

Moldovan Government Moves to Reduce Reliance on Russian Power

OE Watch Commentary: On 15 August, Moldova’s pro-European government published a draft resolution to withdraw from the Commonwealth of Independent States (CIS) Electric Energy Council, to which it has belonged since February 1992. The Council, established following the dissolution of the Soviet Union, coordinates electric energy agreements between ten post-Soviet states. Moldova stopped participating in the Council’s meetings in 2016 and its complete withdrawal would reflect the government’s intense efforts to sever its reliance on Russia for energy. Just one month earlier, Moldova’s government ratified two major contracts intended to connect the country’s power grid directly with Romania’s and increase its compatibility with European energy standards.



Moldovan President Igor Dodon (2016).
Source: By http://en.publika.md/igor-dodon-vows-to-cancel-association-agreement-with-eu-will-turn-moldova-to-federation_2629556.html [CC BY-SA 4.0 (<https://creativecommons.org/licenses/by-sa/4.0/>)], via Wikimedia Commons.

As a small, economically poor, post-Soviet country, Moldova’s energy challenges are very closely tied to its political and security issues. Russia – a major trade partner – has often retaliated against Moldova’s European integration efforts by banning Moldovan products and threatening to cut energy supplies to the country. Moldova imports 98 percent of its energy, relying almost solely on Russian gas and electricity transferred through its Russian-backed, separatist Transnistrian region. In fact, Russia purchases gas from Transnistria and converts it to electricity for Moldova proper, often at double the cost, forcing Moldova to indirectly finance the separatist regime. These Moldovan-Russian tensions are only one component of a broader political and security struggle wherein Moldova is pressing for the withdrawal of Russian troops from Transnistria, whose breakaway status remains unresolved.

The accompanying excerpted articles from sources in the region accentuate Moldova’s longstanding, internal debate over its future. Will it be a country increasingly integrated into European economic structures – including its energy sector – or a state that retains strong ties to Russia and the CIS? The excerpt from the *Government of the Republic of Moldova* news site explains that Moldova’s efforts and reasons for connecting to Romania’s electrical grid are parallel with objectives for its gas supply: to decrease dependency on Russia. The excerpt from Russia’s *Interfax* news agency (dated 15 August) states the Moldovan government’s expectation to completely break from the CIS Electric Energy Council one year after its draft resolution is approved. The other excerpt from Russia’s *Interfax* news agency (dated 16 August) quotes pro-Russia Moldovan President Dodon’s position that the government’s plan to leave the CIS Electric Energy Council is merely a ploy to please its pro-European political base ahead of the country’s 2019 parliamentary elections. **End OE Watch Commentary (Kurzfassung)**

“This project comes after we started the natural gas interconnection, which ensures security of our country...we will not be dependent on one source.”

<p>Source: “Guvernul împrumută de la BERD și BEI câte 80 milioane euro pentru interconectarea la rețeaua electroenergetică din România (Moldovan Government Approves Ratification of Loan Agreements with EBRD, EIB for Interconnection to Romanian Power Grid),” <i>Government of the Republic of Moldova</i>, 11 July 2018. https://gov.md/ro/content/guvernul-aprobat-ratificarea-acordurilor-de-imprumut-cu-berd-si-bei-pentru-interconectarea</p> <p><i>The project will increase the security of Moldova’s electricity supply. This project comes after we started the natural gas interconnection, which ensures security of our country...we will not be dependent on one source.</i></p>	<p>Source: “Moldova Plans to Withdraw from CIS Electric Energy Council,” <i>Moscow Interfax</i>, 15 August 2018.</p> <p><i>...the agreement between the CIS countries ... in the electric energy sector do not meet the Republic of Moldova’s energy security priorities ... After Moldova terminates the document ... the decision will automatically take effect [in] 12 months... . . .</i></p>	<p>Source: “Dodon calls Moldovan Govt’s Decision to Leave CIS Electrical Energy Council Attempt to Escalate Tensions in Relations with Russia,” <i>Moscow Interfax</i>, 16 August 2018.</p> <p><i>“The Moldovan government is trying to escalate relations with Russia yet again with the republic’s withdrawal from the CIS Electrical Energy Council . . . they want to create public tensions shortly before the 2019 parliamentary election, reinstate geopolitical items on the agenda, and escalate tensions . . . to please pro-European unionists.”</i></p>
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