



# Integrated Country Strategy

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**Moldova**

**FOR PUBLIC RELEASE**

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## 1. Chief of Mission Priorities

The Moldovan government is working to advance an ambitious democratic reform agenda while simultaneously managing the threats of Russia's continued military presence on Moldovan territory, near total dependence on Russia for energy, deep-seated corruption, high poverty rates, out-migration, nostalgia for Soviet times among segments of the population fueled by Russian misinformation, and the growing effects of climate change on a heavily agrarian economy, in addition to the effects of the worldwide COVID-19 pandemic. Despite these challenges, the Moldovan people have elected for the first time a president, parliament, and government that are firmly committed to deeper European integration and EU membership, increased prosperity, and enhanced rule of law. Russia's attack on neighboring Ukraine, which led to a massive surge in refugee arrivals – the largest number per capita in the world – and prompted a likely economic contraction while increasing security threats, presents new and immediate challenges for Moldova.

Nevertheless, Moldova is a nation that is moving forward and is a model for democratic reform in the region as it seeks to cast off a legacy of corruption and weak governance that has hobbled economic growth and individual liberties.

The United States has a strong interest in Moldova realizing this vision. We need to help build capable and resilient institutions to sustain Moldova's progress, while helping Moldova support tens of thousands of refugees. Combatting a culture of corruption in Moldovan institutions is at the center of our policy. The wide-ranging reforms demanded by the Moldovan people cannot be accomplished overnight. However, working together with Moldova and its other partners, we can make significant progress in the coming months and years.

Our engagement in Moldova supports the security and prosperity of the region while bringing tangible benefits to the American people. U.S. policy in Moldova broadly seeks to:

**Defend our Democratic Values and Rule of Law.** Moldovan voters rejected the country's legacy of entrenched political corruption. Supporting the Moldovan people and media to hold

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their government accountable will make Moldova a model partner and an example for the region and the world of an effective and vibrant democracy committed to the rule of law.

**Promote Deeper and Diverse Trade, Investment, and Energy Cooperation to Build Back Better from the Pandemic and to Manage the Presence of Refugees in the**

**Country.** Moldova's increased trade with non-CIS countries and reduced reliance on individual markets have made the country less vulnerable to economic pressure. However, Moldova must now contend with the potential loss of Ukraine as a key trading partner as well as disruptions to crucial trade routes. Continued Russian leverage in the energy and media sectors undermine Moldova's ability to choose its own path. Improving the business climate, decreasing energy reliance on Russia, and reducing corruption can increase opportunities for American companies – as well as Moldovan entrepreneurs and workers – to benefit from this transformation. This includes strengthening Moldova's finance and banking sectors, improving its cybersecurity capabilities, and developing high-value exports in key industries to global markets.

**Advance Security for the American People.** Malign influence has slowed Moldova's integration with the West, so the United States is fortifying Moldovan resilience against such influence, including in the media, energy, cyber, and security spheres. This includes mitigating risks from the conflict in Transnistria, where Russia stations 1,500 troops against Moldova's will. Moldova's government is committed to stopping money laundering and smuggling, while supporting regional security. Our defense and security engagement in Moldova advances regional and international security including through bilateral and regional cooperation such as peacekeeping and disaster relief.

To accomplish these policy priorities, we will work closely with Moldovan government leaders and institutions, focusing on reform-minded counterparts, as well as with Moldova's growing cadre of civil society, media, and business leaders.

## 2. Mission Strategic Framework

**Mission Goal 1:** Promote resilient democratic institutions and respect for the rule of law.

- **Mission Objective 1.1:** A Moldovan democracy consolidated through equally applied rule of law, capable and responsive institutions, credible elections, active and participatory civil society, and respect for universal human rights.
- **Mission Objective 1.2:** A responsive democratic culture that fosters open debate and actively resolves issues, enables independent media, is respectful of minority views, and is resistant to malign influences.

**Mission Goal 2:** Foster inclusive and western-oriented economic growth and development.

- **Mission Objective 2.1:** Sustainable economic opportunity stimulated through climate-smart, private sector-led growth and increased trade, including with U.S. businesses, to alleviate poverty, instability, and the rate of outmigration.
- **Mission Objective 2.2:** Economic institutions strengthened to create a more attractive business climate, reduce corruption, mitigate and adapt to climate change, and provide opportunities for all Moldovans.

**Mission Goal 3:** Promote a self-sufficient security sector that defends Moldova's territorial integrity, builds trust with the citizenry, protects U.S. citizens in Moldova, and contributes to regional stability including through participation in international peacekeeping operations and supporting disaster relief efforts.

- **Mission Objective 3.1:** Military and border forces modernized to strengthen resilience against foreign and domestic threats, build capacity to expand participation in international peacekeeping operations, and increase interdiction of illicit goods.

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- **Mission Objective 3.2:** Law enforcement transformed and professionalized into a well-equipped and well-trained force.
- **Mission Objective 3.3:** Increased information sharing with Moldovan authorities and improved domestic legislation to protect U.S. citizens and residents.

**Management Objective 1:** Enhance the long-term safety and security of all Mission personnel.

**Management Objective 2:** Ensure a diverse and inclusive workforce and proper staffing to support a growing Mission.

### 3. Mission Goals and Objectives

**Mission Goal 1** | Promote resilient democratic institutions and respect for the rule of law.

**Description** | Progress on building democratic institutions and a society based on the rule of law is critical to Moldova's momentum toward deeper EU integration and a solidified western orientation. Moldova's democratic future is a key U.S. foreign policy priority in the region and will support stability and prosperity along NATO's eastern flank.

**Objective 1.1** | A Moldovan democracy consolidated through equally applied rule of law, capable and responsive institutions, credible elections, active and participatory civil society, and respect for universal human rights.

- **Justification** | While Moldova has made progress toward democratic governance, adherence to democratic principles remains fragile. Moldova's legacy of patronage-based, foreign-influenced domestic politics has prevented the advancement of justice sector reforms and the government's larger anticorruption efforts. U.S. democracy and governance efforts are closely tied to Moldova's reform agenda and U.S. strategic interests to deepen European integration, expand democratic governance, counter corruption, and further economic growth. Adoption and implementation of these reforms will continue Moldova's progress toward a law-based, citizen centric democracy.
- **Linkages** | These efforts are linked to the Interim National Security Strategy goal to prevent adversaries from directly threatening the United States and our allies, inhibiting access to the global commons, or dominating key regions. They are also tied to efforts to lead and sustain a stable and open international system, underwritten by strong democratic alliances, partnerships, multilateral institutions, and rules. This objective is also linked to the Joint Regional Strategy (Goal 2) to strengthen democracy and the rule of law throughout Europe and Eurasia. These efforts are also linked to

USAID/Moldova's Country Development Cooperation Strategy Development Objective 1, which is to strengthen participatory democracy by catalyzing citizen engagement to drive demand for accountable governance and stronger democratic institutions.

- **Risks** | Continued state capture by malign actors, further erosion of rule of law, and a weakening of civil society and respect for human rights would be expected risks if this objective is not implemented.

**Objective 1.2** | A responsive democratic culture that fosters open debate and actively resolves issues, supports independent media, is respectful of minority views, and is resistant to malign influences.

- **Justification** | Moldova does not have a truly independent media that is sustainable enough to provide timely, objective, and accurate information to expose corruption and propaganda. Much of the existing media space is funded or otherwise controlled by oligarchs or foreign malign actors. One of the biggest growth areas for financial viability is both local production of content and foreign and domestic licensing of locally produced content, as well as attracting advertising revenue. U.S. democracy and governance efforts are closely tied to Moldova's reform agenda and U.S. strategic interests to deepen European integration, expand democratic governance, counter corruption, and further economic growth—all of which benefit from a free and independent media space.
- **Linkages** | These efforts are linked to the Interim National Security Strategy to lead and sustain a stable and open international system, underwritten by strong democratic alliances, partnerships, multilateral institutions, and rules. This objective is also linked to the Joint Regional Strategy (Goal 3) to strengthen the ability of Allies and partners to resist malign influence, disinformation, and destabilizing activities.
- **Risks** | Continued broadcast of disinformation, reduced civic participation, and a weakening of civil society and respect for human rights would result from this objective not being implemented.



**Mission Goal 2 | Foster inclusive and Western-oriented economic growth and development.**

**Description |** This goal advances U.S. foreign policy priorities by building a competitive, European Moldova that is well integrated into Western markets, improves the well-being of its citizens, resists economic pressure from the Kremlin and China, and becomes a strong and reliable U.S. partner. With an emphasis on sustainability, this Goal will be driven by activities that are both climate-smart and private sector-led.

**Objective 2.1 |** Sustainable economic opportunity stimulated through climate-smart, private sector-led growth and increased trade, including with U.S. businesses, to alleviate poverty, combat instability, and slow the rate of outmigration.

- **Justification |** Moldova's economy has shifted from its historical reliance on Russia and now exports over 80 percent of its goods to European, North American, and other non-CIS markets. However, significant challenges remain, including the potential loss of Ukraine as a key trading partner. Moldova faces a serious demographic crisis with an estimated 30-50 percent of the country's working-age population residing abroad. The Moldovan economy has suffered as a result of the COVID-19 pandemic and a severe drought in 2020. Endemic corruption, lack of human capacity, and foreign interference continue to exacerbate economic hardships. U.S. assistance, particularly in the agricultural, wine, information technology, media, and other key sectors, has been critical in promoting a competitive Moldova that is well integrated into Western markets. Under this Objective, U.S. assistance will work with the private sector to improve the quality and quantity of goods for export to meet the demands of European and other selective markets. U.S. assistance will strengthen private sector voices to advocate with the government for a better business-enabling environment, solidify demand for a free-market economy in Moldova, and promote U.S. bilateral trade and investment.

- **Linkages** | Mission Objective 2.1 is fully aligned with the interim National Security Strategic Guidance which outlines America's national security priority of expanding economic prosperity and opportunity. It is aligned with the draft State Department's Europe Joint Regional Strategy (JRS) Goal 3 Objective 1 to deepen economic cooperation with Europe to attract investment; build stronger, more resilient supply chains and trade ties; and build back better from the global pandemic. It is also aligned with Objective 2 to strengthen Transatlantic economic tools to boost cooperation, increase resilience, and develop coalitions to counter non-market and coercive economic practices; and Objective 3 to collaborate with Europe to create a Transatlantic digital economy.
- **Risks** | Economic recovery from the effects of the COVID-19 pandemic and negative effects of the war in Ukraine, including the presence of large numbers of refugees, will continue well into the implementation of this strategy. The pandemic and war in Ukraine has caused stagnation in the private sector, limited government budget capabilities, inhibited reform, and constrained implementation of assistance activities. In addition, the Kremlin, PRC, and other malign actors will continue their attempts to manipulate the economy, exploit economic weaknesses within the country, and foment conditions for corrupt actions. Lack of government capacity and continued outmigration also pose risks for implementation of the strategy.

**Objective 2.2** | Economic governance institutions strengthened to create a more attractive business climate, reduce corruption, mitigate and adapt to climate change, and provide opportunities for all Moldovans.

- **Justification** | Moldova has a mixed reform record, with vested interests and corruption negatively affecting the public and private sectors, disaffecting its citizenry, and showcasing institutional weaknesses. Weak governance institutions associated with a lack of transparency and rent-seeking behavior, as well as poor interagency coordination, have compromised resource allocation decisions and significantly undermined the population's faith in the ability of the political class and government to

deliver public goods and services to the citizens. Moldova urgently needs to improve energy security and diversification. U.S. assistance is closely tied to our support for Moldova's reform agenda, European integration, democratic governance, and inclusive economic growth. Opportunities for improving Moldova's business climate include streamlined laws and regulations; improvement in electronic commerce and trade; improved competitiveness, transparency and stability of the financial sector; institutional strengthening; and digitalization of public services to enhance efficiency and transparency of the public sector to better serve people, businesses, and the country.

- **Linkages** | Mission Objective 2.2 is fully aligned with the interim National Security Strategy Guidance which identifies expanded economic prosperity and opportunity as a priority. It is aligned with the draft USAID-State Department Europe Joint Regional Strategy (JRS) Goal 3 Objective 1 to deepen economic cooperation with Europe to attract investment; build stronger, more resilient supply chains and trade ties; and build back better from the global pandemic. It is also aligned with Objective 2 to strengthen transatlantic economic tools to boost cooperation, increase resilience, and develop coalitions to counter non-market and coercive economic practices; and Objective 3 to collaborate with Europe to create a transatlantic digital economy.
- **Risks** | Sustained emigration of educated, productive Moldovans may hinder political and economic reform prospects. The coordination among public institutions is weak. The ongoing COVID-19 pandemic and negative effects from the war in Ukraine will continue to have massive economic and financial effects, including budgetary impact and distraction from structural reforms. Moldova's lack of energy security threatens the stability of the country and hinders economic and political development.

**Mission Goal 3** | Promote a self-sufficient security sector that defends Moldova's territorial integrity, builds trust with the citizenry, protects U.S. citizens in Moldova, and contributes to regional stability including through participation in international peacekeeping operations and supporting disaster relief efforts.

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**Description** | Promoting a strong security sector in Moldova is critical to enhancing Moldova's ability to assert its sovereignty and deter malign influence that seeks to undermine Moldovan autonomy through weakening internal security and destabilizing the region. Advancing reforms and combatting corruption within the security sector will allow Moldova to better secure its international borders and build respect for human rights while advancing European integration and better collaboration with Western partners.

**Objective 3.1** | Military and border forces modernized to strengthen resiliency against foreign and domestic threats and to increase illicit goods interdiction.

- **Justification** | Strengthening Moldova's border security and deepening the connections and interoperability of Moldova's military and law enforcement with the United States, NATO, and other Western partners will better secure the region against shared security threats. Improved border security reduces transited illicit goods and human smuggling through Moldova to Europe, advancing U.S. security goals in Europe and contributing directly to protecting U.S. citizens in Moldova and the region.
- **Linkages** | In addition to furthering the Interim National Security Strategy by protecting the security of the American people through reduced risks of illicit materials transiting Moldova, these efforts strengthen Moldovan sovereignty and resilience to foreign malign influence. This mission objective leverages U.S. competitive advantages such as broad and deep partnerships and alliances, the world's most powerful military, and our innovative technological base. Additionally, this objective supports the EUR Joint Regional Strategy Goals 1 and 4 to revitalize European partnerships and to leverage partnerships to address global and regional threats and challenges.
- **Risks** | The risk of not achieving this goal is a degradation of Moldova's sovereignty and ability to control its international borders. This would have a destabilizing effect not only in Moldova, but also in the region, that would allow adversaries to wield malign influence to dictate outcomes in their favor. This outcome would be to the detriment of core U.S. interests, Moldova's economic and political development, and regional

security. Within Moldova, this would reduce internal security and impact our ability to protect U.S. citizens.

**Objective 3.2** | Law enforcement transformed and professionalized into a well-equipped and well-trained force.

- **Justification** | Strengthening internal security while deepening respect for human rights will enhance internal stability and advance Moldova's democratic trajectory, further interoperability with U.S. and European law enforcement, and better protect U.S. citizens.
- **Linkages** | This objective supports the Interim National Security Strategy by protecting the security of the American people and furthers U.S. efforts to put human rights at the center of U.S. foreign policy. This goal supports the EUR Joint Regional Strategy Goals 1 and 4 to revitalize European partnerships; and to leverage partnerships to address global and regional threats and challenges.
- **Risks** | Failure to achieve this objective would reduce internal security that would impact our ability to keep U.S. citizens safe in Moldova. The loss of internal security would imperil Moldova's reform efforts and have a destabilizing effect on the region.

**Objective 3.3** | Increased information sharing with Moldovan authorities and improved domestic legislation to protect U.S. citizens and residents.

- **Justification** | The Embassy's top priority is to protect the security of the American people in Moldova. To protect U.S. citizens, we will continue to improve public messaging on security issues and strengthen partnerships with Moldovan counterparts, including partnering with Moldova on the Hague Convention in International Parental Child Abduction (IPCA). Over the next several years, there will be an increase in demand for assistance, protection, and communication on consular matters as Moldovans continue to immigrate to the United States and return to Moldova to visit and reside.
- **Linkages** | This Mission objective supports the Interim National Security Strategy to protect the security of the American people, and leverages U.S. competitive advantages

such as broad and deep partnerships. This objective also advances the EUR Joint Regional Strategy Goal 4 to leverage partnerships to address global regional threats.

- **Risks |** The risk of not achieving this goal would impact our ability to protect U.S. citizens. We mitigate these risks by continuing to closely partner with the Moldovan government to strengthen security and cooperate on shared strategic objectives.

## 4. Management Objectives

**Management Objective 1** | Enhance the long-term safety and security of all Mission personnel.

- **Justification** | The current Embassy compound is dilapidated and in constant need of costly repairs in order to meet the most basic standards. With employees already spread across five locations in the city, the Embassy compound cannot accommodate current staff, much less anticipated staff already in the pipeline. Staff work in buildings that were designed to be temporary. The lack of an adequate facility hampers post's ability to meet its goals. Construction of a NEC is essential to our ability to provide a safe and secure environment to conduct diplomacy in Moldova. Post is working with OBO and close to signing a Memorandum of Agreement (MOA) with the Government of the Republic of Moldova to purchase land for development of a NEC. However, given that a NEC is at least five years in the future, post will continue to need support to enhance and improve the existing facility.
- **Linkages** | This Management Objective is fully aligned with the Joint Strategic Plan Goals 4.2 to provide modern and secure infrastructure and operational capabilities to support effective diplomacy and development and 4.4 to strengthen security and safety of workforce physical assets. We will also align the building of the NEC with DOS Policy Objective 1 on Climate Change to lead by example by incorporating climate-friendly protocols into Mission operations.
- **Risks** | The COVID-19 pandemic and the war in Ukraine poses risks through restricting travel which could stall projects. Budget constraints also threaten funding for projects. The Government of Moldova could stall the project due to concerns over public perception the site should not be sold. Not realizing this objective would hinder our Mission team's ability to strengthen the bilateral relationship with Moldova.

**Management Objective 2 |** Ensure a diverse and inclusive workforce and proper staffing to support a growing mission.

- **Justification |** Post needs a workforce that represents the diversity of the United States and the Republic of Moldova in order to carry out our diplomatic mission. Post needs additional staff to keep pace with the Mission's ambitious agenda. There are several long-standing requests for additional staff in key sections. For example, the need exists for an additional USDH Economic Officer and A/GSO. Post needs a larger ICASS platform (including additional LE staff positions) to support the growing USDH community and Mission activities.
- **Linkages |** Management Objective 2 is fully aligned with the Joint Strategic Plan Goal 4.3 to enhance workforce performance, leadership, engagement, and accountability to execute our mission efficiently and effectively and the National Security Strategy goal of ensuring our workforce represents the diversity of our country and modernize our decision-making process. It supports the National Security Memorandum 4-Advancing the Human Rights of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex Persons Around the World and Executive Order 14035 to cultivate a federal workforce that draws from the full diversity of our country and Executive Order 13583- Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Workforce.
- **Risks |** Factors that may threaten the implementation include high turnover of some categories of LE Staff due to non-competitive salaries creates staffing challenges.