moldova and the partners within 5+2 negotiations format. Besides, Ukraine may apply additional economic instruments to motivate the authorities of the Transnistrian region for the further political dialogue with Chisinau;

Bearing in mind common interests in the field of energy the governments of Ukraine and Moldova should continue joint activities aimed at integration of national energy systems to the continental European energy system ENTSO-E. The decisions in the energy field related to both

countries should be taken with the consideration of their European path in transparent manner and the participation of the EU representatives (respective EU Commissioners, the European Commission Vice-President for Energy Union, EU High Level Adviser for Energy Policy) as the consultants and arbiters should be welcomed. The role of the regional platforms for cooperation in this field should not be underestimated, such formats as CESEC Initiative should be used to full extent. The energy dialogue must be continued in full compliance with the rules established within the European Energy Community;

Being aware of the promising potential of economic cooperation and the role of Ukraine in the Republic of Moldova, the parties should abstain from unilateral discriminatory steps in bilateral trade (e.g. dumping or on the contrary imposing trade tariffs and unjustified quotas for export/import of production). If the issues cannot be resolved unilaterally, the national governments should apply WTO norms and regulations. Both Ukraine and the Republic of Moldova also have to enhance efforts for creation of a free trade zone among the GUAM-member states and developing the respective multi-modal transport corridors;

Being convinced that both states should continue the efforts on coping with the challenges of fighting corruption, independence of the judiciary and transparency of the decision-making process, the authors recommend creating new premises for diminishing the negative impact of corruption schemes at regional level. The experience of the neighboring Romania can be a good example in this regard and should be considered by the respective anti-corruption bodies of Ukraine and Moldova whereas the civil society actors of both state should study the best practices performed by their Romanian counterparts in the field;

Taking into account the positive impact of the opening of common border management points, the authors recommend demonstrating further openness and interaction in order to achieve common objectives, welcome extending the EUBAM mission activities by 2020 and suggest

establishing closer cooperation between the border-guards of two countries as well as implementing the best practices patterns elaborated by EUBAM. The EU's assistance in equipping the cross-border points remains of immense importance;

Deeply regretting the underestimated role of the minority communities in Ukraine and Moldova, the authors recommend the national governments to pay more attention to their development: the government of Moldova has to assist Ukrainian side in promoting Ukrainian language and culture and language as a counterweight to Russification of the Ukrainian minority in the Republic of Moldova, both Moldovan and Ukrainian respective bodies have to collaborate closely in promotion of the Ukrainian TV channels broadcasting at the territory of the Republic of Moldova as an alternative to Russian propagandist media outlets. The Ukrainian classes for the Ukrainians willing to study Ukrainian should be established not only at the basis of the Russian-speaking but also Romanian speaking schools in the Republic of Moldova if there is request for it. Simultaneously, in Ukraine the implementation of Law of Ukraine on Education should go in full compliance with the recommendations of the Venice Commission of the Council of Europe. The authors welcome the idea to create a working group for the comfortable implementation of the Law "On education" with taking into consideration the interests of the Moldovan minority in Ukraine and recommend the wide inclusion of the civil society institutions into the activities of the working group;

Being aware of the fact that Ukrainian government needs the responsible counterparts in the Republic of Moldova the authors still urge that a correct assessment of the democratization processes in Moldova, of the political crises and of the actors involved in their deployment is necessary. Although the political actors cannot interfere into the political processes in the Republic of Moldova, civil society can provide the support to the Moldovan counterparts in invigorating Moldovan political elite to proceed responsibly with the

implementation of structural reforms. The tools provided by Eastern Partnership Civil Society Forum should be taken into consideration;

Given the new impetus to the bilateral relations the authors also strongly recommend to avoid linking the new initiatives with the solution of the protracted problems in the bilateral relations. Instead of finding solutions by package agreements which are difficult to negotiate the parties should rather move forward with the new initiatives and live aside the unresolved problems where it is possible.

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