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## Moldova/Transnistria: Steps Forward, Stumbles Back

### *Introduction*

The Moldova-Transnistria political settlement process achieved substantial progress over the past year, beginning with significant agreements adopted and implemented in November 2017, and continuing steadily to the time of writing in September 2018. Several long-standing practical disputed issues in the so-called “package of eight” were resolved in November 2017, most notably the opening of the Gura Bîcului Bridge.<sup>1</sup> This key span on the main route through Moldova from the Black Sea towards the Baltic region had been closed since it was damaged in the fighting in June 1992, even after its repair in 2001. A successful meeting of the 5+2 in late November was followed by a strong programmatic statement agreed at the December OSCE Ministerial Council Meeting in Vienna, welcoming the remarkable progress achieved and confirming support of all participating States for the “small-steps” approach adopted by the OSCE under recent Chairmanships. The Italian 2018 OSCE Chairmanship continued along the same line, appointing former Foreign Minister Franco Frattini as Special Representative. Sufficient progress was achieved to hold a formal 5+2 session in late May. The settlement process continued with a high level of activity through the summer, with especially frequent, active contact between Chişinău and Tiraspol. As Special Representative Frattini visited the region in September 2018, most points in the “package of eight” had been agreed and implemented, and participants were examining how and where this remarkable progress in the settlement process might be extended.

This apparently sunny, optimistic horizon, however, was not without significant, potentially threatening clouds. The increasingly contentious nature of Moldova’s domestic politics, and difficulties in Chişinău’s relations with two key actors in the settlement process – the Russian Federation and the European Union (EU) – continue to pose real dangers to the progress achieved in reducing tensions, resolving contentious practical issues, and moving Chişinău and Tiraspol closer to an eventual settlement. Moldovan governmental institutions were still deeply split between the parliament and government, controlled by an ostensibly pro-Western coalition led by the Democratic Party

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<sup>1</sup> For background on the “package of eight” and other issues, cf. William H. Hill, *The Moldova-Transnistria Dilemma: Local Politics and Conflict Resolution*, Carnegie Moscow Center, 24 January 2018, at: <https://carnegie.ru/commentary/75329>; cf. also William H. Hill, *Current Trends in Transnistria: Breathing New Life into the Settlement Process*, in: *OSCE Yearbook 2017*, Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (ed.), Baden-Baden 2018, pp. 143-154.

(PDM) and its leader, Vladimir Plahotniuc, and the Presidency, held by pro-Russian Socialist Party (PSRM) head Igor Dodon. A large non-parliamentary, pro-Western opposition denounced both Plahotniuc and the PDM as representing oligarchic state capture, and Dodon and the PSRM as being controlled by the Kremlin. The cancellation by the courts of the opposition candidate's victory in a special mayoral election in Chişinău brought large crowds of protesters out into the streets and denunciations from many of Moldova's Western partners. Parliamentary elections are scheduled for February 2019, and many Moldovans have said they expect a fierce and dirty campaign, given the perceived high stakes and uncertain results.

Russia remained unwaveringly and fully within the consensus of the mediators and observers in the settlement process, and thus strongly supportive of the approach and progress achieved. However, bilateral tensions flared repeatedly between Moscow and Chişinău. In early 2018, despite the objections of President Dodon, the Moldovan Parliament and government promulgated a controversial law aimed at restricting Russian media influence. In late spring, Chişinău revived a 2017 initiative and succeeded in gaining passage of a resolution denouncing Russia's continuing military presence in Moldova by the UN General Assembly and calling for the immediate withdrawal of Russian military forces. A similar resolution was also passed by the OSCE Parliamentary Assembly. During the summer, movements of some Russian troop units in the security zone in Transdniestria and the participation of Russian troops in military exercises with Transdniestrian troops prompted fierce Moldovan protests. Russian President Vladimir Putin's appointment of Deputy Prime Minister Dmitry Kozak as Special Representative for economic relations with Moldova evoked both optimism and questions in different quarters in Moldova.

Meanwhile, Chişinău's relations with the European Union grew increasingly troubled. Since mid-2017, the EU had been withholding some 100 million euros of assistance due to Chişinău's failure to satisfy conditionality with respect to anti-corruption and the rule of law. EU criticism of Moldova's refusal to reverse controversial changes in the electoral system was intensified and augmented by the Moldovan courts' annulment of the clear victory of the non-parliamentary opposition candidate in a special mayoral election in Chişinău. An unprecedentedly harsh European Parliament (EP) resolution on Moldova adopted on 5 July 2018 epitomized the growing EU disillusionment with the current Moldovan government's failure to adopt and implement real reforms.

While the settlement process continued to be active and to adhere to the same approach that produced such dramatic progress, both the bitter domestic political competition and troubles in relations with Moscow and Brussels raised significant and troubling questions as to whether this co-operation, consensus, and progress may be at risk.

### *Breakthrough in the Settlement Process*

Several years of work in the Moldova-Transdnistria political settlement process suddenly bore fruit with a spate of agreements reached between Chişinău and Tiraspol in November 2017. The co-ordinated “results-based” approach, developed under the 2014 Swiss and 2015 Serbian OSCE Chairmanships and successfully pursued by the 2016 German and 2017 Austrian Chairmanships, led to the dramatic resolution of a number of long-standing practical issues that had stymied relations between the sides for years.<sup>2</sup> In Berlin and Hamburg in June and December 2016, Moldova, Transdnistria, and the other participants in the 5+2 process (mediators Russia, Ukraine, and the OSCE, and observers EU and US) agreed to concentrate on settling specific issues between Chişinău and Tiraspol as a precondition to holding higher level, plenary negotiating sessions.<sup>3</sup> In subsequent meetings and negotiations, 5+2 participants generally endorsed the basic OSCE position since 1993 – Transdnistria is a part of Moldova, but should have a special political status – but agreed to leave questions of final status aside while pursuing progress on specific, practical issues. The international participants – mediators and observers – showed remarkable cohesion in holding to this general approach, which stressed direct, expert-level contact between the parties to the conflict. Shuttle diplomacy by the OSCE Mission involved senior leaders from Chişinău and Tiraspol as needed, to reach agreement when lower-level experts got stuck.

After many months of relatively unpublicized work by the German and Austrian Chairmanships and the OSCE Mission to Moldova, in early November 2017, negotiators from Chişinău and Tiraspol signed an agreement to open the Gura Bîcului Bridge; the sides followed through and the span actually opened to limited traffic in mid-November.<sup>4</sup> On 25 November 2017, in the old river city of Tighina/Bendery (where Charles XII of Sweden took refuge in 1709 after the battle of Poltava), Transdnistrian and Moldovan negotiators signed four protocols apparently settling the questions regarding the operation of the Moldovan-administered Latin script schools in Transdnistria: recognition of Transdnistrian diplomas; telecommunications licensing and operations; and access for Moldovan farmers to lands under de facto Transdnistrian control.<sup>5</sup> These agreements were generally quite complex, and many specific

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2 Cf. Hill, *Current Trends in Transdnistria: Breathing New Life into the Settlement Process*, cited above (Note 1).

3 Cf. Protocol of the Official Meeting of the Permanent Conference for Political Questions in the Framework of the Negotiating Process on the Transdnistrian Settlement, 2-3 June 2016, Berlin, available at: [www.osce.org/moldova](http://www.osce.org/moldova).

4 Cf. OSCE, OSCE Chairmanship welcomes ground-breaking decision to open bridge over Dniester/Nistru River, Vienna/Chisinau, 3 November 2017, at: <https://www.osce.org/chairmanship/354711>; cf. also Cristi Vlas, Gura Bîcului-Bîcioc bridge over Nistru river opened for vehicles, *Moldova.org*, 18 November 2017, at: <http://www.moldova.org/en/gura-bicului-bicioc-bridge-nistru-river-opened-vehicles/>.

5 The texts of these agreements are available in Russian and English on the Transdnistrian “foreign ministry” website: <http://mfa-pmr.org/documents>.

details needed to be worked out, including co-ordination of administrative procedures and legislation. Expert working groups on the requisite subjects met frequently and productively to successfully implement these accords over the subsequent weeks and months.

These steps were followed by a formal meeting of the 5+2 in Vienna on 27-28 November and at the OSCE Ministerial Meeting on 7-8 December, both of which welcomed the recent progress and obligated the participants in the Transdnestrian settlement process to continue their present approach and efforts and to seek further solutions. At the 27-28 November meeting of the 5+2, the participants singled out the next target in the settlement process: reaching an agreement on internationally accepted license plates issued by the Republic of Moldova for vehicles owned and operated by Transdnestrian residents and drivers.<sup>6</sup> The Vienna Protocol also called for settling the remaining issue of the “package of eight” – criminal cases instituted by each side against representatives of the other – by the end of 2018 and committed to strengthening the provisions and procedures of the existing settlement process to ensure the agreements reached were implemented.

This dramatic progress enabled the OSCE participating States to reach consensus on a broad-ranging statement on the Transdnestrian settlement process at the Ministerial Council Meeting in Vienna less than two weeks later.<sup>7</sup> The ministerial statement explicitly endorsed the 5+2 format as “the only mechanism” to achieve a resolution of the conflict and the existing “output-oriented approach” in the settlement process. The mediators (Russia, Ukraine, OSCE) and observers (EU, US) also reiterated their adherence to the basic position for a settlement first iterated by the OSCE in 1993, “to attain a comprehensive, peaceful and sustainable settlement of the Transdnestrian conflict based on the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders with a special status for Transdnestria that fully guarantees the human, political, economic and social rights of its population”.<sup>8</sup>

In a demonstration of the limits of the working consensus within the 5+2 format, Transdnestria immediately rejected this basic premise of Moldova’s territorial integrity with a special status for Transdnestria. A special commentary from the Transdnestrian “foreign ministry” noted that such declarations taken in the OSCE could not be considered parts of the settlement negotiating

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6 Cf. Protocol of the Official Meeting of the Permanent Conference for Political Questions in the Framework of the Negotiating Process on the Transdnestrian Settlement, 27-28 November 2017, Vienna, at: <https://www.osce.org/chairemanship/359196>.

7 Cf. Organization for Security and Co-operation in Europe, Ministerial Council, Vienna 2017, Ministerial Statement on the Negotiations on the Transdnestrian Settlement Process in the “5+2” Format, MC.DOC/1/17, Vienna, 8 December 2017, at: <https://www.osce.org/chairemanship/361586>.

8 Ibid.

process, since Transdniestria was precluded from participating.<sup>9</sup> The Transdniestrian statement also warned that the eventual political settlement could only be decided within the framework of direct dialogue between the sides. The commentary also referred to Transdniestria's 2006 referendum on independence and reiterated Tiraspol's "principled position" calling for international recognition of Transdniestria's independence.

Notwithstanding this shot across the bow from Tiraspol, the settlement process during 2018 continued to produce concrete progress on specific issues. The 2018 OSCE Italian Chairmanship appointed former Foreign Minister Franco Frattini Special Representative, ensuring both high-level support and continuity in the settlement process. As part of a shake-up in the government in Chişinău, Director for International Affairs of the Ministry of the Interior Cristina Lesnic was appointed chief negotiator for Moldova in December 2017.<sup>10</sup> Lesnic first met Transdniestrian negotiator Vitaly Ignatiev on February 15; the two apparently developed a solid working relationship, as shown by continuing productive work on reaching and implementing agreements on specific issues.<sup>11</sup> Work in the settlement process in late winter 2017 and spring 2018 was characterized by frequent meetings, co-ordination, and co-operation in the expert working groups, both to work out steps to implement agreements already reached, and to move towards new accords on other practical issues.

Special Representative Frattini's visit to the region in late March provided further impetus to the settlement process, in particular in moving towards an accord on one of the chief outstanding points cited in the November 2017 Vienna 5+2 Protocol, international registration of Transdniestrian vehicles by Moldovan authorities.<sup>12</sup> Chişinău and Tiraspol successfully worked out and signed a complicated, step-by-step agreement and plan for registering Transdniestrian vehicles on 24 April 2018, which was welcomed at a 5+2 meeting in Rome on 29-30 May 2018.<sup>13</sup> The Rome Protocol welcomed the progress achieved to date, and called for similar efforts in addressing the major remaining issue of criminal cases.

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9 Cf. Ministerstvo Inostrannykh Del Pridnestrovskoj Moldavskoj Respubliki [Foreign Ministry of the Pridnestrovian Moldavian Republic], *Kommentarij MID PMR v svyazi s prinyatiem zayavleniya Ministrov inostrannykh del gosudarstv-uchastnikov OBSE po peregovornomu protsessu v formate "5+2"* [Comment of the Foreign Ministry of the PMR on the adoption of the statement of the Ministers of Foreign Affairs of the OSCE participating States on the negotiation process in the "5+2" format], 8 December 2017, at: <http://mfa-pmr.org/ru/hLN>.

10 Cf. Cristina Lesnic, new Deputy Prime Minister for Reintegration, *Publika.MD*, 19 December 2017, at: [https://en.publika.md/cristina-lesnic-new-deputy-prime-minister-for-reintegration\\_2643288.html](https://en.publika.md/cristina-lesnic-new-deputy-prime-minister-for-reintegration_2643288.html).

11 Cf. OSCE, Chief Negotiators for the Transdniestrian settlement process outline progress, commit to further steps, 15 February 2018, at: <https://www.osce.org/mission-to-moldova/372141>.

12 OSCE, OSCE Special Representative confident progress in Transdniestrian Settlement Process will continue, 28 March 2018, at: <https://www.osce.org/chairmanship/376393>.

13 Cf. Protocol of the Official Meeting of the Permanent Conference for Political Questions in the Framework of the Negotiating Process on the Transdniestrian Settlement, 29-30 May 2018, Rome, available at: <https://www.osce.org/chairmanship/382885>.

Much of the summer of 2018 was devoted to expert-level working group meetings and government actions by both Chişinău and Tiraspol to implement the agreements reached over the preceding months. Most deadlines were met. Moldovan farmers successfully gained access to their lands on the left bank, the Latin script schools prepared for operations, specific procedures for recognizing diplomas were instituted, and unrestricted traffic across the Gura Bîcului Bridge came closer to being a reality. In an early September 2018 visit to the region, Special Representative Frattini welcomed the 1 September opening of vehicle registration offices in Tiraspol and Rîbniţa/Rybnitsa, thereby meeting the deadline set for implementing the April “license plate agreement.”<sup>14</sup>

At the time of writing at the end of summer 2018, momentum was strong and there was considerable optimism among participants and observers of the Moldova-Transdnistria settlement process. With a record of over two years of successfully reaching and implementing agreements, both activity and trust among participants in the settlement process are at levels not seen for years, if ever. Personnel changes may also facilitate maintaining forward movement. Head of the OSCE Mission to Moldova Ambassador Michael Scanlan completed a four-year term in August, and was replaced by Dr Claus Neukirch, a veteran German official with extensive experience in the OSCE and in Moldova. (One might also note that this is the first time in over twenty years that the Head of the OSCE Mission to Moldova has not hailed from the United States.) The 2019 OSCE Chairman-in-Office at this point will be Slovak Foreign Minister Miroslav Lajčák, who served as the EU Special Representative for Moldova almost a decade ago. With the return of Russian Deputy Prime Minister Dmitry Kozak to a Moldova portfolio, there will be a great deal of high-level experience focused on the region, which may also raise hopes for continued progress.

#### *Moldova-Russia Relations: a Stumbling Block?*

The appointment of Deputy Prime Minister Dmitry Kozak – Putin’s troubleshooter in a number of tough issues and a veteran of the 2003 near-settlement of the conflict – as special representative for Moldova-Russia economic relations might be taken as a sign of Moscow’s desire for progress on a number of issues, including resolving the conflict. News of Kozak’s appointment broke during a visit to Moscow by Moldovan President Dodon and meeting with Putin on the margins of the Football World Cup final. Speculation immediately mounted in both Moscow and Chişinău about a possible return to the 2003

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14 OSCE, OSCE Special Representative lauds progress in Transdnistrian Settlement Process, calls for all commitments to become reality, Tiraspol, 10 September 2018, at: <https://www.osce.org/chairmanship/393107>.

Kozak Memorandum and federalization of the country as the basis for a settlement of the conflict.<sup>15</sup> In any event, Kozak's appointment seemed to presage increased top-level attention from the Kremlin for Moldova.

However, deep political division and discord within Moldova have made relations with Russia a domestic political football, which has in turn produced considerable, if irregular friction in relations between Chişinău and Moscow. It is not clear whether this friction will be sufficiently frequent or serious to slow or derail the momentum achieved in the settlement process. A year of increasing tensions between Moldova and Russia ended with the recall of Moldova's Ambassador to Moscow, Andrey Neguta, in mid-December.<sup>16</sup> Chişinău explained the move as a response to Russian mistreatment of Moldovan officials; it also may have been a response to Moscow's announcement of a criminal case against Vladimir Plahotniuc, the leading member of the governing coalition. The move may have also been related to the ongoing rivalry between Plahotniuc's PDM and pro-Russian President Dodon and his PSRM, the largest opposition party in Parliament.

In January 2018 Plahotniuc and the PDM resorted to temporary suspension of Dodon to ram through Parliament and promulgate a controversial law aimed at barring retransmission of Russian news and public affairs television and radio programmes in Moldova. The legislation was explained as a measure to protect Moldovan public opinion from manipulation and disinformation.<sup>17</sup> Neguta returned to Moscow in March 2018 only after meetings between the new Moldovan Foreign Minister Tudor Ulianoschi and Russian Foreign Minister Sergey Lavrov in Moscow and Deputy Foreign Minister Grigory Karasin during a visit to Chişinău.<sup>18</sup>

President Dodon has consistently advocated closer, more co-operative relations with Russia, but the Moldovan government, led by the PDM and Plahotniuc, has continued to have run-ins with Moscow, in particular over the perennially troublesome issue of Russia's failure to withdraw its troops and military equipment from Moldova. In June 2018, the UN General Assembly adopted a draft resolution, first floated by Moldova in the autumn of 2017,

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15 For example, cf. Universalnyi Kozak. Kak v Kishineve u Tiraspole kommentiruyut naznachenie novogo spetspredstavatelya Putina, 13 July 2018, *newsmaker.md*, at: <http://newsmaker.md/rus/novosti/universalnyy-kozak-kak-v-kishineve-i-tiraspole-kommentiruyut-naznachenie-novogo-sp-38276>.

16 Cf. Madalin Necsutu, Moldova Risks Russian Retaliation After Withdrawing Ambassador, *BalkanInsight*, 19 December 2017, at: <http://www.balkaninsight.com/en/article/moldova-pulls-off-its-ambassador-from-moscow-12-19-2017>. For Moldova-Russia tensions during 2017, cf. William H. Hill, More than a Frozen Conflict: Russian Foreign Policy Toward Moldova, Washington, DC, August 2018, at: [http://www.atlanticcouncil.org/images/publications/More\\_Than\\_A\\_Frozen\\_Conflict\\_web\\_final.pdf](http://www.atlanticcouncil.org/images/publications/More_Than_A_Frozen_Conflict_web_final.pdf).

17 On the Moldovan media law, cf., for example, Moldovan Parliament Speaker Passes Law Against Russian Propaganda, *Radio Free Europe/Radio Liberty*, 11 January 2018, at: <https://www.rferl.org/a/moldova-parliament-speaker-approves-russia-media-law/28966975.html>.

18 Cf. Moldova's ambassador to Russia to return to Moscow on days to come, *Moldpres*, 20 March 2018, at: <https://www.moldpres.md/en/news/2018/03/20/18002218>.

calling for the immediate and unconditional withdrawal of all troops of the Operative Group of Russian Forces (OGRF) and military equipment from Moldova.<sup>19</sup> Moscow was predictably annoyed by the Moldovan resolution and those countries that voted for it, and the Russian Ambassador to the OSCE denounced the measure as exerting a “destructive influence” and contradicting Moldova’s expressed line in the Transdniestrian settlement process and international agreements.<sup>20</sup> Russia reaffirmed its long-standing position that the Russian troop presence remained necessary until the terms of a final settlement could be reached to provide peacekeepers and to guard military equipment in the region.

Similar to incidents during the summer of 2017, unannounced movements in the summer of 2018 by Russian troops in the Transdniestrian region and the participation of troops from the OGRF in joint exercises with Transdniestria military units prompted complaints from Chişinău and caused tension and suspicions which contrasted with and detracted from the positive dynamics of the settlement process. For example, in mid-June, three columns of OGRF trucks and armoured vehicles moved without announcement through a portion of the Security Zone between Dubossary and Rîbniţa/Rybnitsa.<sup>21</sup> Russian representatives explained the movement as routine rotation of units at the ammunition depot in Cobasna/Kolbasna; Moldovan officials pointed to it as yet another in a long series of violations of the basic 1992 ceasefire agreement. In mid-August, the OGRF and Transdniestrian troops conducted a joint river-crossing exercise, which drew criticism from both Moldovan authorities and the OSCE Mission.<sup>22</sup>

In general, security issues have remained largely unaddressed in the recent progress in the settlement process. The continuing presence of Russian troops, and Russian co-operation with and apparent support for the Transdniestrian military remain exceptionally sensitive points for Moldovan officials. At the same time, Moldova’s military co-operation with NATO in the Partnership for Peace (PfP) and bilateral military co-operation with the US have from time

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- 19 Cf. United Nations, General Assembly Adopts Texts Urging Troop Withdraw from Republic of Moldova, Strengthening Cooperation in Central Asia, 22 June 2018, at: <https://www.un.org/press/en/2018/ga12030.doc.htm>.
  - 20 Ministerstvo inostrannykh del Rossijskoj Federatsii [The Ministry of Foreign Affairs of the Russian Federation], Remarks by Permanent Representative of Russia to the OSCE Alexander Lukashovich at a meeting of the OSCE Permanent Council in response to the report of the Head of the OSCE mission to Moldova, Vienna, 12 July 2018, 13 July 2018, at: [http://www.mid.ru/web/guest/maps/md/-/asset\\_publisher/dfOotO3QvCij/content/id/3294212?p\\_p\\_id=101\\_INSTANCE\\_dfOotO3QvCij&\\_101\\_INSTANCE\\_dfOotO3QvCij\\_languageId=en\\_GB](http://www.mid.ru/web/guest/maps/md/-/asset_publisher/dfOotO3QvCij/content/id/3294212?p_p_id=101_INSTANCE_dfOotO3QvCij&_101_INSTANCE_dfOotO3QvCij_languageId=en_GB).
  - 21 Cf. OSCE Mission in Moldova notified about unauthorized movement of columns of military equipment in Security Zone, *Moldpres*, 15 June 2018, at: <https://www.moldpres.md/en/news/2018/06/15/18005119>.
  - 22 Cf. OSCE, OSCE Mission to Moldova concerned about unsanctioned military exercises in the Security Zone, Chisinau, 15 August 2018, at: <https://www.osce.org/mission-to-moldova/390644>. Cf. also Madalin Necsutu, Russian Military Games on Dniester Anger Moldova, *BalkanInsight*, 15 August 2018, at: <http://www.balkaninsight.com/en/article/russian-soldiers-forced-the-dniester-river-from-transnistria-08-15-2018>.



to time drawn criticism from Moscow. In recent years, the participants in the 5+2 negotiations have been able to avoid the injection of geopolitical disputes and rivalries that trouble other regions of Europe, and to maintain co-operation and consensus on key questions. As steady progress is made towards an eventual resolution of the conflict, security issues will constitute one of the greatest challenges facing the settlement process.

### *Moldova's Deepening Political Crisis*

Moldova is increasingly beset by deep socio-political divisions, which have hindered or blocked political reforms and economic growth and which threaten to become more extreme and dangerous as the country faces a crucial national election in February 2019.<sup>23</sup> The government is divided both by party and geopolitical orientation. The parliament and cabinet of ministers are controlled by a self-professed pro-Western coalition led by the PDM, under the effective control of oligarch Plahotniuc. The presidency is held by the pro-Russian PSRM's Igor Dodon; the PSRM is the leading opposition party in parliament and boasts the consistently highest numbers in domestic political polls. However, there is a significant extra-parliamentary opposition movement made up of two pro-Western groups, Dignity and Truth (PPDA) and Solidarity and Action (PAS), which, since 2016, has conducted mass protests against both the government's alleged abandonment of pro-European principles and the PSRM's pro-Moscow leanings.

Over the past two years, Moldova's government has been increasingly at odds with some of its most ardent supporters in Europe and North America. In July 2017, against the explicit advice of the Council of Europe's Venice Commission and the OSCE Office for Democratic Institutions and Human Rights (ODIHR), the Moldovan Parliament adopted a controversial reform of the country's electoral system, with half of the deputies to be elected in single mandate districts and half remaining in the existing countrywide single electoral district. The measure was supported by both the PDM and PSRM; it was widely criticized as prone to corruption and manipulation. Later in 2017, the European Union suspended payment of an upcoming tranche of economic assistance to Moldova because of failure to make progress in agreed reforms in the justice system and the rule of law.<sup>24</sup>

Western disillusionment with the government in Chişinău came to a head in mid-2018. After Chişinău Mayor Dorin Chirtoacă resigned in February 2018

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23 For background and a review of Moldovan domestic political parties, groups, and orientations at the beginning of 2018, cf. Hill, *The Moldova-Transdnistria Dilemma: Local Politics and Conflict Resolution*, cited above (Note 1).

24 Cf. Sara Sandström, *Bad Neighbor? How the European Neighborhood Policy Has Failed in Moldova*, Center for Strategic and International Studies (CSIS), 18 March 2018, at: <https://www.csis.org/npfp/bad-neighbor-how-european-neighborhood-policy-has-failed-moldova>.

under pressure of pending criminal charges, a special election to replace him became a three-way contest between candidates backed by the PDM, the PSRM, and the major non-parliamentary opposition parties.<sup>25</sup> DA leader Andrei Năstase, backed by PAS leader Maia Sandu, won a decisive victory in a run-off election over Socialist Party candidate Ion Ceban; independent candidate and acting mayor Silvia Radu, backed by the PDM, did not make the second round. The results of the Chişinău vote demonstrated the clear satisfaction of the voting public with the country's major parties and were widely seen as an indication of the possible outcome of the upcoming national elections.

A political firestorm ensued when a Chişinău court annulled the results of the election, arguing that Năstase had engaged in political campaigning after the deadline for ceasing such activity before the election. (The impermissible activity cited was a social media post on election day urging citizens to vote, as most candidates had done in previous Moldovan elections.) The decision was subsequently upheld by appellate courts, and the results of the election were voided, with the acting officials remaining in place in Chişinău until the next scheduled election in 2019. Mass protests erupted in the capital and continued through the summer.<sup>26</sup> International reactions were also harsh. On 5 July 2018, the European Parliament adopted a wide-ranging resolution that not only criticized the courts for undermining the integrity of the electoral process, but also cited other recent failings of reform and the rule of law in Moldova, including the controversial electoral reform, and the massive bank fraud in 2014. The EP resolution called on the European Commission to suspend budgetary support for Moldova and halt any pending payments, until the results of the Chişinău elections were recognized and the country's deficiencies in reform and the rule of law were properly addressed.<sup>27</sup>

The response of the Moldovan government to these events was mixed. Prime Minister Pavel Filip immediately argued that annulment of the Chişinău vote was not something the government wanted or had prompted. However, neither the government nor the parliament took any action to appeal or reverse the court's decision. Moreover, just before adjourning for the summer, Parliament adopted controversial fiscal reform legislation including a provision to legalize previously undeclared assets and income with only a minimal (three

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25 Cf. Mihai Popşoi, *Mayoral Campaigns in Moldova's Two Largest Cities: A Preview of Next Parliamentary Election*, in: *Eurasia Daily Monitor*, 17 May 2018, at: <https://jamestown.org/program/mayoral-campaigns-in-moldovas-two-largest-cities-a-preview-of-next-parliamentary-election>.

26 Cf. *Protest în capitală: "Năstase e primarul!"* [Protest in the capital: "Năstase is the mayor!"], *IPN*, 20 June 2018, at <http://www.ipn.md/ro/arhiva/91891>. Local press summaries from the OSCE Mission to Moldova during the summer provide a survey of local coverage of these events and popular reactions.

27 Cf. European Parliament resolution of 5 July 2018 on the political crisis in Moldova following the invalidation of the mayoral elections in Chişinău, 2018/2783(RSP), Strasbourg, 5 July 2018, at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2018-0303+0+DOC+XML+V0//EN>.

per cent) tax.<sup>28</sup> Opponents of the legislation argued that it would turn Moldova into a “haven for money laundering”, while both the US and the World Bank sharply criticized the measure as inconsistent with Moldova’s programme of economic and judicial reform. By the end of the summer, popular indignation once again erupted, as large competing protests rocked the capital over Moldova’s Independence-Day weekend on 26-27 August.<sup>29</sup>

Electoral, fiscal, and judicial reforms were not the only casualties of the ongoing political turmoil in Moldova. The OSCE Mission to Moldova had worked closely with representatives of the Moldovan government and parliament to develop legislation to harmonize Moldovan legislation with the 1994 agreement on a special status for the autonomous region of Gagauzia.<sup>30</sup> Key pieces of legislation developed in this process subsequently were watered down with substantive reservations added by opponents in parliament, and have since languished without legislative action. Moldovan negotiators have acknowledged the importance of making the Gagauz autonomy agreement work as an important element in building confidence in the Transdnistrian settlement process. However, prospects for action on the Gagauz issue remain clouded, as the parliament’s setting of national elections on 24 February 2019 would seem to ensure a partisan political coloration for almost any action during this parliament’s final session in autumn 2018.<sup>31</sup>

### *Moldova’s Cloudy Future*

Over most of the past year, Moldova has been a study in contrasts. On the one hand, the remarkable progress in the Transdnistrian settlement process, marked by an astonishing array of agreements reached and implemented since November 2017, has raised legitimate hopes that real progress might be made towards final resolution of the conflict. On the other hand, Moldova’s widening social and political divisions, its sharpening political crisis, and the increasing disillusionment of some of its most ardent international supporters all call into question the country’s future direction, stability, and well-being. The upcoming political election campaign may have significant, but unpredictable

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28 Cf. Madalin Necsutu, Moldova’s President Gives Green Light for Controversial Fiscal Reform, *BalkanInsight*, 3 August 2018, at <http://www.balkaninsight.com/en/article/dodon-gives-green-light-for-controversial-fiscal-reform-in-moldova-08-09-2018>.

29 Cf. Rezoluție protestului ACUM: Cerem demisia Guvernului Filip [Resolution of the protest NOW: We request the resignation of the Government of Filip], *IPN*, 26 August 2018 at: <http://www.ipn.md/ro/arhiva/93223>; cf. other stories on the IPN site around this date for coverage of the protests.

30 For background on this issue, cf. Hill, Current Trends in Transdnistria: Breathing New Life into the Settlement Process, cited above (Note 1), pp. 147-149.

31 Cf. Madalin Necsutu, Moldova Delays Parliamentary Elections Until 2019, *BalkanInsight*, 27 July 2018, at: <http://www.balkaninsight.com/en/article/moldovan-parliament-rescheduled-the-parliamentary-elections-for-2019-07-27-2018>.

effects on Moldova's international relations and orientation, and the settlement process.

Since independence, Moldova has had a generally impressive record of holding relatively free and fair elections and respecting the results. The controversial 2017 electoral reform and the court intervention in the 2018 Chişinău mayoral election raise significant questions about Moldova's future adherence to this previous high standard. Furthermore, the massive street protests since 2016, and the sizeable popular support for extra-parliamentary parties critical of the pro-Russian and pro-European parties currently in power, suggest that far-reaching changes in Moldova's domestic political context could be in store. However, the events and developments of the past year provide little insight into what the eventual outcomes, the nature and direction of such possible changes might be.

Meanwhile, geopolitical division and turmoil in Europe, in particular the ongoing war in eastern Ukraine, has had considerably less effect on the Moldova-Transnistria settlement process than one might have expected, especially considering that the Russian Federation and Ukraine are co-mediators. One can only welcome the fact that the US, the EU, Russia, Ukraine, and the OSCE have been able to co-operate so harmoniously and effectively in the 5+2 forum, and hope that such co-operation may continue. However, the upcoming election campaign in Moldova could very possibly play out as a contest over Chişinău's geopolitical orientation. This in turn could put great strain on the current comity among the major international actors in the 5+2. Such an outcome does not have to happen, but it cannot be dismissed. The current political uncertainty in Moldova jeopardizes not only the recent remarkable progress in the settlement process, but a great deal more.