



## Moldova: An Overview

Moldova—like neighboring Ukraine—seeks greater integration with the West in the face of Russian interference and territorial occupation. In November 2024, Moldovan President Maia Sandu was reelected on a pro-European platform despite reportedly substantial Russian election interference. Parliamentary elections, which could reinforce or weaken Moldova’s pro-European orientation, are due to be held by July 2025. Moldova became a candidate for European Union (EU) membership in 2022.

The Biden Administration and the EU have supported Moldova’s efforts to implement EU-related reforms, curtail Russian influence, and address the impacts of Russia’s war against Ukraine. Moldova’s leaders have warned that a Russian victory in Ukraine could expose Moldova to heightened Russian aggression. Members of Congress may assess U.S. policies to support Moldova’s democratic trajectory, as well as U.S. efforts to combat Russian influence in Moldova and the wider region.

### Political and Economic Background

Maia Sandu, a former minister of education and prime minister, first won the presidency in 2020 by defeating incumbent Igor Dodon of the Russia-leaning, socially conservative Party of Socialists of the Republic of Moldova (PSRM). Moldova’s presidency has symbolic importance but relatively limited formal powers.

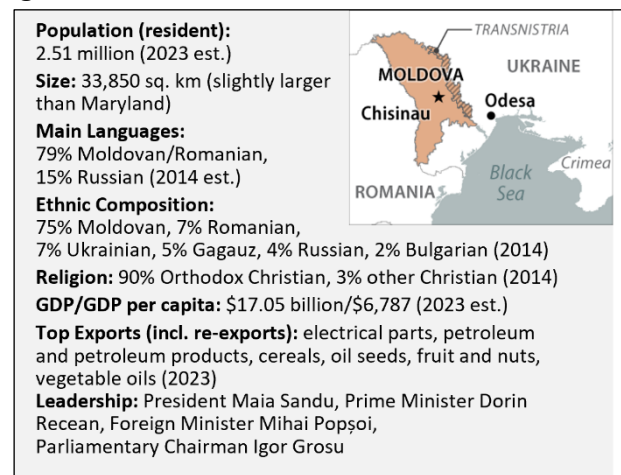
In 2021, Sandu’s reform-oriented Party of Action and Solidarity (PAS) won snap parliamentary elections with 53% of the vote (63 of 101 seats). A PSRM-led coalition placed second with 27% of votes. PAS’s victory, and its formation of a single-party government, ended more than a decade of rule by fragile coalitions that included allegedly corrupt political forces. Prime Minister Dorin Recean has led Moldova’s government since February 2023. The PAS government has pledged to strengthen the rule of law and address long-standing concerns about corruption and state capture. Its reform agenda partly centers on nine priorities the EU outlined in 2022 (see below).

Moldova held a two-round presidential election on October 20 and November 3, 2024, along with a referendum on constitutionally enshrining the goal of EU membership. Russia allegedly sought to interfere in both votes (see below). In the first round of the election, President Sandu led with 42% of the vote. In the runoff, she defeated Alexandr Stoianoglo, 55% to 45%. Stoianoglo was backed by the formerly ruling PSRM. Sandu’s victory was facilitated by the 83% support she received among voters residing outside of Moldova, who made up about 20% of second-round turnout.

The third party to enter parliament in 2021 (with 6% of votes) was the populist, Russia-linked Shor Party, led by

political and business figure Ilan Shor. In 2019, Shor fled Moldova while appealing a seven-year sentence for his role in a \$1 billion bank fraud scandal. In April 2023, an appeals court sentenced Shor in absentia to 15 years in prison and ordered the confiscation of nearly \$300 million of his assets. In June 2023, Moldova’s Constitutional Court dissolved the Shor Party for not complying with Moldova’s laws and constitution. Shor, who is subject to U.S. and EU sanctions, reportedly lives in Russia but remains involved in Moldovan affairs through allied parties and proxies. Shor and other Russia-connected actors allegedly have sought to destabilize Moldova (see below).

Figure 1. Moldova at a Glance



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

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 gross domestic product (GDP) declined by 5% in 2022 and grew by 2% in 2023. Moldova has faced high inflation and energy costs, due in part to Russia’s war against Ukraine. Moldova provides support for more than 123,000 refugees from Ukraine. An estimated 1 million or more Moldovans live abroad; remittances are estimated to be equivalent to about 15% of GDP.

### Russian Influence in Moldova

After Russia launched its full-scale invasion of Ukraine in February 2022, concerns arose that Moscow also would seek to invade Moldova. The near-term threat of a Russian invasion receded as Ukrainian forces halted Russia’s military advance in southern Ukraine, but concerns about future aggression and Russian malign influence persist. Moldovan and U.S. officials have accused Russia of illicitly financing political parties, interfering in elections, and subverting democratic institutions in Moldova.

Russian authorities allegedly interfered in Moldova's 2024 elections with the aim of preventing Sandu's reelection and passage of the EU referendum. According to U.S. and Moldovan officials, Russia illicitly financed a major vote-buying operation overseen by Shor and his allies. Moldovan authorities alleged that at least \$39 million was transferred from Russia to more than 135,000 bank accounts in Moldova in September and October alone. Other alleged actions by Russia-connected actors included vandalism, preparations for postelection protests, and false bomb threats against voting sites in Europe. Authorities also accused Russia of disinformation operations seeking to subvert the legitimacy of the electoral process.

## Transnistrian Conflict

Since its independence in 1991, Moldova has dealt with the Russian-backed de facto secession of Transnistria, a multiethnic, predominantly Russian-speaking region that borders Ukraine. Transnistria is home to 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 most Transnistria-origin exports.

Prior to Russia's 2022 invasion of Ukraine, 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. In past years, Moldova worked with Transnistrian authorities to address issues related to transit, education, agriculture, and vital records. The "5+2" process has been largely inactive since 2022. Moldovan and Transnistrian authorities have since 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 have reduced Transnistria's self-governing powers and Russian influence. Russia stations about 1,500 troops in Transnistria, most of whom reportedly are local residents; Moldova formally acknowledges a few hundred of these personnel as members of a joint peacekeeping mission with Moldovan forces.

Russia's war against Ukraine has led to new pressures on Transnistria. Transnistria is home to many ethnic Ukrainians, and the region's Russia-aligned authorities appeared to avoid overtly supporting Russia's invasion. In 2022, Ukraine closed its border with Transnistria. In 2024, Moldova harmonized customs duties on Transnistria-origin goods, requiring local businesses to pay taxes to Moldova. A potential flashpoint could arise at the end of 2024, when the Ukrainian government states it does not intend to renew a gas transit contract with Russia; Transnistria relies on subsidized gas imports from Russia that flow via Ukraine.

## Relations with Europe and NATO

Moldova currently pursues a pro-European foreign policy, and the EU is Moldova's top trade partner and a major source of economic assistance. Some political parties and constituencies support closer relations with Russia. The

October 2024 referendum on constitutionally enshrining EU membership passed 50.4% to 49.6%.

Moldova is constitutionally neutral and does not aspire to join NATO, although it has enhanced security cooperation with some NATO members since 2022. Moldova maintains especially close relations with Romania, a NATO and EU member (Moldovans are related to Romanians by ethnicity and language, and many hold Romanian citizenship). In May 2024, Moldova became the first country to sign a Security and Defense Partnership agreement with the EU.

Moldova was granted EU candidate status alongside Ukraine in June 2022. As noted above, the EU identified nine criteria, largely centered on governance and the rule of law, for Moldova to meet to move forward in the accession process. In December 2023, EU member states approved opening accession negotiations with Moldova and Ukraine; negotiations began in June 2024.

In backing Moldova and Ukraine's comparatively swift advancement through the early steps of the accession process, EU officials cited both countries' substantial reform progress and underscored the geopolitical significance of enlargement. Nevertheless, joining the EU can take many years and EU membership is not guaranteed.

## U.S. Relations

Since Moldova's independence, the United States has supported Moldova's sovereignty and territorial integrity. In 2022, the Biden Administration launched a bilateral strategic dialogue with the Moldovan government. As of September 2024, the United States had committed nearly \$950 million in assistance to Moldova since 2022; according to the U.S. Department of State, this assistance "has played a significant role in advancing Moldova's rule-of-law, anti-corruption, energy, and economic progress in line with EU standards."

The United States has imposed sanctions on some Moldovan politicians, including Shor and associated individuals, for alleged corruption and subversion of democracy. In September 2024, the State Department imposed sanctions on several Russian and Moldovan individuals and entities, including Rossiya Segodnya (the parent company of Russian state-funded global media platform RT), for alleged interference ahead of Moldova's 2024 presidential election and referendum. The State Department also imposed sanctions on a Russian organization and its head in relation to the alleged Shor-led vote-buying scheme (see above).

The 117<sup>th</sup> Congress adopted H.Res. 833 and S.Res. 638, expressing support for strong U.S.-Moldova relations. Members of Congress may further assess bilateral ties and consider the President's FY2025 budget request of \$66 million for Moldova, as well as measures (e.g., H.R. 5174, S. 804/H.R. 1680) intended to increase cooperation with Moldova on defense and other matters. Members of Congress also may assess U.S. sanctions and other policies for addressing alleged corruption and democratic subversion.

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