



for October, November and December, respectively. The curtailing of the gas supplies initially resulted in a reduction of electricity transmission (in October 2022) and then a complete halt of it (from 1 November) from the Moldovan GRES (MGRES) power plant to right-bank Moldova. (The MGRES power plant is located in separatist Transnistria and is fired by Russian gas).<sup>2</sup> Starting from 11 October 2022 (when Ukraine halted its electricity exports due to massive Russian shelling of its infrastructure) this power plant was meeting as much as 80% of Moldova's demand for electricity. This resulted in power shortages and forced Chişinău to purchase electricity from Romania at a considerably higher price.

In response to Russia's policy, in July 2022 Moldova's parliament adopted legislation which imposed a requirement on gas distributors to stockpile gas (in storage facilities located in one of the countries neighbouring Moldova) in volumes that would enable the country to meet its demand for at least two winter months. Between October 2022 and January 2023, a €300 million loan from the European Bank for Reconstruction and Development enabled Moldova to stockpile more than 300 mcm of gas in storage facilities in Ukraine and Romania<sup>3</sup> – this volume was in line with the new requirements. Moldova purchased this gas from gas traders; most likely it was not Russian gas.

Together, the stockpiled gas and the diversification of supply sources enabled Moldova to announce its decision to temporarily abandon

» **In December 2022, for the first time in its history, Moldova announced its decision to abandon the use of Russian gas.**

the use of Russian gas for the first time in its history. Since December 2022, the demand of right-bank Moldova has been met in full using gas transmitted by Energocom, a company fully controlled by the Moldovan state. Although most of this gas most likely comes from the stockpile, it cannot be ruled out that the company continues to import gas from non-Russian suppliers on an ongoing basis, including through the Trans-Balkan pipeline (which is operating in reverse mode) and through the Iaşi-Ungheni-Chişinău pipeline from Romania. The latter pipeline, despite having been officially commissioned at the end of 2021, has not seen large-scale use to date. Moldova's decision to make itself independent of Russian gas imports does not equate to a complete halt in Russian gas supplies. Gazprom continues to supply around 5.7 mcm of gas daily but Moldova does not pay for it because the entire volume is bound for Transnistria to meet the demand of the local population and the economy<sup>4</sup> (see below).

### ...and increases the use of new sources of electricity

A significant change has also occurred in the electricity generation sector. The synchronisation of the Moldovan electricity grid (alongside the Ukrainian one) with the European system on 16 March 2022 should be viewed as the first breakthrough as it enabled Moldova to import electricity from Romania, and also from other EU member states and non-EU member states. Until that time, this had not been possible due to the insufficient infrastructure to synchronise imported electricity with the frequency of the Moldovan grid which had operated in the post-Soviet IPS/UPS system. The interconnection proved crucial in autumn 2022, when disruptions in electricity transmission from Transnistria occurred due to Gazprom turning off its gas tap.

Furthermore, Moldova has launched measures to increase its electricity generation capacity to meet domestic demand. For example, a tender was announced for the construction of two new heat and

<sup>2</sup> *Idem*, 'Moldova: the spectre of an energy crisis', OSW, 24 October 2022, [osw.waw.pl](https://osw.waw.pl).

<sup>3</sup> The estimate is based on the available data. Since December 2022, the Moldovan government has not published information on the volume of gas stockpiled by the state.

<sup>4</sup> In practice, the region has been in arrears with payments due to Gazprom for years. This has caused a further increase in the so-called Transnistrian gas debt which currently amounts to around \$8–9 billion.

power plants capable of generating around 55 MWh each. They are expected to be built by 2025 and will be the first such facilities commissioned in independent Moldova. In addition, the government plans to speed up the development of the RES sector which in three years will be expected to meet up to 30% of Moldova's domestic demand for electricity (in 2021 the proportion was around 3.5%, and 6% at the end of 2022).<sup>5</sup>

## Chişinău's pressure on Transnistria

The diversification of gas supplies and the emergence of opportunities to import electricity from the EU have resulted in Moldova becoming significantly more assertive in its relations with separatist Transnistria. As a consequence, Chişinău has decided to use its control of gas transmission to the region to put pressure on Tiraspol and to this attain its political goals. Previously, fully dependent on Russian gas and fearing that Gazprom might halt its supplies, Chişinău had refrained from using this instrument of pressure.

Almost immediately after MGRES limited its electricity generation for right-bank Moldova, the government in Chişinău ordered Tiraspol to increase electricity transmission,

” **The elimination of Russia's monopoly on gas supplies and the import of electricity from the EU have resulted in Moldova becoming more assertive in its relations with Transnistria.**

and when these demands were ignored, Chişinău unilaterally reduced the volume of gas transmitted to left-bank Moldova.<sup>6</sup> This move resulted in Transnistria's heavy industry halting its production. Moreover, combined with lost profits from the sale of electricity and a reduced income earned on trade in Russian gas on the domestic market, it began to generate serious losses for the region's budget. Finally, at the beginning of December 2022, Chişinău and Tiraspol reached an agreement on the resumption of electricity supplies to right-bank Moldova. In exchange for this, Transnistria is receiving all of the gas supplied by Gazprom and is obliged to pay for it on a regular basis.

Another manifestation of Moldova changing its attitude towards the region involves the government pushing through the so-called separatism law in February 2023.<sup>7</sup> It envisages punishment for example for promoting separatism, espionage and treason. It also bans behaviour that poses a “serious threat to the security of the Republic of Moldova”, “plotting against the Republic of Moldova”, “illegal data harvesting” and “failure to notify the authorities of crimes committed against the state or national security”. Although the new regulations are a standard practice in most European states, they are a novelty in Moldovan legislation. Until recently, Chişinău had refrained from amending this section of the Moldovan criminal code, fearing Moscow's reaction. This was because penalisation of separatism mainly targets the self-proclaimed authorities in Tiraspol, which enjoy political, economic and military backing from Moscow. However, it is uncertain how the new legislation will be enforced. Despite this, its enactment is an unprecedented development potentially enabling the Moldovan government to use it as a new instrument of pressure on Transnistrian separatists.

<sup>5</sup> ‘Спыну: Цель – довести долю возобновляемой энергии до 30% в ближайшие три года’, Radio Moldova, 29 January 2023, quoted after: point.md.

<sup>6</sup> According to the contract signed with Gazprom at the end of 2021, in November 2022 Transnistria was supposed to receive 56% of the total volume of gas supplied by Russia. However, Chişinău decided to allocate a mere 40% of the total volume to Transnistria (taking into account the 50% reduction of the volume of gas supplied by Gazprom this accounted for around 35% of the actual volume that Transnistria should have received in November). Right-bank Moldova received around 70% of the volume specified in the contract.

<sup>7</sup> M. Conovali, ‘Legea cu privire la separatism, care a înfuriat Tiraspolului, a fost adoptată în lectură finală’, NewsMaker, 2 February 2023, newsmaker.md.

## Countering Russian propaganda

The authorities in Chişinău have also taken steps to limit the reach and the influence of Russian propaganda. As early as 26 February 2022, at the request of the Security and Intelligence Service of the Republic of Moldova (SIS), the government blocked access to several websites (including the Moldovan version of the Russian Sputnik portal) which it viewed as inciting hatred and war. On 2 March 2022, the Committee for Emergency Situations banned radio and TV stations from airing programmes produced in countries which have not ratified the European Convention on Transfrontier Television (ECTT).<sup>8</sup> This ban was to be valid until the end of the state of emergency announced on 24 February. In practice, the ban related to Russia and Belarus and was intended to block the transmission of Russian analytical and news broadcasts.

In June 2022, Moldova enacted the so-called law to combat disinformation, which made these provisions permanent (until then they had only been valid during

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the state of emergency). The restrictions do not include “entertainment shows with no military content”. Alongside this, a ban was introduced on airing programmes and movies that justify military aggression, deny war crimes and crimes against humanity, and incite hatred (no matter where they were produced). Finally, in December 2022 the Committee for Emergency Situations revoked the broadcasting licence of six Moldovan TV stations, the majority of which rebroadcast Russian channels. This included the following TV stations: Primul în Moldova (which rebroadcast the programmes aired by the Pervy Kanal TV station), Accent TV (which rebroadcast the Pyatnitsa channel), and the Moldovan branches of the NTV and RTR TV stations. The ban coincided with the EU’s adoption of another package of sanctions against Russia, which suspended the EU-wide broadcasting licences of NTV, NTV Mir, Rossiya-1 and Pervy Kanal TV stations. Most of the banned channels are linked to pro-Russian parties operating in Moldova, i.e. the ŞOR Party and the Party of Socialists. Although the committee’s decision was mainly intended to limit the spread of Russian propaganda, its domestic political context came under criticism not only from the opposition but also from a portion of Moldovan civil society which viewed it as an attempt to curb pluralism.

As part of its fight against Russian propaganda, as early as April 2022 the government in Chişinău introduced a ban on using the letters Z and V and the so-called Ribbon of Saint George in public. It viewed these symbols as manifestations of support for the Russian aggression and as an element of war mongering.<sup>9</sup>

## A breakthrough in how Moldova thinks about its defence

The Russian invasion of Ukraine has triggered a major debate on Moldova’s defence capability and on the legitimacy of maintaining the country’s neutral status. For years, both Moscow and the pro-Russian Moldovan political parties and groups have promoted the view that what this status in practice boils down to is not only Moldova’s non-involvement in military alliances but also its *de facto* abandonment of any plans to develop its own armed forces. Therefore, propaganda presented any attempted modernisation of the Moldovan armed forces as an aggressive unconstitutional act that could jeopardise the region’s stability, contribute to the outbreak of a war between Moldova and Transnistria and provoke a conflict with Russia. As a consequence, the Moldovan military was permanently underfinanced. In 2010–2021, the country’s defence spending accounted for between 0.3%

<sup>8</sup> The ban did not include the US, Australia and Canada (none of which have ratified this convention) or the EU member states.

<sup>9</sup> ‘В Молдове символы Z, V и георгиевская лента запрещены’, Газета “СП”, 8 April 2022, esp.md.

and 0.4% of its GDP. Since Moldova's GDP *per capita* is one of Europe's smallest, this level of spending was insufficient to even maintain the operational capability of the country's small armed forces (around 5,000 troops). In 2010, Moldova's total defence spending stood at only around \$18 million, in 2015 at \$23 million, and in 2020 at \$44.5 million.

As a consequence, in 2022 Chişinău decided to radically boost its defence spending. In line with its budget act, in 2023 it will increase by as much as 68.2%, up to around

\$90 million (i.e. around 0.55% of Moldova's GDP compared to 0.38% in 2021).<sup>10</sup> In subsequent years, the state plans to earmark 1–2% of its GDP for defence. The salary offered to soldiers will increase by 1300 lei (around \$70), and in 2023 the minimum wage in the public administration sector (including the defence sector) will increase from 3500 lei (around \$186) to 4000 lei (around \$213). Another reason behind the government's decision to boost defence spending involves numerous instances of Moldovan air space being violated by Russian missiles launched against Ukraine starting from the second half of 2022. Chişinău intends to earmark additional funds for example for the purchase of missile defence systems because at present the military is only able to monitor the missiles' trajectory over Moldovan territory, but is unable to intercept them.<sup>11</sup>

**” Russia's declining significance for the Moldovan economy and its aggressive policy have provoked a debate on Moldova's continued membership of the CIS.**

Moreover, Moldova has managed to obtain additional funds from its Western partners to support the development of its defence capability. In June 2022, under its European Peace Facility, the EU earmarked €40 million for the purchase of non-lethal military equipment and for initiatives aimed at bolstering the Moldovan armed forces' logistical, command, signalling, cyber defence and UAV air reconnaissance capabilities<sup>12</sup> (this sum accounts for 80% of Moldova's 2022 defence budget). In October 2022, the Moldovan government signed an agreement with Germany regarding the transfer of armoured vehicles and drones to the Moldovan army and the relevant training of its soldiers.<sup>13</sup> On the basis of this agreement, in January 2023 Chişinău received three (out of the planned 19) Piranha 3H armoured personnel carriers. Also in January, President Maia Sandu requested Moldova's allies to donate air defence systems.

## Trade, economic migration and CIS membership

The war has accelerated the erosion of Russia's significance for Moldovan exports. Between January and November 2022, Moldova's exports to Russia were 50% lower than in 2021, and the Russian market's share in its total exports was a mere 4.5% (less than the share of Romania, Ukraine, Italy, Germany and Turkey). This was despite the fact that in that period Moldova's total exports increased by as much as 41.35% y/y.

Moreover, Moldovan economic migrants are leaving Russia in increasing numbers. A decade ago, Russia was the main destination for them. In 2014, the official number of Moldovan economic migrants in Russia was around 560,000, whereas by May 2022 their number had fallen more than seven-fold, to barely 76,000<sup>14</sup> – at present a mere 10% of Moldovan economic migrants work in Russia.

<sup>10</sup> 'Bugetul Ministerului Apărării pentru anul 2023 va fi majorat cu 649,9 milioane lei', Ministry of Defence of the Republic of Moldova, 8 December 2022, [army.md](http://army.md).

<sup>11</sup> 'Moldova nu are cu ce se apăra de rachete. Nosatîi: Sistemele pe care le avem sunt vechi, nu le-ar fi interceptat', Unimedia, 10 October 2022, [unimedia.info](http://unimedia.info).

<sup>12</sup> 'European Peace Facility: Council adopts assistance measure in support of the Moldovan Armed Forces', Council of the European Union, 30 June 2022, [consilium.europa.eu](http://consilium.europa.eu).

<sup>13</sup> С. Ромашенко, 'ФРГ поможет Молдове с оснащением армии и обучением солдат', Deutsche Welle, 1 October 2022, [dw.com](http://dw.com).

<sup>14</sup> 'Молдавские гастарбайтеры покидают Россию', Молдавские Ведомости, 15 August 2022, [vedomosti.md](http://vedomosti.md).

Russia's declining significance for the Moldovan economy and its aggressive policy have provoked a genuine debate on the legitimacy of Moldova's continued membership of the CIS (which in recent years was rather symbolic anyway). In December 2022, Moldova's Foreign Minister Nicu Popescu said that he saw no positive aspects to his country's CIS membership and that, in the political and economic dimension, Moldova *de facto* is no longer a part of this bloc. President Sandu, for her part, announced that Moldova's future membership of this organisation is uncertain. Alongside this, Chişinău boycotted the CIS summit held at the end of 2022 in Saint Petersburg and in late January/early February 2023 Moldova recalled its permanent representative in the Council Secretariat of the CIS Interparliamentary Assembly.

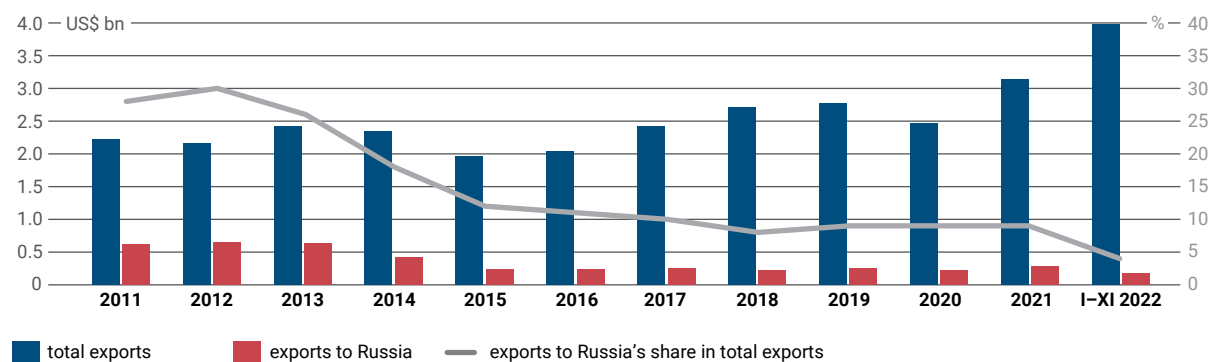
## The distance from Russia is increasing

The war in Ukraine has left an imprint on the Moldovan public's worldview. Although Moldovans had viewed Vladimir Putin as the most popular politician for years, his image is currently at its most negative. In 2014–2021, around 50–65% of Moldovans had confidence in Putin, whereas polls conducted in November 2022 and January 2023 showed that this proportion has decreased to 35–38% (around 55–60% of the respondents said that they had moderate confidence in him or did not trust him at all).<sup>15</sup> The Moldovan authorities have also made several decisions of symbolic significance. At the end of January 2023, speaker of the Moldovan Parliament Igor Grosu announced the plan to change the Moldovan legislation's official language from Moldovan to Romanian.<sup>16</sup> At present, Moldova's parliament is unable to amend the constitution to introduce this new provision because the ruling Party of Action and Solidarity (PAS) does not have the required majority. Despite this, similar modifications can be introduced to acts of secondary legislation.

In the short term, the authorities in Chişinău will continue the process of curbing Russian influence in Moldova and dismantling the legal, institutional and economic ties between the two countries. The government reshuffle carried out in February 2023 will not halt the ongoing change in this field. The change is facilitated by both Russia's aggressive policy (which the Moldovan government views as the most important threat to the country's security) and the political and economic support Moldova is receiving from its Western partners. Although this strategy jeopardises PAS's approval rating (the party has recently lost a portion of its public support, part for the country's poor economic standing), President Sandu is making attempts to use the favourable international situation to connect Moldova to the Western institutional system as firmly as possible.

## APPENDIX

Chart. Dynamics of Moldova's exports to Russia in 2011–2022



Source: National Bureau of Statistics of the Republic of Moldova, statistica.md.

<sup>15</sup> The figures come from the Public Opinion Barometer (November 2022) and from the WatchDog.md poll conducted in January 2023.

<sup>16</sup> О. Горчак, 'В законодательстве Молдовы заменяют «молдавский язык» на «румынский». Генсек Румынии обсудил это с Гросу', NewsMaker, 25 January 2023, newsmaker.md.