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NEWSLETTER

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Synthesis and Foreign Policy Debates

TOPICS OF THE EDITION:

1. On the occasion of the Independence Day of the Republic of Moldova, the construction works of the Iasi-Ungheni gas pipeline have been launched. The pipeline will interconnect the national gas system to the European one. Statements by the Prime Ministers **Iurie Leanca** and **Victor Ponta** and by the European Commissioner for Energy, **Gunther Oettinger**. An interview with the vice prime-minister, minister of Economy Valeriu Lazar.
2. Russian Ambassador to Chisinau, **Farit Muhametshin**, minimises the importance of the Iasi-Ungheni gas pipeline and warns that initialling of the Association Agreement between the Republic of Moldova and EU will make it difficult for the Moldovan-Russian commercial relations.
3. Why is Rogozin visiting again the Republic of Moldova? An editorial signed by the director of the Foreign Policy Association, **Victor Chirila**.
4. The experts **Corneliu Ciurea** and **Alexandru Fala** about the economic and political implications of the Iasi-Ungheni gas pipeline project.

The last period has been marked by a series of important events for the Republic of Moldova.



The most important event of the month is indisputably the launching on August 27th, on the occasion of the Independence Day of the Republic of Moldova, of the works on the Iasi-Ungheni gas pipeline, which will interconnect the gas systems from Romania and the Republic of Moldova, allowing in a few years perspective, for the diversification of the natural gas on the Moldovan market which at present is being supplied only by the Russian Federation. The construction works have been launched in the presence of the Moldovan Prime Minister Iurie Leanca, the Romanian Prime Minister Victor Ponta and the European Commissioner for Energy Gunther Oettinger.



The Russian ambassador to Chisinau, Farit Muhametshin, underscores the importance of the Iasi-Ungheni gas pipeline, saying that a pipe of 40 km long between the Republic of Moldova and Romania cannot undermine the Moldovan-Russian relations. At the same time, he says that the Russian side insists on the creation of an expert working group to analyse the economic impact on the Moldovan-Russian relations of the Association Agreement between the Republic of Moldova and EU to be initialled in November at the Vilnius EaP Summit. „Nobody is saying that everything will be alright after the signing of the document. Everybody knows - there will be problems”, has stated the Russian Ambassador.



Farit Muhametshin has also announced that in next two to three years, Russia will provide financial support for social projects to Transnistria which will amount to 120 mln USD. The Ambassador has also confirmed that the Russian vice prime-minister and the Kremlin representative for Transnistria Dmitrii Rogozin and the Russian Orthodox Church Patriarch Kiril, will pay visits next week to the Republic of Moldova, including to the Transnistrian region.



Russia declared all the Ukrainian goods as „high- risk products” after having stated that a carcinogenic substance had been found out in the sweets of a Ukrainian producer. Starting with August 13th, all the goods transported from this country are unloaded at the customs office and carefully examined together with the export accompanying documents. Kiev thinks Russia takes revenge this way for the decision by Ukraine to sign the Association Agreement with EU at the Vilnius EaP Summit in November. The Russian foreign minister issued a statement warning the Ukrainian people they would face quite difficult times after signing of the Association Agreement with EU: „The unemployment will increase and they will have to tighten their belt”. Kiev stated that despite Russia's disproportionate reaction, it will not renounce the signing of the Association Agreement with EU.

The head of the EU Delegation Dirk Schuebel has completed his mission in the Republic of Moldova after four years that he described as having been full of positive transformations. „The modernisation efforts made by the Chisinau authorities will certainly be appreciated by the Vilnius EaP Summit in November”, has stated the diplomat. Starting from September 1st, Dirk Schuebel will serve as Head of the European External Action Service in charge of the relations with the Eastern Partnership countries, continuing to support this way the European course of the Republic of Moldova.



The gas pipeline Ungheni-Iasi – a project of strategic importance for Romania and the Republic of Moldova



Lina Grău: This year, the Republic of Moldova has marked its 22nd anniversary since the proclamation of the independence through the launching of a project designed

to ensure energy security by means of diversification of natural gas supply sources. On August 27th, the construction works of the Iasi-Ungheni gas pipeline

were launched. This pipe segment will interconnect the national gas network with the European market. The Prime Minister Iurie Leanca has participated in the launching of the construction works together with the Romanian Prime Minister Victor Ponta and the European Commissioner for Energy Gunther Oettinger.

All three have underlined the historic importance of this day for the energy security of the Republic of Moldova while the foreign minister Natalia Gherman has compared the event with „the signing by the Republic of Moldova of new independence declaration-energy independence this time”.

Prime Minister Iurie Leanca stressed the fact that the launching of the Iasi-Ungheni gas pipeline construction works is a remarkable cooperation moment between the Republic of Moldova, Romania and the European Union.

Iurie Leanca: EU and Romania have demonstrated they are our strategic partners

Prime Minister Iurie Leanca has underlined that the launching of the Iasi-Ungheni gas pipeline construction works is a remarkable cooperation example between the Republic of Moldova, Romania and the European Union.

■ **Iurie Leanca:** Over the last four years, the Republic of Moldova has launched a reform process and major transformations for the building of a prosperous, modern, stable European state which adheres and contributes

to the development of common values of the European states family. EU and Romania demonstrated they are strategic partners in this effort. On the energy dimension, the support has become more solid and visible over the last years. And it is not only about the gas and electricity interconnection but also about energy efficiency projects and the use of renewables. Together with commissioning of the Ungheni-Iasi gas pipeline which is planned for next year, we will have an additional source of natural gas import.

At the same time, we would like to create the necessary conditions to use the full capacity of the pipeline. We have launched together with our EU and Romanian partners the preparation for the next project stage, including the extension of the pipeline towards Chisinau. The way to EU is long and complex but today we are making a step in this direction uniting two European sides not only in the energy area but also in the area of fruitful cooperation in the European integration process of the Republic of Moldova.

Victor Ponta: The most important battle for the future is the energy security

The Romanian Prime Minister Victor Ponta has mentioned during the launching event that Romania would support the Republic of Moldova so that it has an alternative to the Russian gas supply, saying that the negotiation of the gas contracts in the situation when you have only one option looks more like a restraint.

■ **Victor Ponta:** I am very glad that after many nice words that the Republic of Moldova heard from Bucharest and Brussels, real things happen. If we do this, the people will understand why it is good to wish to have a European future, a future next to Romania and

the other European countries. Half a century ago, we were united by bridges and roads and other things that we are doing now with great difficulty while we should be more efficient and richer than we used to be.

Romania will also benefit from the implementation of this project. It is not only a gift. Until 2018, Romania will have natural gas enough for our consumption and for Romania the energy strategy includes the Republic of Moldova as well. When we speak about gas and electric energy and when we develop our strategy we do it together with the Republic of Moldova.

I see no reason for somebody to be angry. Both Romania and the Republic of Moldova have good relations with our big neighbour. But here we are talking about the right of every Moldovan, Romanian and European citizen to pay a lower price for gas. We are talking about the economic interests of the producers and of the country because the biggest battle for the future is the energy security. It is a battle which EU, the Republic of Moldova and every country should fight. The more energy security we have, the better for the citizens of our countries.

Gunther Oettinger: Here and today we see what has Europe to offer the best

The European Union will allocate 7 million Euro for the interconnection of the gas networks between Romania and the Republic of Moldova. Chisinau will get 3 mln Euro from this amount and Romania - four

mln Euro. The total project cost is 20 mln Euro.

The European Commissioner for Energy, Gunther Oettinger, who attended

the launching of the Ungheni construction site, assured that EU will finance other interconnection projects between the Republic of Moldova and Romania.



■ **Gunther Oettinger:** „The Iasi-Ungheni gas pipeline is of strategic importance for both countries because it will diversify the supply of energy resources for the Republic of Moldova and will increase significantly the energy security of the Republic of Moldova and the entire region. Cooperation of Europe in the launching of this project represents the application of the solidarity principle.

The integration of the Republic of Moldova into the gas market does not stop here though. There exists a second phase of this project

as well as complex plans to modernise the energy infrastructure on both banks. The Iasi-Ungheni pipeline will allow for the European gas to reach the Republic of Moldova while the second phase envisages modernisation of the gas supply infrastructure and delivery of the European natural gas towards the capital of the Republic of Moldova - Chisinau. The European Commission is ready to provide further financial support for interconnection projects between the Republic of Moldova and Romania. When we talk about interconnections, we do not refer only to gas

but also to electricity. We will also ensure that the funds allocated are used in the most efficient way possible.

■ **Lina Grău:** The planned capacity of the Iasi-Ungheni gas pipeline will allow during the first stage, for the transportation of a half a billion of gas cubic meters per year following an increase of up to 1,5 billion cubic meters per year during the second phase. Finalization of the construction works is planned for the end of 2013 so that the pipeline becomes operational starting with April 2014.

Valeriu Lazăr: We are not building the pipeline against anybody. We do it to ensure an alternative.



The vice-minister and minister of Economy Valeriu Lazăr says the interconnection of the energy systems on the two banks of the Prut is a strategic project for the Republic of Moldova and should have no effect

on the relations with the Russian Federation.

■ **Valeriu Lazăr:** The Republic of Moldova should launch the implementation of a new energy strategy whose number one priority

is the gas supply security because ultimately we should ensure that the consumers –the households and the industrial and commercial clients– have the necessary energy resources. That is why our approach is to have at least two alternative sources.

When I say “alternative sources” I mean it is preferable to have different supply sources both from the technical point of view and gas origin.

Moreover, this approach is in line with our commitments as a member state of the Energy Community Treaty. It is our obligation to adopt a so-called ring concept which means that all the member states, including Romania and Bulgaria, are simply obliged to be interconnected and respectively, to implement this gas ring concept.

Sure, in the medium to long term we count on the fact that this pipeline will provide an alternative from the commercial point of view. We hope that during this period of time, based on the information made available by Romanian and European partners, Romania will supply natural gas of their own extractions and it will have the necessary gas excess to be able to provide gas to the countries in the region. In the medium to long term, we count that his pipeline, including with the additional elements that we need internally, will provide us with an alternative from the commercial point of view. The energy security strategy stipulates very clearly that we should have the possibility to do what we call, the price arbitration. To put it simply, we need to have a choice.

We will still be connected to the gas supplied by the Russian Federation through Gazprom. If at the respective moment, the Romanian suppliers have an attractive and competitive offer from the commercial point of view, of course, in that situation the market rules will oblige the suppliers and operators to buy gas at the cheapest price. On other occasion I told our partners from Gazprom: “The most intelligent solution for you is to reduce the price in order to be competitive. “After all, this is what competitiveness is about. We as consumers should have the possibility to choose the lowest price”.

■ **Lina Grău:** In practical terms, when will we be able to pump gas from Romania?

■ **Valeriu Lazăr:** From the technical point of view, we plan to complete the liner part of the building site and the basic elements by the end of this year that is until December. But according to the requirements for such installations that are rather complex from the technical point of view, I think that it will take two to three months on average for various post-building works. There are certain elements characteristic to such systems that cannot be purchased on the market, having to be produced order-based. This means that as soon as we know the winner, the latter will place the order for the equipment. After that, the testing is done. Since we are dealing with installations working under pressure, there are new internal requirements, while the Romanian side has to observe the European norms which are even more rigid. That is why we are planning to complete the building-site works by the end of this year and for the pipeline to become operational, including all the elements and the testing, authorisation, certification - sometime in April next year.

In parallel, we should take actions to institutionalise this pipeline. It will have an enterprise legal-organisational form. At the moment, its beneficiary is the Ministry of Economy but the ministry is not an operational or economic unit, therefore we should create a fully state-owned company. This enterprise should get a licence, which is to become an operator, a transport company on the Moldovan market.

■ **Lina Grău:** From the geopolitical perspective, what does this pipeline mean especially in the relations with the Russian Federation? Should we wait for surprises, price increases, or for what some call it – economic and political blackmail by the Russian Federation?

■ **Valeriu Lazăr:** So far I see no prerequisites for such things because we are in a permanent dialogue with our Russian partners. We have nothing to hide and Gazprom is and will continue to be an important economic partner of ours. In the discussions we have we tell them simple

things: “Dear friends, we are not building the pipeline against anybody because after all it is those in charge that have to secure the system”. At the professional level, I have seen no problems. Even at the political level, we have had a very good communication. The Russian side requested information about this pipeline and of course we provided them with the necessary information. We should not forget that the Moldova-Gaz is the gas system dispatching centre and we are obliged to inform them of everything which is happening on this market.

Therefore, so far, I do not think there are reasons to speculate about this issue. Thanks God this year we have had a trend of slight reduction in price and hope to be able to keep it in future. As far as I remember, at present, the price per cubic meter of gas is slightly over 360 USD which is by 10 USD less than in the previous semester. Sure, everything depends on the evolution of the oil price. So far, they are in a relative stagnation though the trend is descending. This is why we are not waiting for surprises.

Let’s not forget that the Republic of Moldova is a partner of Gazprom in the natural gas transit. We transit approximately 20 billion cubic meters to the Gazprom consumers in the Balkan area and Turkey. In the discussions with our Russian partners we speak about partnership and about the fact that we have common interests – on one hand, to remain a transit country and on the other hand, to have a solid supplier. And their interest is not to have additional concerns and be able to supply its consumers from this region through the Republic of Moldova. We count on such a partnership and we do not want to intervene to change the situation. We speak only about the interest of the Republic of Moldova to create alternatives.

Russia is warning: Moldova will face problems

■ **Lina Grău:** The Russian ambassador to Chisinau, Farit Muhametshin, underscores the importance of the Iasi-Ungheni gas pipeline, saying that a pipe of 40 km long between the Republic of Moldova and Romania cannot undermine the Moldovan-Russian relations:

■ **Farit Muhametshin:** Moscow is looking very calmly at these things. I suppose that an interconnector of 40 km long cannot influence in the near future the relations between Russia and Moldova in the gas sector. First of all, this is not a pipe whose size could allow supplying gas to the Republic of Moldova. In order to do so, there is need to build another pipe with a corresponding diameter until Balti and additionally – a gas compression station the construction of which will take a few years. In addition to that, even if the Romanian leaders promise gas to the Republic of Moldova, it is not clear yet where it will take it from in the conditions that Romania itself imports 40% of the gas it consumes from Russia.

■ **Lina Grău:** The Russian Ambassador to Chisinau said that the Association Agreement with EU which the Republic of Moldova is planning to initial this autumn at the EaP Summit in Vilnius, could create problems in the Moldovan-Russian relations. Even if Russia does not oppose the European aspirations of the Republic of Moldova, Moscow still warns Chisinau that these aspirations should not influence the Moldovan-Russian relations and the Eurasian integration:

■ **Farit Muhametshin:** During the visit in Moscow of the foreign minister Natalia Gherman this issues has been discussed and the following position has been developed: on one hand, the Russian Federation does not consider the European orientation of the Republic of Moldova would conflict with our bilateral relations. At the same time, we are warning you that this relation should not influence the Moldovan-Russian relations and the Eurasian integration. We think that the positioning of the Republic of Moldova as a state between East and West should be strategically welcomed by Moldova.

As far as the initialling of the Association Agreement with EU in Vilnius, Serghei Lavrov said there is need to create an expert working group which would analyse how the AA will influence the future economic relations with Russia and the Customs Union. We are not hiding the fact that the initialling of this Agreement with EU will indisputably have a certain impact on the commercial relations between Russia and the Republic of Moldova. This is evident for everybody. At present, an expert mission is being prepared which will discuss all these things from the economic perspective and which will take place sometime in mid-September.



Nobody is hiding anything and does not affirm that everything will be alright after the signing of the agreement. Everybody knows: there will be problems.

■ **Lina Grău:** Farit Muhametshin has confirmed that the Russian vice-prime minister and the Kremlin representative for Transnistria Dmitri Rogozin and the Patriarch of the Russian Orthodox Church Kiril will pay a visit next week to the Republic of Moldova, including to Transnistria where on Monday, September 2nd, the 23rd anniversary of the separatist region secession will be celebrated. In Tiraspol, the Russian official will have meetings with representatives of the local administration and will take part in the launching of a children hospital whose reconstruction has been financed by Russia.

Farit Muhametshin has announced that in the following 2 to 3 years, Russia will provide financial assistance to Transnistria for social projects in the amount of 120 mln USD -building of schools, kindergartens and hospitals for children. In the first half of this year, Russia has provided the separatist region approximately nine million USD for pensions, boarding schools and asylums for the elderly.

Editorial

On September 2nd, Dmitrii Rogozin, vice prime-minister of Russia and the Moscow special representative for Transnistria, is coming again to Moldova. According to the official information, the working visit is taking place at the invitation of Valeriu Lazar, vice prime-minister and minister of Economy of the Republic of Moldova, the purpose being the development and deepening of the Moldovan-Russian relations.

Rogozin could also meet the Prime Minister Iurie Leanca so as to give the deepening a strategic character and a more accelerated pace. Leanca is still



Dmitrii Rogozin is coming again to Chisinau, for the sake of the visit

indecisive and “acting cocky” as the Russian diplomats say unofficially. Taking into account the fact that on July 5th he met Grigorii Karasin, the Russian deputy foreign minister, one should be really courageous to refuse the meeting with such an important person as the vice prime minister in charge of armament, protons and why not, and last but not least, Transnistria.

The official pretext is but pure crap meant to distract the attention from the true significance of this visit. In reality, Dmitrii Rogozin is not coming to Chisinau for the sake of Moldovans of that of Lazar and Leanca, but for the sake of the visit (as the Russians put it – *radi ponta*). Well, do not confuse Rogozin’s visit „*radi ponta*” with the prime-minister Ponta from Bucharest. It is an ordinary point at our sovereignty, independence and territorial integrity of the country. Mr Rogozin is coming to Chisinau to congratulate us on the occasion of the „Independence Day of the Transnistrian Moldovan Republic”, for which he fought together with the Kazakhs in 1992 and which will be celebrated in a big way with him in Tiraspol on Sep 2nd -3rd. This is actually the point!

The visit to Chisinau of the vice Prime Minister Rogozin is taking place after five weeks since the visit in Moscow of Natalia Gherman, the head of the Moldovan diplomacy. During that visit, as our diplomats assure us, all the most sensitive issues related to the Moldovan-Russian agenda have been openly discussed. There has been discussed a lot, very little has been communicated to the public and we know practically nothing. Moreover, it seems that the epilogue of the Gherman-Lavrov meeting has remained unframed by Moscow this having to be delivered next week by Rogozin himself and then blessed and buttered up by the Russia patriarch Kiril.

Our pro-European politicians assure us that Russia does not exercise official pressure on Moldova. It might be true, as in the Russian saying „Giraff bolisoj, emu vidnei” - (The Giraffe is tall and it sees it better). Nevertheless, it would be good to ask them what is happening with the opening of the Russian consulate office in Balti. Also, what are we doing with the Russian contingent and arsenal in Transnistria? Shall we wait for Russia to tell us when the political conditions will be ready? And how do we proceed with turning of the Russian peace-making mission into a civil and multinational one? Shall we wait until Moscow and Tiraspol will allow us to advance towards a final political solution?

By the way, having been asked at the Gherman-Lavrov press conference if the Russian peace-making mission reform had been discussed, the foreign minister has stated the issue had not appeared in the discussion. What did they discuss about in this case? How do we proceed with the growing evidence of Russia’s intention to consolidate its military presence in the Republic of Moldova, bringing new military equipment, including military helicopters?

Moscow assures us that it respects the sovereignty of our country but in reality it finances plentifully the independence of the Transnistrian region. During this year alone, Russia will allocate to the Tiraspol administration at least 60 mln USD, to this being added the debts of hundreds of mln USD for the Russian gas consumed, debts that are accumulated by the region every year.

The foreign minister Lavrov has also stated that Russia respects the sovereign choice of the Moldovan people of the European integration. At the same time, Moscow encourages and supports defiantly – in a propagandistic, politic and logistic way- the pro-Eurasian orientation of the Transnistrian region as well as the ethnic minorities from the Republic of Moldova. In the next two years, up to 120 mln USD will be allocated for the pro-Eurasian orientation of the Republic of Moldova. This Russian assistance will alienate even more the two sides of the river Nistru and will sabotage all the confidence measures promoted by the Republic of Moldova together with EU.

Do our governors see this interference? Probably, yes. Do they agree with it? Probably, no. And what do our politicians and diplomats do in order to hold Russia accountable, if not in relations with Moldova, at least in the relations with the international community? It would be good to know it.

These and other subjects should be discussed with Rogozin. But do our officials have the courage and determination to transmit our worries and objections? Or how long will they be acting the fool, speaking lovingly about everything and resolving nothing? Can this be the essence of the Moldovan-Russian pragmatism from the banks of the Bac? What is your answer, dear politicians and diplomats? Or shall we ask Dmitrii Rogozin about it, *prosto radi ponta* - just for the sake of asking?

Reviews

The experts from Chisinau are drawing the attention to the fact that the Iasi-Ungheni gas pipeline will not solve in the short and medium term the problem of Moldova's dependence on the Russian gas, and in order to become fully operational, this should be extended until Chisinau by building a compression station and another pipeline segment of approximately 60 km long. Without this continuation, the pipe linking Ungheni and Iasi will be able to provide only a few communities with alternative gas.

Corneliu Ciurea: Finally, Chisinau and Bucharest have started cooperation on concrete projects

Corneliu Ciurea, expert at the Social Initiative and Development Institute (IDIS) Viitorul: The gas pipeline has two important implications. The first is the promise in itself to ensure the energy security after completion of the project. And there are some doubts about it because the initial investment is about 20mln Euro and this money was found with great difficulty. Actually, the finalisation of the works on the gas pipeline envisages two phases and the second phase is much more expensive than the first one. The gas pipeline that costs 20 mln Euro resolves practically the problem of only several raions.

The second implication which is to me more important is the fact that Chisinau and Bucharest have started cooperation on concrete and major projects, political projects and security issues. Previously, such projects did not practically exist. I cannot recall now of a joint Moldovan-Romanian project that had been launched and finalised. So, this is the first project of big scale and for Chisinau and Bucharest it will become a test for getting the temperature of future relations.

Lina Grău: Politically, can the Iasi-Ungheni gas pipeline project be considered a step by the Republic of Moldova towards the European Union?

Corneliu Ciurea: The project in itself is three-faced, thus it can be regarded under



this aspect but the Moldovan-Romanian cooperation is an issue which can be tackled independently of the European factor. I prefer to analyse the Moldovan-Romanian cooperation this way and outside the European dimension context. Europe is a helping factor while much which is happening between Chisinau and Bucharest does not take into account the European integration, like for instance, the recovery of the Romanian citizenship for the citizens of the Republic of Moldova. If the Brussels opinion had been taken into consideration, citizenships would not be granted or would be granted in a more reduced number.

From my point of view, the relations between Romania and Moldova are eminently bilateral having in mind the ties of kinship. For this reason, even the political idea of unification is an idea which has nothing in common with the European integration.

Lina Grău: During Basescu's visit to Chisinau and now with Ponta's visit, they discussed about maturity in the relations between Chisinau and Bucharest. What do you think should be the following steps in order to reach a real maturity in the relations of the two countries, which for a long period have been more sentimental rather than based on concrete projects?

Corneliu Ciurea: We cannot think about maturity in the relations between Chisinau and Bucharest as long as we do not have at least one finalised joint project. In my opinion, there are a lot of difficulties in fructifying the Moldovan-Romanian relation. Plenty of unresolved issues show that the relations between Chisinau and Bucharest are not developing but rather dallying. Let's not forget about the fact that Chisinau has never welcomed the fact that Romania is Moldova's advocate in the European Union and never took advantage of such statements. For these reasons, I think that unless it is proved to the contrary, which means until the finalisation of the gas pipeline and beginning of the second phase- that is until it is proved to the contrary, we can say the Moldovan-Romanian relations are like before, at a dead end. The relations are characterised mainly by words, political statements and mutual visits and not by concrete projects.

Lina Grău: Still, there have been a lot of discussions about the fact that in future

they will launch big infrastructure projects-bridges over the Prut and high-voltage power lines...

Corneliu Ciurea: I would take a political approach here. I think that sometime the power in Chisinau will change and the new political regime will be more hostile towards Bucharest than the present one. For this reason, I do not think the projects that we are speaking about can be successful. Let's make it clear – the Romanian assistance is conditioned politically – nobody hides this. And Romania will never provide financial assistance to a political regime led by the Communist Party. If we assume that communists will come to power, we could expect that all the Moldovan-Romanian projects will be frozen.

Lina Grău: So, we come to the idea that 2014 will be an important year for the Republic of Moldova in light of the Parliamentary elections which will take place at the end of the year, and the results of these elections.

Corneliu Ciurea: Absolutely. If there is a change in the government and the left comes back to power, the Moldovan-Romanian relations will enter a bad phase.

Lina Grău: If we come back to the issue of the gas pipeline, all the experts are signalling the fact that it has also an important geopolitical significance because it gives the Republic of Moldova a chance to interconnect to the European energy system and break the existent Russian monopoly of gas supply. In this sense, what will be in your opinion Russia's reaction- could there be an indirect reaction? It is evident that Russia is not happy about the perspective of losing part of its influence in this area.

Corneliu Ciurea: Russia will have a reaction in the near future but I do not think it will react to the construction of this gas pipeline. I would like to reiterate the fact that as it is planned now, this gas pipeline is not a threat to the Russian monopoly. Under these conditions, Russia's actions will be strictly related to the possible signing by Ukraine of the Association Agreement and to Moldova's attempt to associate to EU. I do not think that at the moment, Russia will react directly

to the gas pipeline project as this is a minor issue for Russia at the moment.

Lina Grău: The analysts in Chisinau were looking for certain actions by Russia related to Transnistria or the Moldovan internal political situation with a view to jeopardise the results of the Vilnius EaP Summit. Lately, we have been witnessing certain hostile actions, including in the commercial area, which Russia is taking against Ukraine. Does this mean Ukraine is more important for Russia than the Republic of Moldova?

Corneliu Ciurea: Certainly, Ukraine is more important in this war. In principle, this is a situation that we could profit by. We can stay relatively calmly and follow what is happening to Ukraine. I do not think there will be a lot of repressive actions by Russia against the Republic of Moldova. I think these actions will regard eminently Ukraine.

Lina Grău: Do you think at this moment the Republic of Moldova is beyond the non-return phase and that coming back to the Eurasian Customs Union and to the Russian influence sphere is excluded?

Corneliu Ciurea: We have evidently not passed over this phase and the likelihood to become part of the Customs Union is very high, especially that we do not know what the result of the match played by EU and Russia is. To the opinion of the European integration supporters, we should also be prepared for negative scenarios.

I think that especially in our region the scenarios related to the EU Eastern Neighbourhood are in full swing and the chances for one of the two scenarios to happen are 50/50. But again, we should make an analysis because when we speak about EU, we say the project for Moldova is to get associated and sign the Free Trade Agreement. And when we speak about Russia, we mean especially the Transnistrian conflict regulation, joining the Customs Union and a deeper integration into the political space. For the moment, the two projects have different offers. It is paradoxical, but the eastern offer is more generous. And mainly for this reason we cannot say what the chances are. The fight is still indecisive.

Lina Grău: What is your perception about the Moldovan society – is it pro-European or pro-Eastern? I am asking you this question because people vote differently in the opinion polls and the age is an important factor, the elder generation voting for the East while the youth are oriented more towards West. How do you see things developing in the mid-term?

Corneliu Ciurea: It is clear that we are a heteronymous society. From the cultural and mental point of view, we are an Eastern society and not a European one. From the point of view of the political will we are pro-European. This is the inner contradiction of the Moldovan society and a contradiction that we live with daily and which makes the European integration chances fragile. Our pro-European endeavour is not very credible when there are few people in the Republic of Moldova who have a European mentality and behave like Europeans. I think this number does not exceed 10 per cent.

Moreover, we cannot count very much on the youth who leave for abroad for studies. There is no statistics but my intuition tells me that in most of cases they do not want to participate in the rebuilding of the state because they prefer to benefit from the Western economic prosperity being and staying there. So, in our effort to modernise the state we should count on the people who live in the Republic of Moldova and they are of a different style.

I think that this uncertain situation of being between two worlds will continue. Moldova such as it is should learn to benefit from this positioning it has- of a state dismembered into two and situated at the border, being itself a border, -and to know how to exploit this special situation. And I really think that this situation can be exploited to our benefit.

I do not think the situation is tragic. I am simply sceptical about the scenarios circulated by those who are ideologically influenced. I do not think that we will become EU members soon. But this is not necessarily bad. I think we will come back under Russia's crown soon and I do not think this is necessarily bad. No radical changes will happen in the near future.

Alexandru Fala: Impact of the "energy weapon" on Moldova will decrease if we have alternatives for the gas supply

The economic expert from the Expert-Grup Analytic Centre says that the Iasi-Ungheni gas pipeline is just a first stone at the foundation of a real energy security of the Republic of Moldova.

■ **Alexandru Fala:** This project is a first foundation stone in the building of the energy security of the Republic of Moldova. When I refer to the project as to the „first foundation stone”, I want to underline the importance of this project. By “first stone” I mean this project is only a first step and more other actions have to be taken for the Republic of Moldova to obtain real energy independence.

Why am I saying it is only a first step? Because when it is finalised, it will allow for the import of gas from Romania and it will not allow for the gas distribution to most of the Moldovan consumers because there is no connection between the gas pipeline and the gas distribution internal network. In order to make this connection, there is need for an additional pipeline of 60 km long to unite the gas pipeline from Ungheni to the distribution network from Straseni. This would be problematic.

Another problem is the confusion regarding the owners of this system. Different portions have different owners. There are internal distribution networks which have been built from the people's money. The construction of other portions has been financed by the public authorities and the



biggest part belongs directly or indirectly to the Moldovan-Russian Moldova-Gaz joint enterprise.

If an agreement is reached between the Government of the Republic of Moldova and the Moldova-Gaz on the possibility of importing gas from Romania, we could face a hilarious situation when Moldova-Gaz could charge Moldova for the transit through its portions of the network. We could face the situation when we would need to pay on the territory of the Republic of Moldova for the transit of the gas for the Republic of Moldova.

That is why it is essential to make order in the national gas network so as to find out what the owners of the different gas pipeline segments are.

■ **Lina Grău:** What solutions do you see for this bunch of problems?

■ **Alexandru Fala:** First of all there is need for an audit at the Moldova-Gaz. The results of an audit could create prerequisites for a change in the owners' structure, in favour of the Republic of Moldova (at present, the co-owners of the Moldova-Gaz are the Russian concern Gazprom which holds the control package of 50%+1 share, the Moldovan Government with 35,53% and the administration of the Transnistria separatist region with 13,44%).

■ **Lina Grău:** Speaking about geopolitical implications, many experts commented the fact that this project that the Republic of Moldova wants so much would get Russia nervous in a way because this way its control over this region could be undermined.

■ **Alexandru Fala:** I think it is early to speak about it though several developments are possible. At the moment, the gas pipeline is not even finalised but in future there might be reactions to Moldova's wish to obtain energy independence.

Unfortunately, in the post-soviet space, when we discuss about the gas sector, we can refer to the existence of an energy weapon in the relations between the states. When the Republic of Moldova obtains an alternative in the gas supply, the force of the „gas argument” will decrease significantly. Implicitly, less pressure could be exercised on the Republic of Moldova from outside.