

## The Impact of the Russian War Against Ukraine on the EaP Region: MOLDOVA

Input paper by Anastasia Pociumban, DGAP

Russia's war of aggression in Ukraine has directly impacted Moldova, Ukraine's neighboring country, affecting the country's security situation, energy security and humanitarian situation due to the refugee flow from Ukraine, its economy and its internal political situation. At the same time, it created a reality where Moldova has further intensified its efforts to reduce energy dependency from Russia. The EU's decision to grant the candidate status to Moldova, along with Ukraine, in response to Russia's war was an important geopolitical signal for the entire region. Another consequence of the ongoing war is the disruption of relations between Chisinau and Moscow, the shift in the relations between Chisinau and Tiraspol and increased security risks related to Transnistria, as well as Moldova's dependence on EU states for support, also in ensuring energy security. Since 24 February, Moldova has been in a state of emergency due to the ['security situation in the region'](#) (which followed the state of emergency introduced due to the energy crisis in autumn 2021).

### Humanitarian situation and Ukrainian refugees in Moldova

Prior to this year, Moldova had never experienced a huge influx of refugees, being rather a country with a high rate of emigration. The number of refugees that previously crossed into Moldova is insignificant in comparison, and was mainly made up of people transiting towards the EU countries. From the beginning of the war, more than half a million fleeing Ukrainians crossed through Moldova and around 90,000 people settled in the country (which is around 3% of population) and it has the [highest share of refugees per capita compared to other countries receiving Ukrainian refugees](#). Refugees were welcomed warmly, and many stayed with relatives (6.5% of Moldovan population are ethnically Ukrainians) and friends ([only 4%](#) are staying at refugee centers). Most of them are not planning to return in the near future due to the ongoing war. More might come, especially from the Odesa region, due to electricity shortages from Russian strikes. The refugees are mostly women and children and around 13,500 are estimated to be elderly people. Moldova has been receiving humanitarian support, mostly managed and distributed through UN agencies, as it wouldn't have the capacity to address the crisis alone. A lot of support was offered by Moldovan civil society and population, which self-organized to help.

The government has simplified the process of obtaining a temporary residence permit and access to the job market for the Ukrainians, as well as services like healthcare and education, however there are still challenges. The government of Moldova still operates under the emergency state in regards to humanitarian challenges and [there is no national formal plan for the integration of refugees](#), which puts them in a limbo.

### EU candidate status and geopolitical shifts

Following Ukraine, Moldova also applied for EU membership and was granted a candidate status, a significant step for the Moldovan government, which came in power in August 2021 and has since been juggling a series of crises. The government engaged civil society, diaspora and Romanian support in filling in the application, an important measure, considering that its administrative

capacities are stretched. The current government receives a high level of recognition and support among the EU member states and institutions, and through conferences and bilateral negotiations Moldova received significant support from the EU ([75 mln euro](#)), Germany ([40 mln euro](#)), Romania ([10 mln euro](#)) and USA (committed to additional [42 mln dollars](#)) to compensate for energy prices and increase energy resilience. In November Ursula von den Leyen announced an additional package of [250 mln euro package](#) by the EU to help with the energy crisis. Moldova will also host the next European Political Community meeting in spring 2023. While it is a sign of trust, it is also a challenge considering already limited administrative resources.

The governmental support is being challenged by the rising prices and inflation of [34%](#) (caused also by the energy prices, disruption of logistical trade chains, as Ukraine was one of the main Moldova trade partners and transit countries to Black Sea ports), as well as orchestrated protests by Ilan Shor, a politician connected to the Kremlin. The protests, ongoing for the last couple of months have intensified in autumn, on the background of decreased gas supply. The energy blackmailing from Russia and demonstrations demanding Maia Sandu to ask Russia for cheaper gas happened at the same time, showing a link between the two. However, after the prosecutor office confiscated illegal financial means used to finance the demonstrations, they significantly decreased. Interestingly, the Shor party has created rivalry for Igor Dodon (former president)'s socialist party, as the pro-Russian voice and the management of two pro-Russian channels [was transferred from Dodon to Shor's](#) associate. Even though around [57%](#) people believe that the protests are orchestrated, the fact that [80%](#) of people are not satisfied with the political situation in the country creates a challenging operational environment for this government.

### **Energy situation in Moldova**

The situation with energy supply is one of the key issues for Moldovan government in the short and medium term, due to supply and prices. Moldova used to be 100% dependent on Russian gas, which was used for producing electricity in Transnistria, the separatist region not controlled by constitutional authorities in Chisinau. Learning the lesson from the energy crisis in 2021, Moldova's state energy company Energocom [has been buying gas for storage](#), which is being kept in Romania and Ukraine and would be enough for two months of winter, should the supply of Russian gas stop immediately.

The electricity situation is more complicated. Until just recently Moldova received 70% of its electricity from Transnistria and 30% from Ukraine. After Russia's attacks on Ukraine's key infrastructure, Ukraine stopped supplying electricity to Moldova and Transnistria decreased its supply of electricity, invoking as a reason lower amounts of gas supply. Gazprom is currently delivering 5.7 mln m3 of gas, (60% less than Moldova, including Transnistria, needs) on a daily basis. As a result of the freshly signed deal between Chisinau and Tiraspol, as of 3 December and valid till March 2023, all the gas delivered from Gazprom will go to Transnistria, which will then sell electricity to Moldova. These amounts together with the electricity bought through direct contracts with Romanian companies should be enough to get through the winter.

This deal fueled debates in the Moldovan society, due to 10% price increase from Transnistrian side. The new price of 73,4 USD/kwh, however, is still lower than the price of the electricity bought from Romania (90 euro/kwh through bilateral contracts, and the other amount at the market prices, which

was reaching 400 euro/kwh in the first week of December). The renewed electricity supply from MGRES will also increase the stability of the energetic system in the region.

On top of that, Moldova is directly affected by the Russian attacks on Ukraine, as the whole power infrastructure, also the high voltage line from Romania, goes via Ukraine and then Transnistria. Due to Russian strikes on Ukrainian infrastructure, there were two massive power outages– on 15 October and 24 November. A high transmission voltage line with Romania (bypassing Transnistria) is currently being built and will be in use in 2024.

The key issue is the possibility to compensate for the increasing prices, as 70% of households have a high and very high vulnerability. The government has launched the Energy Vulnerability Information System, funded by the EU Commission and the Slovak government; it will allow citizens to register and request compensation online.

### **Security in the region and Transnistria**

The issue of Transnistria came high on the agenda, as never before since the war in 1992. The interdependence between the left (Transnistria) and right bank (de-facto Moldova), which was always strong, came to light in the context of the current regional crisis and became an issue of public debates.

It is worth mentioning that earlier this year, between the end of April and beginning of June several explosions took place in Transnistria. Interestingly, both authorities from Chisinau and Tiraspol tried to keep the situation calm and there were no strong provocative statements. Tiraspol authorities seem to have an interest not to be dragged in the escalatory actions pushed by Kremlin. What is [believed to be a false flag operation](#) planned by the Kremlin, failed. In the beginning of the war, there was a fear that the Russian army would advance in the southwest of Ukraine and could create a direct corridor to Transnistria, however the situation quickly changed and coupled with Russia's army losses in Ukraine, Transnistria has not publicly supported the war.

Authorities in Chisinau and Tiraspol have made efforts to not escalate the situation and maintain 1+1 format meetings, as this remains the only format of engagement, while the 5+2 format (Moldova and Transnistria plus the EU, OSCE, Russia, Ukraine, and the United States) is basically impossible for any foreseeable future. The current official Chisinau - Tiraspol relations are based around the energy crisis, import of medication, fuel and food products, as well as issues related to licenses for the functioning of Transnistrian factories.