

3rd MOLDOVA REALITY CHECK

June 8, 2017

*Conference Room of the Regency Hotel
Strada Sfatul Țării 17, Chișinău, Moldova*

PROGRAMME

Moldova's political instability has intensified after signing the landmark Association Agreement with the European Union. Once dubbed a "success story" by EU officials the country under the watch of a pro-European coalition that saw the biggest corruption scandal in the entire Eastern Partnership with over a billion dollars stolen from its banks and former Prime Minister Vlad Filat sentenced to nine years in prison, followed by the alleged state capture by the country's leading businessman Vlad Plahotniuc and the election of the pro-Russian Igor Dodon as president.

The 3rd Moldova Reality Check event is being organized to review the seven-year rule of pro-European government coalition and lessons from it. Gathering most renowned Moldovan and international analysts the 3rd Moldova Reality Check's objective is to review factors influencing the country's politics, both internal and external, taking stock of steps on the ground in order to look for a realistic policy line for the EU during the Eastern Partnership Summit and beyond – the crucial period before the 2018 parliamentary elections.

The Moldova Reality Check events are an integral part of the Eastern Partnership Reality Check policy review process, which aims to gather insights from top domestic and international analysts, practitioners, diplomats and policy-makers covering Eastern Partnership countries in order to discuss these countries' realities behind closed doors. It has the ambition to satisfy demand for a more in-depth policy in this area. Under the aegis of Lithuania's EU Presidency (July-December 2013) the first such review was the Belarus Reality Check (BRC), held in Vilnius, Lithuania, in October 2012.

The first Moldova Reality Check event was held in Bratislava (April 2013) and it took place at a rather sensitive time when the pro-European government in Chișinău had collapsed. The second was held in Vilnius (November, 2013) under the aegis of Lithuania's EU Presidency. With support of the Ministry of Foreign Affairs of Lithuania and the Konrad Adenauer Stiftung Office in Chișinău, together with programmatic contributions from the Carnegie Endowment for International Peace, the 3rd edition is the first to take place in Moldova.

The meeting will provide evidence-based analysis and balanced policy advice. Speakers are asked for short inputs but active participation is expected from all invited participants. The meeting will result in a non-paper that will be fact-checked and peer-reviewed before widely distributed. The Reality Check and all of its related activities are held under the Chatham House Rule.

Supporters:



Implementer:



Thursday, June 8

09.00 – 09.30 Registration & Welcome Coffee

09.30 – 09.45 **Opening and Welcome Remarks**

Rimantas Latakas, Ambassador of Lithuania to Moldova

Polina Ojog, Program Coordinator, Konrad Adenauer Stiftung

Balázs Jarábik, Nonresident Scholar, Carnegie Endowment for International Peace

Dovilė Šukytė, Policy Analyst, Eastern Europe Studies Centre

09:45 – 11.15 **Politics of Moldova: Stable Instability?**

For a moment Moldova was a poster boy of the EU's Eastern Partnership policy in the region embodied by the signing of the Association Agreement and a visa-free regime with the European Union. However, utilizing the billion-dollar scandal powerful political actors have begun to hollow out the country's weak institutions. Political pluralism is under pressure by concentration of media ownership and the electoral reform what is expected to concentrate political power as well.

The key actor behind these changes are Vlad Plahotniuc, Moldova's richest and most powerful man, officially the coordination of the ruling coalition, who is widely seen as capturing the state after eliminating ex-Prime Minister Vlad Filat for the billion-dollar corruption case. The West has been backing his effort to cement the pro-Western ruling coalition as he is, at least according to his offer, guaranteeing to sustain Moldova's current geo-political orientation. He is also believed to have a tacit agreement with the country's first directly elected president Igor Dodon, who is challenging that orientation mostly based on economic grounds.

Suggested questions:

Has the alleged state capture in Moldova in fact happened? What is behind the government anti-corruption drive and what are the expectations and implications before the 2018 elections season? What are the lessons learned from the reforms Moldova embarked on under the seven-year rule of pro-European coalitions? What do the opinion polls say? Where is Moldova headed, according to its citizens? Is there a Plahotniuc-Dodon tandem? What dynamic and policies can President Dodon bring to Moldova?

Moderator: Liliana Vițu, Member of the Foreign Policy Association Board; Former Spokesperson to the Prime Minister of Moldova

Igor Boțan, Director, Association for Participatory Democracy ADEPT

Vytis Jurkonis, Project Director and Head of Vilnius Office, Freedom House

Denis Cenușă, "Energy Security" Program Director, Expert-Grup

Olesea Stamate, Program Director, Association for Efficient and Responsible Governance (AGER)

Doru Petruți, Director General, IMAS Chișinău

Supporters:



Implementer:



11:15 – 11:45 Coffee Break

11:45 – 13:30 **The Economics of the Political Crisis**

According to the World Bank, Moldova's economy has recovered from the 2015 recession and grew by 4.1 percent in 2016, supported by a strong recovery in agriculture and robust private consumption. Consumer inflation is back within the target range, external financial assistance (loans and grants) from IMF, WB, EU and Romania eased the government's financing constraint. Strong export growth, led by last year's record harvest, and of consumption, fuelled by wages, is projected to underpin a 4 percent economic expansion in 2017. However, the 2018 parliamentary elections will likely to slow down the implementation of reforms, and slow growth in EU and Russia could have a negative impact on growth in Moldova.

Suggested questions:

What is Moldova's current economic outlook? How has Chişinău coped with the impact of the banking crisis? What impact it will have on the President's policies? What are the economic costs and benefits of the DCFTA for Moldova and Transnistria? What impact does the DCFTA actually have on the main sectors of Moldova's economy (agriculture, industry, services)? How has the DCFTA influenced Transnistria? Energy politics: Russian debt, consequences of the Ungheni-Iaşi gas interconnector, D-TEK winning electricity supply contract.

Moderator: Corina Cepoi, Chief of Party, Media Enabling Democracy, Inclusion and Accountability in Moldova, Internews

Ruslan Piontkivsky, Senior Country Economist, World Bank

Veceslav Ioniţă, Economist, IDIS Vitorul

Veceslav Negruţa, Economic Expert, Transparency International Moldova

13.30-14.30 Lunch

14.30 – 16.00 **External (F)actors: Moldova in the Contested Neighbourhood**

Moldova has been "at the crossroads" throughout most of its independent history. The common perception is that Moldova's key developmental challenge is its geopolitical imbroglio. The elites used this discourse to avoid conflict resolution, instead increase rent-seeking and corrupt practices, widely using now the threat from Russia as a cover.

Despite signing the Association Agreement with the EU, receiving the largest volume of EU assistance per capita in the region, Moldova has been unable to build a functional governance system. Frequent elections, political instability allowed information institutions to grow. The

Supporters:



Implementer:



billion-dollar theft happened under the watch of pro-EU government, and the country's elites embarked on a state capture effort by controlling law enforcement, judiciary and the parliament. All these undermined public trust in the government. As a result, Moldova has been in a prolonged economic and social decline and it is the poorest country in Europe.

Suggested questions:

What is the current strategy of Russia towards Moldova and in what ways is it likely to change with President Dodon? Who are Russia's major partners/allies/advocates in Chişinău and Tiraspol and why? How is Moldova's Association Agreement implementation proceeding? What are the positions, interests and motivations of Germany, Romania, and other individual EU member states in Moldova? What is the role and interest of Ukraine in the region? Where and how do Transnistria and Gagauzia fit into this? What are their relations with Chişinău as well as with Russia and the EU? What do the elites and the general public think in these regions? Is the reintegration of Transnistria at all possible?

Moderator: Victoria Bucătaru, Executive Director, Foreign Policy Association of Moldova

Pirkka Tapiola, Ambassador, Head of EU Delegation to Moldova

Michael Scanlan, Ambassador, Head of the OSCE Mission to Moldova

Andrei Popov, President, Institute for Strategic Initiatives (IPIS)

16.00 – 16.15 Closing Remarks

17.00 – 19.00 Dinner Reception at the Lithuanian Embassy (Strada Ion Vasilenko 24/1, Chişinău)

Supporters:



Implementer:

