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### **The EU, Russia and the Conflict in Transnistria: Collision of Policies and Prospects for Cooperation**

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## Abstract

This paper focuses on Russia's participation and the EU's growing involvement in the conflict in Transnistria, Republic of Moldova. It chronicles the events in Transnistria from the early 1990s to the status quo and recounts the exclusion of the EU and major European countries from the peacekeeping mission and political negotiations. The paper reviews both Russian and EU activities with regard to Transnistria. Finally, it evaluates the impact of Russian and EU engagement on the conflict resolution prospects. It is argued that both polities have so far demonstrated rather biased approaches to the Transnistrian conflict, neither of which expedites its resolution.

## 1. Russian Involvement and the Transnistrian status quo

During the initial stages of the Transnistrian conflict, Russia, Ukraine and Romania were the most important international actors. Attempts to establish a cease-fire and organise negotiations were made within a quadrinational body consisting of Russia, Moldova, Ukraine and Romania. On 6 April 1992, the foreign ministers of these countries declared a cease-fire and established the four-party Special Joint Commission to monitor the cease-fire and the separation of troops. The four parties agreed in principle that a peacekeeping operation in the conflict zone might be necessary.<sup>1</sup>

However, the four-party commission failed to provide an effective mechanism to enforce the cease-fire and foster political dialogue. Russia insisted that its 14th Army Division stationed in Moldova should be used as a peacekeeping force, a suggestion to which Moldova and Romania strongly objected. The Transnistrian leadership would not tolerate the involvement of Romania in the conflict settlement and demanded a place at the negotiation table for itself. Finally, a new outbreak of violence in the town of Bender between 19–23 June stalled the four-party Special Joint Commission and negotiation framework. On 3 July, a new cease-fire was declared at a meeting of Russian and Moldovan Presidents. The cease-fire and withdrawal of forces agreement was signed on 8 July by Russian, Moldovan and Transnistrian representatives.

Moldova tried to avoid resolving the conflict through exclusively bilateral dealings with Russia. On 6 July, Moldovan President Snegur addressed the Commonwealth of Independent States (CIS) Summit with a request to launch a peacekeeping operation in the conflict zone. He envisaged the participation of Moldovan, Russian, Ukrainian and Belarussian troops. However, CIS countries were reluctant to share the burden of a Transnistrian peace settlement. On 10 July, the CSCE Helsinki Summit endowed the organisation with the right to carry out peacekeeping activities. Snegur's suggestion that the new CSCE mandate should be implemented in Transnistria was rejected on the ground of the absence of an effective and durable cease-fire, one of the pre-conditions for any CSCE operation.<sup>2</sup>

Finally, the "Agreement on the Principles of the Peaceful Settlement of the Armed Conflict in the Transnistrian Region of the Republic of Moldova" was signed by the Russian and Moldovan presidents on 21 July 1992. Transnistrian leader Igor Smirnov attended the meeting and initialled the Agreement. It provided for a cease-fire, withdrawal of conflicting armed forces and the establishment of a demilitarised security zone between the parties. Peacekeeping forces consisting of Russian, Moldovan and Transnistrian contingents were to implement the security measures. They were subordinated to the tripartite Joint Control Commission (JCC), which acted by consensus. The 14th Army was to respect neutrality and the territory's future status, and the terms of withdrawal were to be negotiated between Russia and Moldova.

The West did not involve itself in the working out of the cease-fire or the decisions on the modalities of the peacekeeping operation. The operation was sanctioned neither by the UN nor by any regional organisation.

1 See Karlov, Yuri: *Pridnestrovskii Konflikt: geopoliticheskie, pravovye i organizatsionnye aspekty uregulirovaniya* (The Transnistrian Conflict: Geopolitical, Legal and Organizational Aspects of the Settlement). Moscow: MGIMO, 2000, pp. 11–13.

2 See Nikitin, Aleksandr: *Mirotvorcheskie operatsii: kontseptsii i praktika* (Peacekeeping Operations: Concepts and Practice). Moscow: MONF, 2000, pp. 122–133.

At that time, the United States and European countries had no defined strategy for dealing with post-Soviet countries and were inclined to view their relationships with former Soviet republics through the lens of their policy towards Russia. The interests of the US and major European countries were not touched by the events in the tiny stretch of land along the Dniester. The tragic developments in the Balkans required the urgent attention of European and American policymakers and demonstrated the helplessness of the EC in the area of external security. The institutionally immature CSCE / OSCE became the only channel of Western involvement in the Transnistrian issue. In February 1993, the CSCE Mission to Moldova was established.

The July 1992 Agreement provided for regular meetings of Moldovan and Transnistrian representatives, with Russian mediation, to work out a special status for Transnistria within the Moldovan state. The first meetings showed that the parties had very different views on Transnistria's future status, with Moldova insisting on Transnistrian autonomy only within the unitary state and Transnistria aspiring for a confederal relationship with Moldova. On Moldova's initiative, the CSCE joined the negotiations as the second mediator in April 1993. In July 1994 the CSCE Mission signed an agreement with the JCC allowing for its representatives' participation in the JCC meetings as well as guaranteeing their freedom of movement in the security zone. In May 1995, Snegur and Smirnov agreed to begin the establishment of "state-legal relations" between the parties and called for Ukraine to become the third official mediator in the negotiations.<sup>3</sup> On 8 May 1997, Moldova and Transnistria signed a Memorandum stipulating the bases for the normalisation of their relations; it remains the only document on the essential aspects of a settlement between the parties to emerge during more than a decade of negotiations. The Memorandum reiterated that Moldova and Transnistria "[...] shall continue the establishment [...] of state-legal relations", envisaged Transnistria's right to participate in Moldova's foreign policy and, most importantly, introduced the concept of a "common state".<sup>4</sup> This vague notion was understood by the parties in such fundamentally different ways that the very validity of their agreement came to be regarded as questionable. Transnistrian leadership interpreted the "common state" formula as implicit recognition of its confederal vision of Moldova's future. The Head of the OSCE Mission advised the OSCE Permanent Council not to endorse the Memorandum.<sup>5</sup> Since then, OSCE and Moldova have preferred to avoid references to the 1997 Memorandum, which is commonly seen as "[...] a serious defeat for the Moldovan negotiating side".<sup>6</sup> In contrast, Russia and Transnistria cite the Memorandum quite often.

The signatories of the Memorandum welcomed the willingness of Russia and Ukraine to act as guarantors of the Transnistrian settlement. In 1998, Ukraine's right to dispatch its contingent to the peacekeeping forces was recognised, and Kiev sent 10 military observers to the conflict zone. Its representatives joined in the JCC activities. Throughout the 1990s, Moldova tried to negotiate the withdrawal of Russian troops from its territory; its 1994 Constitution declared its neutrality. In October 1994, Moldova and Russia signed an agreement providing for the withdrawal of the 14th Army within three years from its entry into force. However, the withdrawal was to be "synchronised" with the political settlement of the Transnistrian issue. To date, the agreement has not been ratified by the Russian State Duma and has not entered into force. The 14th Army was reorganised into the Operative Group of Russian Forces (OGRF) and reduced significantly from 9,000 to approximately 2,500 troops by the end of the 1990s. At the 1999 Istanbul OSCE Summit, Russia committed itself to withdrawing the troops by the end of 2002. The mandate of the OSCE Mission to Moldova was expanded to include the observance of the transparency of withdrawal. In 2002, the OSCE

3 Karlov, Yuri: *Pridnestrovskii Konflikt: geopoliticheskie, pravovye i organizatsionnye aspekty uregulirovaniya* (The Transnistrian Conflict: Geopolitical, Legal and Organizational Aspects of the Settlement). Moscow: MGIMO, 2000, pp. 15–17.

4 See the English text of the Memorandum in Chirtoaca, Natalia: *Juridical Study of the Documents Signed in the Course of the Negotiation Process on the Transnistrian Conflict Settlement*. Chisinau, 2001. [http://www.ipp.md/public/biblioteca/18/en/Chirtoaca\\_Eng.pdf](http://www.ipp.md/public/biblioteca/18/en/Chirtoaca_Eng.pdf)

5 Roper, Steven: *Regionalism in Moldova: The Case of Transnistria and Gagauzia*, in: *Regional and Federal Studies*, 2001 (vol. 11), No. 3, p. 113.

6 King, Charles: *The Moldovans: Romania, Russia, and the Politics of Culture*. Stanford, Ca.: Hoover Institution Press, 2000, p. 203.

Ministerial Council extended the deadline for withdrawal by one year. Although the number of Russian troops was further reduced, the withdrawal was not accomplished within the established timeframe. Russia continued to insist on the concept of “synchronisation”. The OGRF’s huge stockpile of weapons and ammunition was another source of controversy, as Tiraspol leadership insisted that it should belong to Transnistria.<sup>7</sup>

The stalemate of the political settlement and the presence of the OGRF facilitated Transnistria’s evolution into a de facto independent state with its own constitution, army, currency and set of foreign relations. The political and economic power in Tiraspol remains in the hands of the same elite who led the region’s secessionist movement in the early 1990s. On the contrary, Moldova has seen a shift to a parliamentary republic, three presidencies [those of Mircea Snegur (1990–1996, independent candidate), Petru Lucinschi (1996–2001, Agrarian Democratic Party) and Vladimir Voronin (since 2001, Party of Communists)] and frequent governmental reshuffles.

Over more than a decade, the major constituents of the Transnistrian issue crystallised into a status quo. They included cessation of hostilities, the de facto independence of Transnistria, the peacekeeping operation under the July 1992 Agreement, the Russian military presence on the left bank of the Dniester, the incompatible views of the parties on the key issue of Transnistria’s political status and the five-sided negotiation framework. Russia supported Transnistrian economic development, mainly through gas deliveries at preferential prices, and its troops acted as a shield of the separatist republic’s sovereignty.<sup>8</sup> During that period, one of the preconditions of the Transnistrian status quo was a measure of US and Western European participation. The OSCE Mission was the only representative of the West involved in the conflict management and the political negotiations. Its performance has been criticised by both Chisinau and Tiraspol, and the activities of the Mission were said to be influenced by the political predispositions of its heads.<sup>9</sup>

The EU and major European countries were therefore nearly absent from the politics of the Transnistrian settlement. Moldova did not rank high on the EU’s priority list. As Charles King noted, “[...] so long as fighting was not going on, the problem slipped off the agendas of regional powers and the international community”.<sup>10</sup> Romania was excluded from mediation efforts after the failure of the four-party framework in the summer of 1992. Ukraine’s role as a mediator and guarantor of a future solution had increased by the late 1990s. However, Kiev continued to play a secondary role, its policy mainly toeing Russia’s line. The de facto independence of Transnistria did not infringe on Ukraine’s interests. Kiev’s relations with Russia were complicated enough to be strained by the issue of Russian military presence in Moldova. Ukraine maintained economic contacts with Tiraspol and, despite the protests from Chisinau, the Transnistrian segment of the Moldovan-Ukrainian border was open for the economic activities of Transnistrian entities and was not subject to Moldovan customs regulations.<sup>11</sup> On the whole, the Transnistrian issue was dealt with primarily through interactions between Moscow, Chisinau and Tiraspol.

## 2. EU involvement

By 2003, the Transnistrian issue became visible on the EU political agenda. The forthcoming enlargement would bring the EU much closer to Moldova, thereby increasing the Union’s concern about stability and

7 See Roper, Steven: *Regionalism in Moldova: The Case of Transnistria and Gagauzia*, in: *Regional and Federal Studies*, 2001 (vol. 11), No. 3, pp. 101 – 122; Nikitin, Aleksandr: *Mirotvorcheskie operatsii: ontseptsii i praktika* (Peacekeeping Operations: Concepts and Practice). Moscow: MONF, 2000, pp. 129–130.

8 For a concise account of the Russian role, see e.g. Popescu, Nicu: *The EU in Moldova – Settling Conflicts in the Neighbourhood*. Occasional paper nr. 60. Paris: EU Institute for Security Studies, 2005, pp. 17–20.

9 Roper, Steven: *Regionalism in Moldova: The Case of Transnistria and Gagauzia*, in: *Regional and Federal Studies*, 2001 (vol. 11), No. 3, p. 111.

10 King, Charles: *The Moldovans: Romania, Russia, and the Politics of Culture*. Stanford, Ca.: Hoover Institution Press, 2000, p. 207.

11 See Nantoi, Oazu: *Transnistrian Conflict – Status Quo and Prospects*. Chisinau, 2005. [http://pdc.ceu.hu/archive/00002618/04/transnistrian\\_feature.pdf](http://pdc.ceu.hu/archive/00002618/04/transnistrian_feature.pdf)

development prospects of the country known as the poorest in Europe. EU policymakers came to regard the Transnistrian issue as a major obstacle to the improvement of the political, economic and social situation in Moldova. The Country Strategy Paper for 2002–2006 stated that “Moldova can only make limited progress towards democratic consolidation and economic improvements as long as the Transnistrian issue continues”.<sup>12</sup> This conclusion was reiterated further in the Paper, though with less certitude: “Most observers believe that Moldova cannot achieve durable political and economic stabilisation unless the Transnistria problem is solved”.<sup>13</sup> Moldovan authorities portrayed Transnistria as a huge “black hole” with an uncontrolled border where trafficking in human beings, weapons and drugs prospered.<sup>14</sup> Although this image, as will be shown below, is largely unsubstantiated, it became a common perception of Transnistria, and the separatist republic came to be seen as a hotbed of transnational criminal activities and a threat to European security. Romania’s rising international profile also played a role in making the Transnistrian issue more prominent. In 2002, the country was invited to enter NATO and was set on the road to EU accession. Romania supported Moldova at international forums and did not miss opportunities to draw the attention of European policymakers and the public to the infringements on Moldova’s territorial integrity, sovereignty and neutrality.

The EU’s ability to act in the international arena was augmented by the development of the CFSP and the ESDP. In 2003, the EU launched a Police Mission in Bosnia-Herzegovina and military operations in Macedonia and Congo. Given the EU’s new ambitions and capabilities, its exclusion from the Transnistrian settlement proceedings despite the proximity of its future borders looked like an anachronism embodying the political realities of the early 1990s and taking no account of the fundamental changes that had occurred since then. The EU regarded the assertiveness of Russian foreign policy in the former Soviet Union with increasing concern and alarm. From the European perspective, internal developments in Russia perceived as moving towards authoritarianism, the ongoing military operation in Chechnya, incessant tensions between Russia and Georgia and Russian support of Belarussian President Lukashenko (the object of a Western boycott) combined to form a rather grim picture. Russia’s procrastination regarding the fulfilment of its Istanbul commitments was seen by the EU as an outrageous violation of Moldova’s neutral status. The withdrawal of Russian troops from Moldova came to be viewed as a matter of principle, even of values, and the real complexities of the situation on the ground were somewhat obscured by this broad context.

In March 2003, the European Commission issued a Communication proposing a Wider Europe – Neighbourhood Initiative. The Communication solemnly proclaimed that “[...] the EU has a duty [...] towards its present and future neighbours to ensure continuing social cohesion and economic dynamism”. The Neighbourhood Policy was intended to develop new sets of enhanced relations with EU neighbours without offering them any prospect of membership. The paper stated that “[...] a response to the practical issues posed by proximity and neighbourhood should be seen as separate from the question of EU accession”.<sup>15</sup> The Communication declared that “[...] a shared neighbourhood implies burden-sharing and joint responsibility for addressing the threats to stability created by conflict and insecurity”. Consequently, “[...] the EU should take a more active role to facilitate settlement of the disputes over Palestine, Western Sahara and Transnistria”. The paper envisaged “[...] greater EU involvement in crisis management”, the possibility of its engagement in “post-conflict internal security arrangements” and “funding for post-conflict reconstruction and development”. Transnistria was stigmatised as “a magnet for organised crime” with the potential

12 The European Commission: 2002 – 2006 Country Strategy Paper for Moldova. Brussels, 2001, p. 7. [http://www.europa.eu.int/comm/external\\_relations/moldova/csp/02\\_06\\_en.pdf](http://www.europa.eu.int/comm/external_relations/moldova/csp/02_06_en.pdf)

13 The European Commission: 2002 – 2006 Country Strategy Paper for Moldova. Brussels, 2001, p. 8. [http://www.europa.eu.int/comm/external\\_relations/moldova/csp/02\\_06\\_en.pdf](http://www.europa.eu.int/comm/external_relations/moldova/csp/02_06_en.pdf)

14 See e.g. Ciobanu, Cheslav: NATO/EU Enlargement: Moldova and the “Frozen and Forgotten” Conflicts in Post-Soviet States. Wash., DC: U.S. Institute of Peace, 2004, p. 30.

15 The European Commission: Wider Europe – Neighbourhood: A New Framework for Relations with Our Eastern and Southern Neighbours. Brussels, 2003, pp. 3, 5. [http://europa.eu.int/comm/world/enp/pdf/com03\\_104\\_en.pdf](http://europa.eu.int/comm/world/enp/pdf/com03_104_en.pdf)

to “[...] de-stabilise or throw off course the process of state-building, political consolidation and sustainable development”.<sup>16</sup>

The EU's interest in the Transnistrian issue began to materialise without delay. In 2003, the Chairmanship of the OSCE was held by the Netherlands, which sought to coordinate the activities of the two organisations and contributed to putting the Transnistrian settlement on the EU agenda. In February 2003, the EU and the US imposed a visa ban on the leaders of Transnistria, accusing them of obstructionism and unwillingness to change the status quo. The EU sent an expert observer to the Joint Constitutional Commission, a body set up on the initiative of the Moldovan President with the aim of working out the draft of a new Moldovan Constitution.<sup>17</sup> After initial opposition, the Transnistrian side agreed to participate in the work of the Constitutional Commission. This concession was seen as the first consequence of the visa ban.<sup>18</sup> The Constitutional Commission failed to produce a compromise on the federal structure of Moldova and has not resumed its activities since fall 2003. However, the participation of an EU observer in its work marked the first case of direct EU involvement in the negotiations.

The EU took Moldovan concerns about the lack of control over the Transnistrian segment of the border with Ukraine seriously. In March 2003, the European Commission initiated trilateral consultations between the EU, Moldova and Ukraine on the problem of joint controls on the Moldovan-Ukrainian border. The mediation of Javier Solana, the High Representative for the CFSP, was crucial in convincing Ukraine to sign an agreement with Moldova in May 2003, wherein Ukraine pledged to recognise only the new Moldovan customs stamps.<sup>19</sup> Consequently, only the export of goods bearing stamps issued in Chisinau was to be allowed. However, Ukraine's performance in implementing the agreement was far from perfect. Ukraine also opposed the establishment of joint Moldovan-Ukrainian customs points along the Transnistrian segment of the border.

In a cautious way, the EU started to discuss the possibility of changing the framework of the Transnistrian peacekeeping operation. The contours of the new operation were worked out in the EU Institute for Security Studies and through consultations between Brussels and The Hague.<sup>20</sup> In June 2003, the OSCE Chairmanship circulated among its members an informal paper suggesting that the trilateral peacekeeping forces be replaced with the OSCE Peace Consolidation Force run by the EU. The possible participation of other “interested parties” was mentioned, which offered Russia an opportunity to join the Consolidation Force.<sup>21</sup> The proposal was discussed in the EU Political and Security Committee, but ultimately put aside because of Russian opposition and vague prospects for the Transnistrian political settlement. The EU's activism and the Dutch Chairmanship proposal were apparently seen by Russia as an attempt to break the Transnistrian status quo and to tilt the balance of interests in Moldova in the West's favour. It threatened to scrap plans to integrate Moldova into the Eurasian Economic Community that had been on the agenda since the Communist Party's came to power in Chisinau in 2001. Russia reacted by trying to change the Transnistrian status quo decisively and to consolidate its influence in Moldova through a peace settlement.

16 The European Commission: *Wider Europe – Neighbourhood: A New Framework for Relations with Our Eastern and Southern Neighbours*. Brussels, 2003, pp. 9, 12. [http://europa.eu.int/comm/world/enp/pdf/com03\\_104\\_en.pdf](http://europa.eu.int/comm/world/enp/pdf/com03_104_en.pdf)

17 The European Commission: *European Neighbourhood Policy, Country Report Moldova*. Brussels, 2004, pp. 10–11, [http://www.europa.eu.int/comm/world/enp/pdf/country/moldova\\_enp\\_country\\_report\\_2004\\_en.pdf](http://www.europa.eu.int/comm/world/enp/pdf/country/moldova_enp_country_report_2004_en.pdf)

18 See Minkes, Stephen / Perina, Rudolf / Hyde Smith, Pamela: Letter to the Editor: It Takes an International Effort to Unify Moldova. 5 August 2003. <http://www.usembassy.md/en-ambassador49.htm>

19 The European Commission: *2004 – 2006 Country Strategy Paper for Moldova, National Indicative Programme 2005–2006*. Brussels, 2004, p. 6. [http://www.europa.eu.int/comm/external\\_relations/moldova/csp/csp04\\_06\\_nip05\\_06.pdf](http://www.europa.eu.int/comm/external_relations/moldova/csp/csp04_06_nip05_06.pdf)

20 See Lynch, Dov: *Russia Faces Europe*. Chaillot Paper nr. 60. Paris: EU Institute for Security Studies, 2003; Loewenhardt, John: *The OSCE, Moldova and Russian Diplomacy in 2003*. The Hague, 2004. [http://www.clingendael.nl/publications/2004/20040426\\_loewenhardt.pdf](http://www.clingendael.nl/publications/2004/20040426_loewenhardt.pdf); Neukirch, Claus: *Die OSZE-Mission in Moldau*, in: *OSZE-Jahrbuch*, 2003, p. 177.

21 Loewenhardt, John: *The OSCE, Moldova and Russian Diplomacy in 2003*. The Hague, 2004. [http://www.clingendael.nl/publications/2004/20040426\\_loewenhardt.pdf](http://www.clingendael.nl/publications/2004/20040426_loewenhardt.pdf);

The special envoy of the Russian President, Dmitry Kozak, started a series of consultations with Chisinau and Tiraspol that resulted in the drafting of a plan for the resolution of the Transnistrian issue. Kozak's consultations were conducted in secrecy from the OSCE and Ukraine and thus deviated from the established five-sided negotiation framework. The "Kozak plan" envisaged the federalisation of Moldova. The Federal Republic was to consist of a federal territory and two federation subjects, Transnistria and Gagauzia. The composition of the federal parliament and the decision-making procedures would have granted Transnistria the power to veto legislation falling under the joint competences of the federation and the subjects. A Russian peacekeeping contingent of up to 2,000 troops was to guarantee the settlement until 2020. The plan was initialled by Moldovan President Voronin and Smirnov; the official signing was scheduled for November 25. It would have been a major diplomatic success for Russia and would have safeguarded its interests in Moldova. However, among the things the Kozak plan did not take into account were the EU's interests in Moldova, the EU's increased ability to exert pressure to advance its policy and the pro-EU sentiments of a considerable part of the Moldovan elite and constituency. The premise that Russia could act unilaterally to achieve its policy goals had proven to be a false one.

The OSCE Mission to Moldova was shown the Kozak plan only three days before it was officially released to the parties. Both of the plan's key elements, the disproportionate weight of Transnistria in the legislation and policy-making areas and the extension of the Russian military presence in Moldova, as well as the way it was presented, were considered unacceptable. A concerted diplomatic intervention of the OSCE, the EU and the US followed. The OSCE Chairman Jaap de Hoop Scheffer told Voronin that there was no consensus among the member states about the proposed solution. Solana called Voronin, and the US Ambassador to Moldova paid him a visit. In the words of a Dutch researcher, they conveyed a "simple" message: "Don't do it".<sup>22</sup> The external pressure and protest demonstrations in Chisinau caused Voronin to reject the Kozak plan a day before the signing. Voronin clearly stated that "Moldova's European integration option requires the support of the European organisations, in particular the OSCE, for this settlement plan".<sup>23</sup> Thus the EU and Russia openly disagreed on the Transnistrian issue. The OSCE Ministerial meeting in Maastricht failed to produce a political consensus because of the differences over Moldova and Georgia. Russia accused the OSCE of becoming "an instrument of separate states".<sup>24</sup> In the aftermath of the Kozak plan's failure, Chisinau's foreign policy became openly pro-European, with accession to the EU declared as his nation's chief objective.<sup>25</sup> Moldova made every effort to alert the EU to the problems posed by the existence of the separatist republic and to involve it in its disputes with Transnistria and Russia. Meanwhile, Moldovan-Russian relations cooled significantly.

EU engagement with the Transnistrian issue continued to grow. On 14 June 2004, the Council of the EU adopted resolutions on Moldova that outlined the EU's policy objectives with regard to Moldova and the Transnistrian settlement. The resolution of the conflict was declared as "[...] key to making further progress towards building a strong and stable Moldova". The settlement was to be based on the principle of Moldova's territorial integrity and to lead to "[...] a viable state, based on democratic values and principles and backed in a strong and balanced way by the international community". The EU insisted on the withdrawal of Russian troops and ammunition from Moldova. The importance of the Moldovan-Ukrainian border control issues was reaffirmed. The mediators and parties to the conflict were expected "to facilitate" the EU's further engagement with the settlement.<sup>26</sup> These objectives were reiterated and developed in a number

22 Loewenhardt, John: *The OSCE, Moldova and Russian Diplomacy in 2003*. The Hague, 2004. [http://www.clingendael.nl/publications/2004/20040426\\_loewenhardt.pdf](http://www.clingendael.nl/publications/2004/20040426_loewenhardt.pdf);

23 Cited in Vahl, Marius / Emerson, Michael: *Moldova and the Transnistrian Conflict*, in: *Journal of Ethnopolitics and Minority Issues in Europe*, 2004 (issue 1), p. 16. <http://ecmi.de/jemie/download/1-2004Chapter4.pdf>

24 Cited in Loewenhardt, John: *The OSCE, Moldova and Russian Diplomacy in 2003*. The Hague, 2004. [http://www.clingendael.nl/publications/2004/20040426\\_loewenhardt.pdf](http://www.clingendael.nl/publications/2004/20040426_loewenhardt.pdf)

25 See Gheorghiu, Valeriu: *EU-Moldova Action Plan: Negotiation and Implementation*. <http://www.ipp.md/public/biblioteca/92/en/Yerevan272.doc>.

26 Council of the European Union: *Press Release, 2590<sup>th</sup> Council Meeting, General Affairs and External Relations*. Luxembourg, 14 June 2004, pp. 13–14. [http://europa.eu.int/comm/world/enp/pdf/040614\\_GAERC\\_Conclusion\\_on\\_ENP\\_\(provisional\\_version\).pdf](http://europa.eu.int/comm/world/enp/pdf/040614_GAERC_Conclusion_on_ENP_(provisional_version).pdf)

of other policy documents. The Commission's Country Report on Moldova elevated "ensuring Moldova's control over its entire customs territory" to "a key element in any effort to achieve a settlement".<sup>27</sup> The Country Strategy Paper termed the Transnistrian settlement "a matter of the highest priority".<sup>28</sup> The EU-Moldova Action Plan included a chapter on Transnistria in which the EU pledged to "[...] further step up its involvement in supporting the OSCE and mediators" and "to prepare engagement in a post-settlement scenario".<sup>29</sup>

The EU actions demonstrated a high degree of continuity. The visa ban against Transnistrian leaders was extended every subsequent year and its scope was extended to include those responsible for the repression of Romanian-language schools in Transnistria. In September 2004, the EU and Moldova reached an agreement introducing a double-checking system for Moldovan steel exports. All Moldovan steel came from Transnistria, and the EU demand for Moldovan certificates of the metal's origin made Transnistria reorient its steel exports.<sup>30</sup> In March 2005, the EU Council adopted a Joint Action creating the position of an EU Special Representative (EUSR) for Moldova. The EUSR's mandate was focused on the Transnistrian settlement. In particular, the representative was expected to "[...] strengthen the EU contribution to the resolution of the Transnistria conflict in accordance with agreed EU policy objectives and in close coordination with the OSCE" and "[...] assist in the preparation, as appropriate, of EU contributions to the implementation of an eventual conflict settlement".<sup>31</sup> Dutch diplomat Jacobovitz de Szeged, who was a personal representative of the OSCE Dutch Chairman on Moldova in 2003, was appointed to this position. The EUSR, to the disappointment of the Moldovan side, which would have preferred to see him on Moldovan soil, was to be based at The Hague.

In early 2005, the regional context of the Transnistrian settlement changed in the aftermath of the Orange Revolution in Ukraine. The new Ukrainian leadership, seeing Ukraine as a potential counterweight to Russian influence in the Black Sea region and in need of foreign policy initiatives and achievements, strove to bring Ukraine into the EU. . In April 2005, Ukraine proposed a "Yushchenko plan" for the settlement of the Transnistrian issue. The plan was an attempt to find the middle ground among the positions of the parties involved and tried to avoid antagonising Russia. It did not address the issues of the Russian military presence in Transnistria or the existence of Transnistria's own army and, in its call for free and democratic elections to the Transnistrian Supreme Council, seemed to recognise – at least implicitly – a certain degree of legitimacy for Transnistria. At the same time, the Yushchenko plan envisaged the transformation of the peacekeeping operation into an OSCE-mandated one, support for the EU's greater involvement in the settlement and the "short-term" OSCE monitoring of the Ukrainian-Moldovan border. It proposed "a special legal status for Transnistria", but not the federalisation of Moldova.<sup>32</sup>

Chisinau expressed disappointment with the Yushchenko plan and Romania criticised it openly. Moldova, Russia and Transnistria accepted the plan as the basis for discussions and the EU recommended it for breaking the negotiation stalemate. The Moldovan Parliament passed a declaration in support of the Ukrainian initiative, demanded the withdrawal of Russian troops by the end of 2005 and of Russian peacekeepers by

27 The European Commission: European Neighbourhood Policy, Country Report Moldova. Brussels, 2004, p. 11. [http://www.europa.eu.int/comm/world/enp/pdf/country/moldova\\_enp\\_country\\_report\\_2004\\_en.pdf](http://www.europa.eu.int/comm/world/enp/pdf/country/moldova_enp_country_report_2004_en.pdf)

28 The European Commission: 2004 – 2006 Country Strategy Paper for Moldova, National Indicative Programme 2005–2006. Brussels, 2004, p 4. [http://www.europa.eu.int/comm/external\\_relations/moldova/csp/csp04\\_06\\_nip05\\_06.pdf](http://www.europa.eu.int/comm/external_relations/moldova/csp/csp04_06_nip05_06.pdf)

29 EU – Moldova Action Plan, Brussels, 2005. [http://www.europa.eu.int/comm/world/enp/pdf/action\\_plans/moldova\\_enp\\_ap\\_final\\_en.pdf](http://www.europa.eu.int/comm/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf)

30 The European Commission: 2004–2006 Country Strategy Paper for Moldova, National Indicative Programme 2005–2006. Brussels, 2004, p. 6. [http://www.europa.eu.int/comm/external\\_relations/moldova/csp/csp04\\_06\\_nip05\\_06.pdf](http://www.europa.eu.int/comm/external_relations/moldova/csp/csp04_06_nip05_06.pdf)

31 Council of the European Union: Appointment of an EU Special Representative for Moldova. Brussels, March 23, 2005. [http://ue.eu.int/uedocs/cms\\_Data/docs/pressdata/en/misc/84338.pdf](http://ue.eu.int/uedocs/cms_Data/docs/pressdata/en/misc/84338.pdf)

32 For concise accounts of the Yushchenko plan, see Yushchenko rasskazal Pridnestrov'yu, kak zhit' (Yushchenko told Transnistria how to live). <http://www.moldova.org>, accessed: 22.04.2006; Prostyk , Oleh: Moldova's Dilemmas in Democratizing Transnistria. Flensburg, 2006. <http://www.ecmimoldova.org/fileadmin/ecmimoldova.org/docs/ProstykMolDilemmaInTransnistriaFeb06.pdf>

the end of 2006 and adopted a law on Transnistria's status, declaring it "a special autonomous territorial unit".<sup>33</sup> In September 2005, Russia and Transnistria finally agreed to modify the negotiations framework. The EU and the US were invited to join as observers. The following month, the negotiations resumed – after a fifteen-month hiatus – in the new 5+2 framework, bringing almost no results. Meanwhile, Ukraine's position on the issue of the Moldovan-Ukrainian border control changed, apparently as a result of the EU's insistence. On 2 June 2005, Presidents Voronin and Yushchenko forwarded a letter to European Commission President Barroso and High Representative Solana asking the EU for assistance in establishing an international customs control and monitoring mechanism on the Transnistrian segment of the border.<sup>34</sup>

The EU reaction was swift and positive. On 30 November 2005, Solana and External Relations Commissioner Ferrero-Waldner launched the European Commission Border Assistance Mission (BAM) to Moldova and Ukraine. The BAM is slated to last for two years with the possibility of prolongation. It operates under the auspices of the Commission and consists of 19 core staff and 50 unarmed field staff in civilian dress. According to the Memorandum of Understanding between the Commission, Ukraine and Moldova, the BAM "[...] will promote coordinated action of and assist the Governments of the Republic of Moldova and of Ukraine in areas involving border, customs and fiscal matters". The Memorandum furnishes the experts of the Mission with the right to make unannounced visits to any location on the Ukrainian-Moldovan state border, to observe customs clearance, to examine customs documents and to request re-examination and re-assessment of imports.<sup>35</sup> The BAM is interlocked with the EUSR; the EUSR's team was expanded to include four advisers in Kiev, Chisinau and Odessa. The Head of the BAM is the Senior Political Adviser in Odessa, and the EUSR's mandate was modified correspondingly.<sup>36</sup>

On 30 December 2005, Moldova and Ukraine signed a declaration in which the Ukraine pledged to recognise only Moldovan customs stamps. The accord stipulated that Transnistrian entities would only be able to obtain the stamps if they registered with the authorities in Chisinau. The implication was that any taxes or dues would be funnelled into the Moldovan budget, depriving Transnistria of revenues and constituting a severe blow to its economy. The new rules were to take effect on 25 January 2006 but were not enforced by the Ukrainian side. Finally, on 3 March, Ukraine overcame its persistent reluctance to interrupt Transnistrian foreign trade and ceased to accept Transnistrian customs declarations, bringing Transnistrian exports to a halt. However, Kiev refrained from introducing the corresponding import regulations.<sup>37</sup> Tiraspol accused Ukraine of becoming "the main tool in helping Moldova to reach its political aims" and of imposing an "economic blockade" on Transnistria.<sup>38</sup> Tiraspol further claimed that humanitarian catastrophe in the region was imminent. Transnistria pulled out from the negotiations and called on Russia to intervene. In the view of Kiev and Chisinau, Tiraspol had imposed a "self-blockade" and transformed a "technical" issue into a political one.<sup>39</sup>

33 See The Parliament of Moldova: Parliament's Statement on Principles and Conditions to Demilitarize Moldova's Transnistrian Region. Chisinau, 2005.

[http://www.europarl.eu.int/meetdocs/2004\\_2009/documents/fd/dmd20050621\\_11/dmd20050621\\_11en.pdf](http://www.europarl.eu.int/meetdocs/2004_2009/documents/fd/dmd20050621_11/dmd20050621_11en.pdf)

34 Council of the EU: Draft Council Joint Action amending the Mandate of the European Union Special Representative for Moldova. Brussels, 13 October 2005. [http://eurojournal.org/files/EUSR\\_and\\_BAM.pdf](http://eurojournal.org/files/EUSR_and_BAM.pdf)

35 Memorandum of Understanding between the European Commission, the Government of the Republic of Moldova and the Government of Ukraine on the European Commission Border Assistance Mission to the Republic of Moldova and Ukraine. Palanca, 7 October 2005.

[http://www.delmda.cec.eu.int/en/eu\\_and\\_moldova/memorandum\\_of\\_understanding\\_en.pdf](http://www.delmda.cec.eu.int/en/eu_and_moldova/memorandum_of_understanding_en.pdf)

36 Council of the EU: Council Joint Action amending the Mandate of the European Union Special Representative for Moldova. Brussels, 7 November 2005.

[http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l\\_292/l\\_29220051108en00130014.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_292/l_29220051108en00130014.pdf)

37 Oliya-Press News Agency: Dmitriy Tkach i ego otkroveniia (Dmitry Tkach and his revelations), at: <http://www.olvia.idknet.com/ol163-03-06.htm>; Lenta.ru News Agency: Ukrainskaya blokada Pridnestrov'ya (Ukrainian blockade of Transnistria). <http://www.lenta.ru>

38 Radio Free Europe / Radio Liberty: Transdnier Pulls Out of Talks on Settlement. <http://www.rferl.org>

39 Radio Free Europe / Radio Liberty: Ukraine: Kyiv Tightens Customs Controls on Transdnier. <http://www.rferl.org>

The EU has firmly supported Moldova and Ukraine. Javier Solana's statement of 6 March 2006 calls on Transnistrian entities to register in Chisinau and condemns "[...] the efforts by the self-proclaimed Transnistrian authorities to impede the free flow of international trade".<sup>40</sup> Russia has expressed solidarity with Transnistria, condemning the economic sanctions against it and warning of an impending humanitarian disaster. In another gesture of support, Moscow has also invoked the 1997 Memorandum, which granted Transnistria the right to conduct foreign economic activities. Russian officials hinted that it was the EU's interference that had exacerbated the situation in the conflict zone.<sup>41</sup> On 27 March 2006, Russia retaliated on Transnistria's behalf by suspending wine imports from Moldova, claiming that Moldovan wines and cognacs contained pesticides and heavy metals. However, spirits from Transnistria were declared to meet Russian standards of quality and exempted from the embargo.<sup>42</sup> The embargo was a severe blow for Moldova, whose wine industry accounts for 30% of its gross domestic product, with 90% of wine exports destined for the Russian market. According to Chisinau officials, by July 2006 Moldovan wine exports and production had fallen by 50% and 42%, respectively.<sup>43</sup> Meanwhile, Transnistria seemed to be coping with the consequences of the new customs regulations, mainly due to the steady flow of economic aid from Russia. Finally, Tiraspol held a referendum on Transnistrian independence on 17 September 2006. Although its passage was not recognised by the international community, the move nonetheless served to complicate the search for a political solution to the Transnistrian issue.

### 3. The impact of Russia and the EU

Neither Russian nor the EU has demonstrated a neutral position vis-à-vis the Transnistrian. Russia is a guarantor of Transnistria's survival and quasi-sovereignty. The EU supports the Moldovan side, subjecting Transnistria to sanctions and condemnations. Russia clearly favours a federal or even confederal solution to resolve Transnistrian status. Officially, the EU has kept silent on this key proposition, but is known to view a federal solution for Moldova with suspicion, and therefore as unviable. In EUSR Jacobovitz de Szeged's opinion, the "principle of subsidiarity" should be applied in Moldova, in which "Transnistria would be given some powers".<sup>44</sup> Romania is a staunch opponent of the federalisation scenario, and after it has joined the EU, the Union's position on the issue will probably become definite. Moldovan authorities, who have already passed a law on Transnistria's status, will receive the Union's backing. Rejecting the federal solution is tantamount to unilaterally pre-determining the outcome of the negotiations.

Russia's support fuels much of Tiraspol's intransigence. By the same token, the EU's growing support for Moldova is likely to have contributed to the toughening of Chisinau's position in negotiations. In the words of the 2006 OSCE Chairman-in-Office Karel de Gucht, the Belgian Foreign Affairs Minister, "[...] one of the complicating factors is the recent stance of Moldova [...] which is in fact asking for a unitary state".<sup>45</sup> Throughout the 1990s, Chisinau did not rule out a federal solution and even entered into agreements on customs and law enforcement issues with the "criminals" in Tiraspol. The EU's involvement has shifted international support in Moldova's favour and has apparently led Chisinau to believe that further EU en-

40 Javier Solana, EU High Representative for the CFSP, welcomes implementation by Moldova and Ukraine of Joint Declaration on Customs. Brussels, 6 March 2006.

[http://ue.eu.int/ueDocs/cms\\_Data/docs/pressdata/EN/declarations/88621.pdf](http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/EN/declarations/88621.pdf)

41 Russian Ministry of Foreign Affairs: Statement of M.L. Kamynin, Spokesman.

<http://www.olvia.idknet.com/ol130-03-06.htm>

42 Blotter News Agency: Vina iz Pridnestrov'ya okazalis' dlya Rossii dostatochno khoroshi (Wines from Transnistria Turned Out Good Enough for Russia). [http://www.blotter.ru/news/article\\_09C39/default.asp](http://www.blotter.ru/news/article_09C39/default.asp)

43 Regnum News Agency: Moldovan losses from Russian wine imports ban total \$21 mln.

<http://www.regnum.ru/news/680448.html>

44 Cited in ZIUA News Agency: Ukraine admitted and Romania rejected for talk on Transdnistria crisis, 9 June 2005.

<http://www.ziua.net/display.php?id=178032&data=2005-06-09>

45 Radio Free Europe / Radio Liberty: OSCE: Russia Key To New Presidency's Attempts to Resolve Frozen Conflicts.

<http://www.rferl.org>

agement, especially after Romanian accession, will strengthen its bargaining position. In using sanctions against Transnistria, however, the EU is hardly offering incentives to the conflicting parties.

The prospects for the political settlement of the conflict remain dim. The stalemate is rooted in the diverging political and economic interests of the Moldovan and Transnistrian elites and exacerbated by the involvement of Russia and the EU, whose policies contribute to the entrenchment of controversies between the conflicting parties.

The collision of these policies has effectively precluded the resolution of the Transnistrian issue. Neither Moscow nor Brussels is able to unilaterally impose a mutually acceptable solution.

To a great extent, the solution of the Transnistrian issue hinges on the EU-Russia relationship. The EU could advance both its interests and the settlement of the Transnistrian issue if it developed a more balanced approach – one encompassing both incentives and disincentives – to the conflicting parties. Doing so would signal Tiraspol that Transnistria might have a spectrum of policy options beyond sticking to the status quo. Furthermore, the EU has the resources to help Moldova become a more economically and socially stable country. The Union could also put its energies into fostering the development of civil society in Moldova and its secessionist region.

For Russia, the Transnistrian issue holds more symbolic than strategic significance. If the problem becomes part of the broader EU-Russian agenda or the Russian vision of the situation as a zero-sum game is dispelled, Moscow will doubtlessly be ready to exert a restraining influence on Tiraspol.