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## **STATAMENT**

Delivered by Ambassador Victor Postolachi, Head of the Permanent Delegation of the Republic of Moldova to the OSCE at the 2008 Annual Security Review Conference Working Session III

(Vienna, July 2, 2008)

Ladies and gentlemen, Dear colleagues

Allow me, first of all, to welcome all the participants at the 2008 Annual Security Review Conference and to express appreciation for interesting discussions held during the previous sessions. In my statement, I will refer to the Transnistrian settlement process, showing, in particular, the role of the OSCE and other partners involved.

Mr. Chairman, in contrast to other secessionist conflicts in the post-Soviet area, the Transnistrian conflict is fairly considered less complex, therefore easier to solve. There are no ethnic or religious grounds at the origin of the Transnistrian conflict that could seriously complicate the settlement process and there is no intrinsic hatred among the people on both banks of the Nistru River.

The analysis of the situation on the ground combined with experience and lessons learnt throughout the years have prompted the Moldovan authorities to propose a new settlement strategy. The strategy is based on a comprehensive approach referred to as "the package arrangement" comprising all settlement elements – political, economic, social and humanitarian. In our view, such multidimensional approach on the basis of a reasonable compromise among all parties involved, in particular the Russian Federation opens a new prospect for a lasting settlement. Our optimism is enhanced by the support granted to this strategy by the majority of our international partners involved in the settlement process.

The "package proposals" provide for a special legal status for Transnistria on the basis of sovereignty and territorial integrity of the Republic of Moldova, consolidation of the status of neutrality and the withdrawal of foreign troops from Moldova, as well as recognition of property rights and ensuring the social rights for all categories of population in the Transnistrian region.

Another important factor in the Transnistrian settlement process is the "5 plus 2" negotiation format established in September 2005. Even though talks were suspended in February 2006 without any substantial progress so far, we strongly believe that the

resumption of negotiations in the "5 plus 2" format is an achievable goal. We welcome the efforts undertaken by the OSCE Chairmanship together with mediators and observers aimed at the resumption of full-fledged negotiations.

We highly appreciate that the EU has significantly increased its support to the Republic of Moldova in the framework of the European Neighborhood Policy, including the efforts to solve the Transnistrian conflict. In this regard, we would like particularly to stress the positive impact of the Autonomous Trade Preferences granted to Moldova and extended to the Transnistrian companies as well, and the EUBAM's fruitful activity that already at this stage could be considered a "success story". As you know, its mandate was extended until December 2009. Contributing to securing the Moldovan-Ukrainian border particularly by combating negative phenomena at the border, the EUBAM facilitates establishing better conditions for the conflict settlement. We welcome the intentions of the EU to enhance the political and economic support in the coming years that will certainly contribute to the increase of the country's attractiveness for the population living on the left bank of the Nistru River.

We highly appreciate the positive role of Ukraine as a neighboring country actively involved for many years in the Transnistrian conflict settlement process. The "Yushenko Plan" to solve the conflict through democratization and Europeanization of the region, as well as the Ukrainian efforts to strengthen the customs regime on the Transnistrian segment of the Moldovan-Ukrainian border represent a valuable contribution to our joint settlement efforts.

The Republic of Moldova continues to count on the Russian Federation that due to some well-known circumstances plays a crucial role in the Transnistrian settlement and has an enormous potential to effectively influence the situation in the region. An adequate political will manifested by the leadership of Russia could ensure real and rapid progress in solving the problem. We believe that the Russian Federation can promote in close cooperation with the EU and Ukraine a common approach to the settlement of the Transnistrian conflict.

We express our gratitude to the United States of America for its consequent support to the settlement process as well as to the confidence and security building measures. We highly appreciate the readiness of the US administration to contribute in a substantive way through the Millennium Challenge Programme to the implementation of several ample projects in the economic and social fields, which will result in a strengthened cooperation between both banks of Nistru River.

We continue to rely on the support of the OSCE Mission to Moldova, as well as on other specialized OSCE bodies. Their input is instrumental in promoting the conflict resolution, building the confidence and solving urgent issues that we are facing in the Transnistrian region, particularly those related to freedom of movement of persons and goods, normal functioning of the Latin-script schools, developing of democratic institutions and civil society and ensuring the respect for human rights etc.

Among the factors conducive to the settlement we should mention a strong political will of the Moldovan authorities and the national consensus on the ways and means regarding the process. It is important to underline that the current Moldovan leadership has identified the settlement of the Transnistrian conflict and the European integration as top priorities on the political agenda. An eloquent proof of that is the existence of the "Law on the basic principles of the future status for Transnistria", as well as the Appeals for the democratization and demilitarization of the region unanimously adopted by the Moldovan Parliament in 2005.

In the same context, confidence and security building measures proposed by the Moldovan President Vladimir Voronin and resumption of the direct dialogue with the Transnistrian leader Igor Smirnov after a long pause, demonstrates the commitment of the Moldovan authorities to intensify the conflict settlement efforts. The implementation in the region of some important social, economic and infrastructural projects supported by the population represents an important incentive for the reintegration of the country. In this regard, we will promote the idea of organizing an international conference of donor community aimed at creating a post-conflict development fund for Moldova.

In the same context, the Moldovan Government created favorable conditions in order to legalize foreign trade activity for the enterprises from the Transnistrian region. These conditions imply facilitated registration procedure for the Transnistrian enterprises in accordance with the Moldovan legislation and access to the EU autonomous trade preferences. As of today, 441 companies from the Transnistrian region have been registered by the constitutional authorities. There is no doubt that these facilitations contributed to ensuring the economic growth of the region, including its exporting capacity. To illustrate, in 2007 the exports from Transnistria increased 10% in comparison with 2005 and 50% compared to 2006. The volume of imports into the region in 2007 increased 80% in comparison with 2006. These facts clearly demonstrate inconsistency of the Tiraspol's regime propaganda and political speculation on the existence of the so-called "economic blockade" of Transnistria. It is difficult to imagine that such an impressive increase in export-import activities would be possible in conditions of international isolation or the existence of any pressure.

Talking about favorable preconditions and major factors that positively influence the Transnistrian settlement process, we should underline three basic pillars of the settlement strategy – the "package approach", negotiations in the "5 plus 2" format and Confidence and Security Building Measures – that are supported by the Moldovan society, major internal political forces and most of our international partners.

In conclusion, let me underline that the described circumstances show that, the Transnistrian conflict can be solved if adequate political will is manifested by all parties involved. At the same time, we fully acknowledge that the settlement process has many serious obstacles.

In this regard, we would specifically point at the obstructionist and hostile attitude of the leaders of the secessionist regime from Tiraspol, who continue to insist on the

recognition of the Transnistrian statehood and refuse to negotiate in good faith a solution based on Moldova's sovereignty and territorial integrity. Another serious hindrance is the existence of influential external forces with vested interests to support the separatist Transnistrian regime, to block the conflict resolution and to maintain the *status quo* in the region in order to pursue profitable business outside the legal framework.

Being aware of the challenges, we firmly believe that together we can overcome them and ensure the conflict settlement that would enhance peace and security in the region of major geopolitical interests for the benefit of all interested parties.

Thank you, Mr. Chairman.