



Moldova: An Overview

Moldova is one of three post-Soviet states—together with Ukraine and Georgia—that seek greater integration with the West in the face of Russian resistance and territorial occupation. Members of Congress may assess U.S. efforts to support Moldova’s democratic trajectory and European integration, as well as conflict resolution processes concerning Moldova’s breakaway, Russia-backed Transnistria region.

Moldova’s president and governing party were elected on pro-European platforms in 2020 and 2021. Their reform-oriented agenda was buoyed by the European Union’s (EU’s) June 2022 decision to name Moldova a candidate for EU membership. The United States and the EU have supported Moldova’s efforts to implement EU-related reforms while taking steps to curtail Russian influence and address the impacts of Russia’s war against Ukraine. Moldova’s leadership has warned that a Russian victory could expose Moldova to Russian aggression.

Political and Economic Background

Moldova’s political environment has been contentious since 2009, when Western-oriented parties first unseated a Communist Party-led government. In 2021, President Maia Sandu’s reform-oriented Party of Action and Solidarity (PAS) won snap parliamentary elections. PAS’s victory marked the first time in 20 years that a party received an absolute majority of votes in a parliamentary election. The party’s victory, and the formation of a single-party government, ended years of rule by unstable coalitions that often included allegedly corrupt political forces. Prime Minister Dorin Recean has led the government since February 2023. Moldova is due to hold a presidential election in late 2024. Parliamentary elections are due by mid-2025.

President Sandu was directly elected in 2020, defeating incumbent Igor Dodon in a second-round vote. Dodon was the de facto head of the Russia-leaning, socially conservative Party of Socialists, the former ruling party; he is currently under investigation on charges related to corruption and treason. The presidency holds symbolic importance but has relatively limited formal powers under Moldova’s parliamentary system. Sandu is seeking a second term in Moldova’s 2024 presidential election.

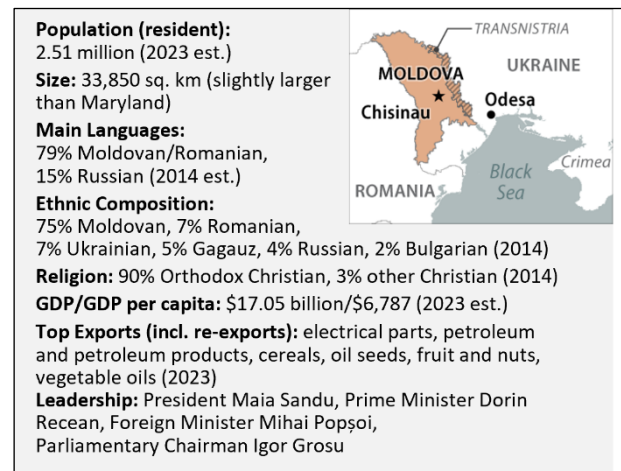
In the 2021 parliamentary elections, PAS won 53% of the vote and 63 of 101 seats. A Socialist-led bloc won 27% of the vote and 32 seats. The third party to enter parliament, the populist, Russia-leaning Shor Party (banned in 2023, see below), was led by political and business figure Ilan Shor, who fled the country in 2019 while appealing a seven-year sentence for his role in a \$1 billion bank fraud scandal from 2014; in April 2023, an appeals court

sentenced Shor in absentia to 15 years in prison and ordered the confiscation of nearly \$300 million in assets.

The PAS government pledged to strengthen the rule of law and has adopted some reforms related to Moldova’s EU membership bid. Moldovan officials have stated that challenges arising from Russia’s war against Ukraine—including inflation and high energy costs—slowed reform efforts.

One of Europe’s poorest countries, Moldova has made “significant progress in reducing poverty and promoting inclusive growth,” according to the World Bank. Moldova’s annual gross domestic product (GDP) declined by 8% in 2020 due to the impact of the COVID-19 pandemic but rebounded in 2021 with 14% growth. GDP declined by 5% in 2022, due in part to the impact of Russia’s war against Ukraine, and grew by 2% in 2023. An estimated 1 million or more Moldovans live abroad; remittances are estimated at about 15% of GDP.

Figure 1. Moldova at a Glance



Notes: Figure created by CRS using the National Bureau of Statistics of the Republic of Moldova (does not include Transnistria).

Impact of Russia’s War on Ukraine

Russia’s war against Ukraine has created new challenges for Moldova. After Russia launched its expanded invasion of Ukraine in February 2022, concerns arose that Russia would also seek to invade Moldova, using control of territory in southern Ukraine and its military presence in Transnistria. With a resident population of under 3 million, Moldova hosts more than 115,000 refugees from Ukraine.

Since 2022, Russian-leaning political parties and individuals in Moldova have come under greater scrutiny as part of broader government efforts to curtail Russian influence. Ilan Shor and other Russia-connected actors allegedly have sought to foment unrest in Moldova,

including by tapping into discontent over economic conditions and organizing protests. In June 2023, the Constitutional Court of Moldova dissolved the Shor Party for not being in compliance with Moldova's laws and constitution. Ahead of local elections in November 2023, officials accused Russia of illicitly financing pro-Russian parties, disinformation campaigns, and vote-buying efforts and banned candidates from the pro-Russian Chance party (an alleged Shor party offshoot). Authorities also blocked Russian media websites ahead of the elections. In March 2024, the court overturned legislation barring individuals linked to banned parties from holding office for three years.

Transnistrian Conflict

Since gaining independence in 1991, Moldova has coped with the de facto Russian-backed secession of Transnistria, a multiethnic and predominantly Russian-speaking region with up to 15% of Moldova's population and a substantial industrial base. Transnistria has strong economic links to the rest of Moldova and the EU, the destination for more than two-thirds of Transnistria-origin exports.

In past years, a conflict resolution process operated in a "5+2" format under the chairpersonship of the Organization for Security and Cooperation in Europe (OSCE), with the OSCE, Russia, and Ukraine as mediators and the EU and the United States as observers. Moldova has worked with Transnistrian authorities to address issues related to transit, education, agriculture, and vital records. The "5+2" process has been largely inactive since Russia's 2022 invasion of Ukraine. Moldovan and Transnistrian authorities have held direct talks in a "1+1" format under OSCE auspices.

Moldovan authorities previously supported extending a special administrative status to Transnistria to resolve the conflict, but Russia and Transnistria resisted arrangements that would reduce Transnistria's self-governing powers and Russian influence over Moldova. Russia stations about 1,500 troops in Transnistria, most of whom are reportedly local residents; Moldova formally accepts a few hundred of these personnel as peacekeepers.

Russia's war against Ukraine has led to new pressures on Transnistria. Transnistria is home to many ethnic Ukrainians, and authorities in Transnistria have appeared to avoid overtly supporting Russia's invasion. In 2022, Ukraine closed its border with Transnistria. In 2023, the Moldovan parliament criminalized various kinds of "separatist" activities. In 2024, Moldova formally harmonized customs duties on Transnistria-origin goods (thus requiring local businesses to pay taxes to Moldova). An extraordinary congress of Transnistrian legislators convened to call on the region's leadership to appeal to Russia to take "measures to protect Transnistria in the face of increasing pressure" from Moldova. Some observers expressed concern that Russia was planning an attempt to officially annex the region. A potential new flashpoint could arise at the end of 2024, when the Ukrainian government has stated it will allow a natural gas transit contract with Russia to expire. Transnistria relies on subsidized gas imports from Russia that flow via Ukraine.

Foreign Policy and EU Membership Bid

Moldova generally pursues a pro-European foreign policy. Some political parties and constituencies have supported closer relations with Russia, although Russia's war against Ukraine may have weakened such support. The EU is Moldova's top trade partner and largest source of aid.

Moldova is a constitutionally neutral state and does not aspire to join NATO, although it has taken some steps to enhance security cooperation with NATO members since 2022. Moldova maintains close relations with the EU, especially Romania, a NATO and EU member. Moldovans are related to Romanians by ethnicity and language, and many hold Romanian citizenship.

Looming over Moldova's development is the question of Russia's influence and alleged destabilization efforts. Moldovan and U.S. officials have accused Russia of providing long-standing illicit support to pro-Russian parties. Although near-term threats to Moldova's security may have receded as Ukrainian forces halted Russia's military advance in southern Ukraine, concerns about Russian malign influence in Moldova persist. Moldovan authorities have warned of extensive Russian efforts to destabilize Moldova as it prepares for 2024 elections.

Moldova was granted EU candidate status alongside Ukraine in June 2022, three months after it formally applied for membership. The European Commission (the EU's executive) identified nine conditions for Moldova to meet to advance in the accession process. In December 2023, EU member states approved opening accession negotiations but have not yet started them. In backing Moldova and Ukraine's comparatively swift progress through the early steps of the accession process, EU officials have cited both countries' substantial reform progress. Nevertheless, the process of joining the EU can take many years and EU membership is not a guaranteed outcome.

U.S. Relations

The United States supports Moldova's sovereignty and territorial integrity within its internationally recognized borders. In 2022, the United States and Moldova formally relaunched a bilateral Strategic Dialogue. The 117th Congress adopted H.Res. 833 and S.Res. 638, expressing support for Moldova and for strong U.S.-Moldova relations. The 118th Congress may assess bilateral ties and consider measures (e.g., H.R. 5174 and S. 804/H.R. 1680) intended to increase cooperation on defense and other matters.

Moldova is a leading recipient of U.S. foreign assistance in Europe. Obligated assistance for Moldova in FY2021 totaled \$61 million. Obligated assistance for FY2022 and FY2023, including humanitarian and other emergency aid, totaled \$124 million and \$259 million, respectively. Congress may consider the Biden Administration's FY2025 budget request of \$66 million. Congress also may assess U.S. sanctions and other policies to address alleged corruption and democratic subversion by some Moldovan politicians, as well U.S. efforts to bolster Moldova's energy security, such as the U.S. International Development Finance Corporation's commitment of \$400 million in political risk insurance, approved in 2022, to support Moldova's procurement of natural gas from global sources.

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