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## ANALYSES

**Moldova: Will the Communists lose power?**

The early parliamentary election in Moldova on 29 July has ended with the victory of the democratic opposition. The Party of Communists of the Republic of Moldova (PCRM), which has ruled the country until now, has failed to win a majority in the parliament for the first time since 2001. On 8 August, the four opposition parties (PLDM, PL, AMN and PD) announced that they had concluded a coalition agreement and intended to form the government. However, the opposition does not have a sufficient number of votes in parliament to elect the president, and therefore cannot fully take over power.

The two most probable scenarios in this situation are as follows: If the opposition and the PCRM leadership reach agreement, or if some Communist deputies move over to the opposition, the liberal-social democratic coalition may form the government and, possibly, elect the president. If there is no agreement between the opposition and the Communists concerning the election of the president, the political impasse may continue, as a result of which the Communists will stay in power until the next election in 2010.

**The campaign and the ballot**

The early parliamentary election was held in the aftermath of the political crisis that followed the election on 5 April 2009. The united opposition then managed to block the election of the PCRM-designated president. In accordance with the constitution, after two failed attempts at electing the head of state President Vladimir Voronin disbanded parliament and announced an early parliamentary election on 29 July 2009.

The election campaign was exceptionally aggressive by Moldovan standards. The Communists extensively resorted to means of administrative pressure and used their monopoly on the television to brutally attack political opponents and accuse them of serving Romania's interests. The police openly supported the PCRM and often intimidated opposition supporters. Nevertheless, the election itself involved no major violations of the rules and was recognised by the opposition as fairer than the April vote.

As a result of the election, the PCRM lost the majority in the parliament for the first time since 2001. The four opposition parties jointly gained 53 out of 101 mandates and are in a position to form the government by themselves. This is possible thanks to Marian Lupu, the new Democratic Party leader, a popular politician who quit the PCRM before the election and joined the opposition. At this stage there is no indication that Lupu could form a coalition with the Communists, as it was suspected before the election.

## The situation after the election

Under the Moldovan constitution, parliament elects the president by a majority of 61 votes. Therefore, the opposition parties will not be able to elect the head of state without the support of at least 8 Communist deputies. Only the president – and the Communist leader is still the acting president of Moldova – may designate a candidate for prime minister after consultations with the parliamentary groups; the PM is then elected by a majority of 52 votes.

Immediately after the election, the leaders of the four opposition parties announced that they would form a coalition and jointly govern the country. On 8 August they signed a declaration on the creation of an Alliance for European Integration, which lays down the coalition's programme and envisages, *inter alia*, a restoration of the rule of law in Moldova, the decentralisation of power, measures to combat the crisis and a strengthening of efforts aimed at integration with the European Union. No details have been revealed so far about the composition of the future cabinet.

The current economic crisis, exacerbated by the government's irresponsible finance policy during the election campaign, as well as the forecasts predicting a sudden economic slump this autumn, are strongly influencing the political scenarios that the Moldovan political elite is considering.

## Possible scenarios

An agreement between the opposition and the Communists is possible. Mark Tkachuk, former advisor to President Voronin and an influential PCRM politician, has said that his party is considering supporting a neutral presidential candidate from outside the opposition leadership circle. The PCRM hopes that a coalition formed by four parties with considerably diverging programmes will be unable to last. If the opposition government indeed turns out to be short-lived and incapable of radically changing the system created by the Communists, the PCRM will win the next election.

However, this scenario involves some risk for the PCRM. The new government will probably receive some assistance from the IMF and the EU, which will soften the impact of the crisis and help the new leadership survive through the first, most difficult period. Moreover, if the Communists have to give up all power and if the opposition proves sufficiently determined and effective, the PCRM will lose its monopoly on business, electronic media and the institutions of force.

If, on the other hand, the parties reach no agreement, the situation that followed the April elections will repeat itself. If no president is elected, a new parliamentary election will be held in early 2010 (under the constitution, parliament may be disbanded only once a year) and Vladimir Voronin will stay in office as acting president.

In that case Voronin will either designate an opposition politician as prime minister and then try to blame all economic difficulties on him or her while at the same time preventing the new PM from actually taking over control in the state, or keep the current head of government Zinaida Greceani as acting PM. In the latter case, while the Communists stay in power, they risk being held accountable for the economic and political crisis and, consequently, their popularity will erode further.

In the present situation every scenario involves the risk of the PCRM losing power. The key factors in this context will be the efficacy and stability of the opposition coalition, as well as the possible assistance offered to Moldova by the EU and international finance organisations.

*Sławomir Matuszak*

## Results of the Moldovan parliamentary election on 29 July 2009

Party	Leader	Election showing	Views
Party of Communists of the Republic of Moldova (PCRM)	Vladimir Voronin	44.8% 48 mandates	post-Communist
Liberal-Democratic Party (PLDM)	Vlad Filat	16.6% 18 mandates	centrist-liberal, pro-Western
Liberal Party (PL)	Mihai Ghimpu	14.6% 15 mandates	liberal, pro-Western
Democratic Party (PD)	Marian Lupu	12.6% 13 mandates	social-democratic, multivectoral foreign policy
Party Alliance Our Moldova (AMN)	Serafim Urechean	7.4% 7 mandates	centrist-liberal, pro-Western

## Russian-Turkish energy games

On 6 August prime minister Vladimir Putin paid a visit to Ankara, during which agreements were signed concerning all bilateral co-operation issues of interest for Russia and Turkey. The agreements, nevertheless, do not significantly change the energy situation in the region and are only a starting point for possible further negotiations.

Moscow's most important objective was to gain Turkey's support for the energy projects endorsed by Russia, and especially the South Stream gas pipeline. Russia demonstrated its ability to win Ankara's backing for projects of key importance from the Russian point of view. For the Turkish side, the important objective was to use the rapprochement with Russia to promote the concept of Turkey as an energy hub, to strengthen Ankara's position in the region and to gain a better bargaining position in the relations with the European Union. Even though no binding arrangements were made concerning the energy issues, the visit gave evidence for the development of closer relations between Russia and Turkey, observed over the last year, and demonstrated the potential for co-operation existing between the two states.

## Outcome of the visit

Twenty agreements were signed during the visit, most of which concerned economic relations (including customs issues, the use of outer space, standardisation, etc.). With regard to energy issues, protocols were signed concerning gas, oil and the peaceful use of nuclear energy. The gas protocol enables Turkey to extend one of its three gas contracts (expiring in 2011, the contract in question provides for the supply of 6 billion m<sup>3</sup> of gas a year), and contains Turkey's consent to perform a feasibility study for the routing of the South Stream pipeline via the Turkish exclusive economic zone. This part of the negotiations also involved the Italian PM Silvio Berlusconi as Italy's ENI is a shareholder in the Blue Stream gas pipeline and a member of the South Stream consortium. Russia and Turkey declared their readiness to co-operate on the project to build the Blue Stream II gas pipeline to supply 16 billion m<sup>3</sup> of Russian Gas to the Middle East (Israel, Syria, Lebanon and Cyprus). Russia committed itself to considering the possibility of co-operation on the construction of the Samsun-Ceyhan oil pipeline – a Turkish-endorsed project to bypass the Turkish straits and reduce tanker traffic.

## Significance of the agreements

The protocols signed are preliminary and formally do not change the energy situation in the region. However, they do introduce new elements to the games over the Southern Energy Corridor between Russia and the European Union. Moscow has demonstrated that, despite the signature, on 13 July, of the intergovernmental agreement on the construction of the Nabucco gas pipeline to transport Caspian gas to Europe via Turkey, its implementation is far from certain – Russia has managed to obtain Turkey's support for the competing projects (from Ankara's point of view, the Nabucco and South Stream projects are not mutually exclusive). In this way, Russia has stepped up pressure on the states participating in the projects endorsed by Moscow (Russia's possible participation in the Samsun-Ceyhan oil pipeline would in fact mean that the plans for the alternative oil pipeline from Burgas, Bulgaria, to Alexandroupolis, Greece, would have to be abandoned). Moreover, the agreement with Turkey would allow Russia to bypass the Ukrainian exclusive economic zone when constructing the South Stream (the Ukrainian government would probably grant no consent for the pipeline to be routed via its territory).

It is not clear at this stage which of the protocols signed during the visit will be implemented. The fact that the two countries have revisited the Blue Stream II project abandoned several years ago might suggest that its implementation is more realistic than that of the South Stream, which the Russians have been endorsing until now, because of the lower cost of investment and greater flexibility – the Blue Stream II pipeline would offer the possibility of transporting gas not only to Europe but also to the Middle East.

It is not certain whether Russia will participate in the Samsun-Ceyhan oil pipeline, especially given the fact that the Russians hold 51% of shares in the Burgas-Alexandroupolis project (the construction of both pipelines would not be economically justified as oil companies do not wish to stop using the Turkish straits). The signature of the Samsun-Ceyhan protocol was mainly a gesture to Turkey. Finally, the terms on which the Russians are to build Tur-

key's first nuclear power plant still have not been defined (Russia has clearly lowered its expectations concerning the price under pressure from Ankara).

## Broader consequences of the visit

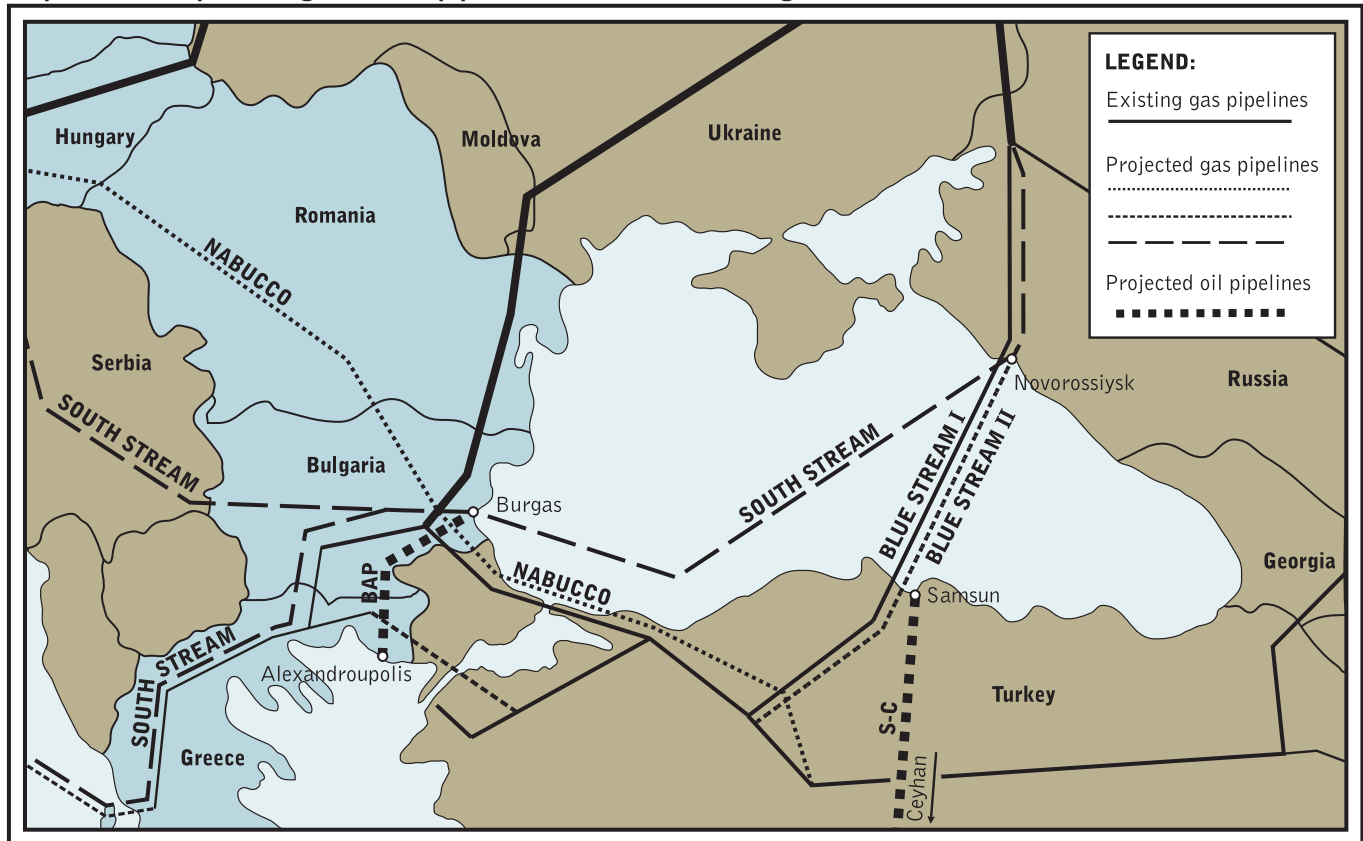
The visit of PM Putin to Turkey and the concessions made by the Russian side (including the preliminary consent to the construction of the Samsun-Ceyhan oil pipeline) indicate that Russia needs Turkey to implement its energy policy in Southern Europe and the Black Sea region, i.e. mainly to compete against the Nabucco gas pipeline project planned by the European Union member states. Moscow's attempt to bypass Turkey has failed – one of the reasons why Russia initiated the South Stream gas pipeline project in 2007 was the absence of an agreement with Turkey concerning the Blue Stream II project and Moscow's dissatisfaction with Ankara's policy to diversify the sources of energy. It was only after the Georgian war that the two countries started to build closer relations – they stepped up political co-operation in the region (including with respect to the Karabakh conflict). The agreements signed during the visit have political significance, but they also demonstrate the potential for more intensive bilateral co-operation, mainly in the energy sector.

For Turkey, co-operation with Russia is a convenient tool to pressure the Western states and Azerbaijan (in the negotiations concerning additional gas supplies), as well as an element in the implementation of Ankara's energy hub concept, i.e. the idea to establish Turkey as the key transit country for the transport of energy resources to Europe.

*Marcin Kaczmarski, Wojciech Konończuk*

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Map. Routes of planned gas and oil pipelines in the Black Sea region



## President Medvedev escalates the crisis in Russian-Ukrainian relations

On 11 August, the Kremlin press service released a special letter from president Dmitry Medvedev to president Viktor Yushchenko, in which the Russian leader claimed, in very harsh words, that the Ukrainian leadership was responsible for the crisis in Russian-Ukrainian relations, and suspended the departure of the new Russian ambassador to Kyiv. On the same day president Medvedev repeated his criticism of Yushchenko in a video posted in his video blog. Extremely critical and unexpected, the Russian president's statement symbolically marks the start of Russia's involvement in the campaign before the presidential elections in Ukraine in January 2010. In this way, Moscow is sending a signal to the main candidates, indicating that it expects the new Ukrainian leadership to fundamentally revise its policy on Russia.

President Medvedev wrote that during Viktor Yushchenko's presidency Ukraine deliberately "abandoned the principles of friendship and partnership with Russia". He also pointed to a number of actions by Ukraine which in his opinion were anti-Russian including the supplies of weapons to and support for Georgia during the war in South Ossetia, as a result of which Ukraine became "co-responsible for the crimes committed"; Ukraine's aspirations to NATO membership; measures impeding the operation of the Black Sea Fleet in Crimea; efforts to revise energy relations and signing the gas memorandum with the EU; and finally, violations of the rights of Russian investors in Ukraine. President Medvedev also accused the Ukrainian head of state of falsifying history, taking measures designed to remove the Russian language from public life and the media, and interfering with the affairs of the Orthodox Church.

In response to the 'anti-Russian line of the Ukrainian leadership', including the expulsion of two Russian diplomats from Ukraine this July (to which Russia reacted with an analogous measure), president Medvedev postponed the departure to Kyiv of the new Russian ambassador to Ukraine, Mikhail Zurabov, who obtained Ukraine's *agrément* several days ago. This means that Moscow has decided to postpone the start of his mission until the results of the Ukrainian presidential election are known. The recent expulsion of two Russian diplomats apparently is only a pretext here because immediately after it occurred, it caused no rise of tension between Moscow and Kyiv.

The unprecedented letter by the Russian leader (the impact of which the Presidential Administration and the Russian Ministry for Foreign Affairs have tried to mitigate by saying 'it did not imply freezing or breaking diplomatic relations') have come unexpectedly. Russia has raised the allegations against Ukraine on many occasions before. Through the letter, Moscow has sent a clear signal to the entire Ukrainian political elite, indicating that it expects the new Ukrainian leadership to take into account Russia's key interests, especially in the energy and security spheres. Moreover, with this harsh statement by the Russian president Moscow has become involved with the election campaign in Ukraine and hopes to make relations with Russia an important issue in the campaign. Thus, Ukrainian politicians have been forced to take a stance on this specific 'attack'. Viktor Yanukovich clearly and very quickly declared he was ready to fulfil Medvedev's expectations. President Yushchenko's response is forthcoming, and the Ukrainian public opinion will also expect PM Tymoshenko to take a position. Even if the Ukrainian prime minister as usual avoids making a clear statement on the issue, this will be raised by her opponents and assessed by voters.

Wojciech Konończuk, co-operation: Anna Górska

## EVENTS

**Ukraine: No gas crisis coming up?**

**According to official information by the Ukrainian Ministry for Fuels and Energy, Naftohaz will not face problems collecting the gas reserves needed to ensure the security of supplies to Ukrainian consumers and to Europe during the autumn and winter season. Even so, there is no certainty that a new gas crisis has been ultimately averted, especially if – as Naftohaz has announced – Ukraine will seek to renegotiate the agreements signed with Gazprom in January 2009.**

Gazprom and Russian officials have been warning the EU for several months of a possible new gas crisis that could break out, in their opinion because of the inability of Naftohaz to finance the purchase of gas needed to cover higher consumption and to ensure the security of transit. However, according to official Ukrainian figures, the underground depots contained 22.25 billion m<sup>3</sup> of gas as of 1 August and were only 4.75 billion m<sup>3</sup> short of the record levels of 2008. With the current gas prices, this means that Ukraine would have to spend around US\$950 million over the next two months. Ukraine will be able to finance this purchase, especially after it receives another instalment of financial support from the IMF (US\$3.3 billion) and the loans pledged to Naftohaz by the EBRD, the World Bank and the EIB (US\$1.7 billion). Nevertheless, this does not mean that the risk of crisis has been ultimately averted – the crisis may break out if, for instance, an attempt is made at renegotiating the contracts currently in force. Naftohaz maintains that it intends to reduce the volume of gas purchased in 2010 from the 52 billion m<sup>3</sup> provided for in the contract to 35 billion m<sup>3</sup> (the predicted average gas price is US\$275 per 1000 m<sup>3</sup>), but Gazprom refuses to accept a change in the contract. <AnG>

**Russia to step up military presence in Kyrgyzstan**

**On 1 August the presidents of Russia, Dmitry Medvedev, and of Kyrgyzstan, Kurmanbek Bakiyev, signed a memorandum on the stepping up of Russian military presence in Kyrgyzstan. The respective agreement is to be signed by 1 November 2009. As a result of closer military co-operation between Russia and Kyrgyzstan, Russia's relations with Uzbekistan will deteriorate further – Uzbekistan has vocally protested against the plans to deploy a Russian military base in southern Kyrgyzstan.**

It has been agreed that the 'integrated Russian military base' in Kyrgyzstan would include the air base which has been operating since 2003 in Kant, as well as a new base where a battalion of Russian troops will be stationed. The new base is to be established in southern Kyrgyzstan (either in Osh or in the Batken district), i.e. in the strategically located Fergana Valley divided between Kyrgyzstan, Uzbekistan and Tajikistan. The parties have also agreed to establish a joint Russian-Kyrgyz anti-terror training centre. Contrary to earlier announcements, the troops stationed in southern Kyrgyzstan will not have the status of a collective rapid reaction force (CRRF) as part of the CSTO

because Belarus and Uzbekistan have not signed the agreement establishing the CRRF. The plans to step up Russian military presence in Kyrgyzstan strengthen Moscow's position in that country. However, in the setting of the souring relations with Turkmenistan, Tajikistan and especially Uzbekistan, it is a minor success for Russian foreign policy. On 3 August, the Uzbek Ministry for Foreign Affairs issued an unprecedentedly firm statement saying that a stepped up Russian military presence in Kyrgyzstan could trigger more intensive militarisation processes and ethnic conflicts, and cause the threat posed by radical Islam in the region to increase. If the base in southern Kyrgyzstan is opened, this will further deteriorate Moscow's relations with Tashkent as Uzbekistan neither wants Kyrgyzstan to be strengthened, nor Russian troops to be deployed near its borders. <mf>

## CES

### The Centre for Eastern Studies

(OSW) was established in Poland in 1990. OSW is financed from the state budget. Its task is to monitor and analyse the political, economic and social situation in the Central and Eastern European countries, in the Balkans, in the Caucasus and in Central Asia.

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  - issues related to NATO and EU enlargement,
- how the states of the region aspire to integrate with Western structures,
  - energy supply security,
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