

# Russia's Energy Relations with Central and Eastern Europe

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## ABSTRACT

The Russia–Ukraine conflict and subsequent European Union sanctions have reshaped Europe's energy landscape, transforming energy from a predominantly economic commodity into a central instrument of interstate competition and strategic bargaining. Situated at the intersection of Russia's traditional sphere of influence and the eastward expansion of the European Union and NATO, Central and Eastern Europe has long constituted a key arena in which Moscow has sought to project influence through energy relations. Existing studies often treat Russian energy assistance in broad and ambiguous terms, thereby overlooking such key dimensions as non-market concessions, political conditionality, and state-led coordination. Drawing on a state-interest perspective and combining historical analysis with contemporary evidence, this article systematically examines the mechanisms through which Russia has structured and utilized energy relations in Central and Eastern Europe. It traces the continuities and transformations from Soviet-era energy arrangements to contemporary Russian practices, arguing that energy has consistently served as a key instrument for maintaining security buffers, extending regional influence, and securing economic returns. However, the mode of engagement has shifted from planned and institutionalized subsidy-based arrangements toward more conditional and flexible practices increasingly coordinated through state-owned enterprises. Based on Russia's differentiated strategic interests in Central and Eastern Europe, the article develops a threefold typology of partner states: "exceptional partners," "traditional partners," and "frontier partners." Through case studies of Hungary, Serbia, and Moldova, it demonstrates how Russia adopts differentiated energy strategies according to the strategic position of each partner state. These include a pattern of "binding and exchange" toward exceptional partners, "redistribution and binding" toward traditional partners, and "coercion and selective redistribution" toward frontier partners. The study finds that Russia's energy relations in Central and Eastern Europe are characterized by both continuity and transformation. Building on the Soviet legacy, Russia has increasingly instrumentalized, differentiated, and interest-oriented its energy engagement in order to pursue a dynamic balance among security, political, and economic objectives in the region.

## KEYWORDS

Russia; Central and Eastern Europe; Energy Relations; National Interests; Differentiated Strategies.

## 1. INTRODUCTION

During the Cold War, Central and Eastern Europe constituted a core area within the Soviet sphere of influence and relied heavily on Soviet energy subsidies, infrastructure development, and institutionalized arrangements. Through preferential pricing, debt relief, and cross-border pipeline networks, the Soviet Union embedded energy deeply within mechanisms of political control and alliance management. Following the dissolution of the Soviet Union, Russia experienced an initial period of reduced external support and regional engagement, but gradually restored and institutionalized its external assistance policies, re-establishing energy as an important instrument of

foreign policy. Owing to its geopolitical location and historical ties with Russia, Central and Eastern Europe occupies a distinctive position in Russia's external engagement strategy: it serves both as a transit corridor and downstream market for Russian energy, and as a buffer zone against the expansion of the European Union and NATO.

However, existing studies of Russia–Europe energy relations often employ broad concepts such as “energy diplomacy” or “energy cooperation,” which make it difficult to identify how energy assistance operates in practice through the combined effects of non-market concessions, implicit conditionality, and state-led coordination in pursuit of Russia's national security and broader national interests. The literature also lacks a systematic comparison of the continuities and transformations between the Soviet legacy of external assistance and contemporary Russian practices. Moreover, insufficient attention has been paid to why Russia employs differentiated instruments across different categories of Central and Eastern European states.

Against this background, this article adopts national interests as its central analytical framework and conceptualizes energy assistance as a form of strategic, non-ODA assistance while examining it within the broader context of Russia's energy relations with Central and Eastern Europe. It addresses two key questions. First, what forms of continuity and change can be observed in the objectives and instruments of energy assistance from the Soviet period to contemporary Russia? Second, across three types of Central and Eastern European states—“exceptional partners” located within institutional structures, “traditional partners” situated outside them, and geopolitically vulnerable “frontier partners”—how does Russia combine mechanisms of binding, exchange, coercion, and redistribution to pursue differentiated strategies? By addressing these questions, the article demonstrates how energy relations have become a key instrument through which Russia seeks to maintain security buffers, extend regional influence, and secure economic returns in Central and Eastern Europe.

In this article, foreign assistance is understood as a broad policy category comprising a range of instruments through which states pursue external interests. It may be divided into official development assistance (ODA), which is oriented towards the economic and social development of recipient countries, and non-ODA assistance, which does not conform to ODA reporting standards and may include military assistance, policy-based loans, and resource-related concessions. Unlike ODA, which prioritizes developmental objectives, non-ODA assistance more directly serves the donor state's geopolitical, security, and strategic interests. From this perspective, Russia's energy assistance to Central and Eastern Europe can be understood as a form of non-ODA engagement, the essence of which lies in strategically motivated energy-related support embedded in wider energy relations.[1]

More specifically, energy assistance refers to the provision by donor-state governments or state-controlled enterprises of energy resources, infrastructure financing, or technical support on preferential, non-market terms for political, security, or geostrategic purposes. Such arrangements may include explicit or implicit policy conditions designed to obtain recipient cooperation on diplomatic, security, or strategic agendas. Typical forms include long-term contracts priced below regional benchmarks; sovereign loans and debt rescheduling arrangements accompanied by grace periods and low interest rates; the creation of structural dependence through equity participation and control over energy infrastructure; and low-transparency contractual provisions that can be adjusted in response to political interaction.[2]

It is also necessary to distinguish among energy assistance, energy diplomacy, and commercial energy cooperation. Energy diplomacy is a broader concept. Adeli[3] defines it as a set of policies and measures through which a state employs its energy capabilities in external interactions in order to achieve energy-sector objectives and enhance national security. Its core purpose is to transform energy resources and related capacities into instruments of foreign and security policy, thereby safeguarding supply and demand security while serving wider national interests. Energy diplomacy

may take the form of market-based commercial cooperation, but it may also involve non-market assistance, sanctions, or other coercive measures.

By contrast, commercial energy cooperation follows a market-based logic more strictly. It is generally centred on profit maximization and market pricing, is usually led by business actors, follows established commercial practices, and does not normally entail political conditions. Accordingly, this article identifies an energy arrangement as energy assistance when it satisfies at least two of the following three criteria: non-market concessions, political conditionality, and state-led coordination.

## **2. HISTORICAL EVOLUTION OF RUSSIAN EXTERNAL ASSISTANCE**

From the perspective of national-interest theory, energy assistance may be understood as an important policy instrument through which great powers seek to preserve security buffers, expand regional influence, and secure economic returns. The experiences of the Soviet Union and Russia demonstrate that energy-related engagement has served not only economic functions, but has also constituted a central nexus of institutional control and political bargaining. Tracing the historical evolution of this logic helps explain how contemporary Russia has both inherited and adjusted Soviet practices in Central and Eastern Europe, embedding energy assistance within broader geopolitical strategies.

Following the dissolution of the Soviet Union, Russia experienced a severe economic downturn during the 1990s. Its external assistance system largely came to a halt, and for a period Russia itself became a net recipient of international assistance.[4] During this stage, Russia relied primarily on support from international financial institutions to sustain domestic economic operations. Nevertheless, as the legal successor to the Soviet Union, Russia did not entirely abandon the underlying logic of external assistance. Instead, it gradually sought to restore its capacity for regional engagement under new international conditions.

From the mid-2000s onward, domestic economic recovery and rising energy prices enabled Russia to reactivate its external assistance strategy.[5] In 2007, the Putin administration issued its first major policy framework on foreign assistance, identifying poverty reduction, disaster relief, and the development of trade relations with partner countries as key objectives, while also underscoring the geopolitical functions of assistance.[6] After assuming the G8 presidency in 2006, Russia further promoted the institutionalization of its assistance policies. In 2007, it adopted the Concept of Russia's Participation in International Development Assistance, which was subsequently revised in 2014, reflecting the continuity and expansion of Russia's external engagement. Regionally, Russia retained the priorities of the Soviet period by treating Central and Eastern Europe and the post-Soviet space as principal areas of concern. This orientation reflected both historical patterns of dependence and security considerations, as well as Russia's strategic interest in preserving influence in its neighbouring regions.[5] Following the political transformations in Central and Eastern Europe, some states that had joined the European Union and become aid providers in their own right nevertheless maintained extensive energy ties with Russia. Meanwhile, post-socialist states outside the European Union continued to occupy a prominent position in Russia's regional engagement.[5]

Within this broader framework, energy constituted a central component of Russia's relations with Central and Eastern Europe. This model was characterized by three salient features: political instrumentalization, non-market concessions, and state-led coordination. Energy relations thus extended beyond commercial exchange and became an important instrument for shaping the regional strategic environment.[5]

Russia has used below-market energy prices and subsidized supplies to foster forms of structural dependence in a number of neighbouring states. Ukraine, for example, long relied on relatively inexpensive Russian natural gas to support its economy. Belarus benefited from supplies priced close to Russian domestic levels and from duty-free crude-oil arrangements, while the Transnistrian region of Moldova and Armenia also benefited from preferential energy terms.[7] Such non-market

concessions integrated these states more closely into Russia-centred energy systems and increased the political significance of energy dependence.

Energy-related concessions were frequently linked to political conditions and thereby became an effective source of Russian leverage. In 2006, Ukraine faced supply disruptions and price increases after refusing to accept Russian terms. Belarus encountered sharp price increases when it resisted the sale of shares in Beltransgaz. Lithuania experienced supply disruptions after the sale of a refinery to non-Russian capital. By contrast, Serbia's relatively pro-Russian position on the Kosovo issue coincided with Gazprom's acquisition of strategic assets at favourable prices and with pipeline investment. Preferential energy arrangements therefore functioned as an important mechanism through which Russia could encourage policy concessions or reward political alignment on sensitive foreign-policy issues.

Russian energy relations have also relied on a state-led and highly concentrated institutional structure, which facilitates coordination between energy policy and broader strategic objectives. Gazprom, Rosneft, and Transneft are all subject to substantial state control. They not only occupy dominant positions in production and transportation, but also operate within a strategic environment shaped by Kremlin priorities. Gazprom's acquisition of a controlling stake in MoldovaGaz through debt-for-equity arrangements, as well as Transneft's suspension of oil transit in circumstances that increased pressure on Latvian enterprises to consider asset sales, illustrate how state-linked companies could be used to advance wider political and strategic objectives.[7] This institutional structure has enabled energy to be employed in ways that go beyond ordinary commercial practice.[8]

Russia's energy relations with Central and Eastern Europe have therefore served both to sustain regional influence and to support its claim to great-power status. Unlike the Soviet model, which rested primarily on collective institutions and centrally planned economic arrangements, the Russian approach has been more explicitly oriented toward national interests and has adopted differentiated strategies across different categories of states. This flexibility has allowed Russia to preserve influence in Central and Eastern Europe through a combination of preferential terms, strategic investment, political conditionality, and selective pressure.

### **3. EMPIRICAL ANALYSIS: RUSSIA'S ENERGY ASSISTANCE MECHANISMS IN CENTRAL AND EASTERN EUROPE**

The historical evolution of energy assistance demonstrates that both Soviet and Russian approaches have consistently been characterized by political and strategic objectives. Whereas the Soviet Union relied on planned institutional arrangements and subsidy mechanisms to preserve bloc stability, contemporary Russia has pursued a more explicitly national-interest-driven approach, using non-market concessions and conditional arrangements to sustain regional influence. In Central and Eastern Europe, therefore, energy assistance has displayed both continuity and transformation, remaining a central instrument of power projection and strategic bargaining.

It is consequently necessary to examine Russia's operational practices across different categories of states in order to clarify how national-interest objectives are translated into differentiated forms of energy engagement. This article selects Hungary, Serbia, and Moldova as three representative cases, corresponding respectively to "exceptional partners," "traditional partners," and "frontier partners." By analysing the energy relations between Russia and these three states, as well as the corresponding patterns of Russian energy assistance, the article identifies the diversity of Russia's strategies in Central and Eastern Europe and the underlying logic of interests that informs them.

### 3.1. Hungary: An “Exceptional Partner” within Western Institutions

Hungary represents a typical “exceptional partner.” As a member of both the European Union and NATO, it would ordinarily be expected to align with the broader Western position. However, Hungary has displayed a high degree of divergence from the EU and NATO consensus in its policy towards Russia. Since the outbreak of the Russia–Ukraine conflict, Hungary has formally participated in EU sanctions while repeatedly using the unanimity requirement in EU decision-making to seek exemptions for Russia, delay sanctions measures, or weaken their scope. At the same time, it has maintained close energy ties with Russia, particularly in natural gas and nuclear-power cooperation.

Hungary’s importance to Russia can be understood at two levels: security and politics, on the one hand, and economic and energy interests, on the other. In security and political terms, Hungary’s capacity to delay or veto decisions within the EU and NATO provides Russia with an opportunity to offset the coherence of EU sanctions and assistance to Ukraine, thereby creating a degree of strategic space within Western institutional structures. In economic and energy terms, Russia maintains an important downstream market through stable exports of crude oil, natural gas, and nuclear technology, while long-term contracts, technological arrangements, and financing mechanisms reinforce Hungary’s dependence on Russian energy. Moreover, the southern Turkish–Balkan route, including TurkStream and Balkan Stream, was designed to deliver Russian gas to Southeastern and Central European markets through Bulgaria, Serbia, and Hungary. This has positioned Hungary as a key transit and distribution node for Russian gas entering Central Europe, further enhancing its strategic value in Russian regional planning.[9]

The history of Russian–Hungarian energy relations can be traced back to the Soviet period. The Soviet Union supplied Hungary with crude oil through the Druzhba pipeline, while Hungary’s electricity sector became closely associated with the Paks Nuclear Power Plant, which was constructed using Soviet technology and employs Soviet-designed VVER reactors.[10] The plant accounts for a substantial proportion of Hungary’s domestic electricity generation. Following the outbreak of the Russia–Ukraine conflict, the European Union imposed an embargo on seaborne Russian oil but granted temporary exemptions for pipeline imports to landlocked member states. As a result, after the EU embargo on seaborne Russian oil entered into force in December 2022, Hungary was able to continue receiving Russian crude oil through the southern branch of the Druzhba pipeline, allowing additional time to reduce its dependence on Russian supplies.[11]

At the level of energy assistance, Hungary illustrates a typical pattern of “binding and exchange.” The Paks II project has created a long-term form of institutional and technological linkage between Hungary and Russia. In 2014, Russia and Hungary signed an intergovernmental agreement under which Rosatom would construct two VVER-1200 reactors. The total investment was estimated at approximately EUR 12.5 billion, of which Russia offered a state loan of EUR 10 billion, covering roughly 80% of project costs. The Russian loan provided below-market, tiered interest rates, extended grace periods, and repayment arrangements beginning only after the reactors entered operation. The project was later approved following the European Commission’s competition review.[12] In 2021, Russia agreed to extend the period for drawing on the loan and to postpone the start of repayment, thereby easing Hungary’s fiscal burden.

Despite the Russia–Ukraine conflict and the broader sanctions environment, Paks II has remained exempt from EU nuclear-related sanctions and obtained key permits required before the pouring of first concrete. Between 2024 and 2025, the project entered its principal construction phase, indicating that nuclear cooperation continued despite mounting sanctions pressure.[13] Natural-gas supply forms another pillar of the “binding and exchange” relationship. In 2021, Gazprom and Hungary signed a new fifteen-year contract providing for annual deliveries of 4.5 billion cubic metres of gas through the southern route via Serbia. This arrangement structurally reduced Hungary’s reliance on transit through Ukraine.[14] When Europe faced widespread supply disruptions in 2022, Russia

provided Hungary with an additional approximately 700 million cubic metres of gas and accelerated deliveries, reflecting a form of selective redistribution towards a politically cooperative partner.[15]

Hungary's policy behaviour has shown a clear reciprocal relationship with these energy arrangements. The Hungarian government has repeatedly opposed the inclusion of nuclear energy in sanctions against Russia and has adopted conditional or delaying positions in relation to assistance for Ukraine and certain sanctions decisions. Such positions have weakened the EU's policy coherence towards Russia. As an "exceptional partner," Hungary illustrates Russia's strategic preference for cultivating influence among key minority actors within Western institutions. From the perspective of the relationship between national interests and foreign-assistance instruments, Russia has used "state loans plus turnkey construction" to advance nuclear cooperation, "long-term contracts plus additional gas supplies" to consolidate Hungary's dependence on Russian gas, and selective measures such as pipeline-oil exemptions to reinforce Hungary's exceptional position within the EU. Through this combination, Russia has sought to obtain policy delay and institutional leverage within the EU while simultaneously securing economic returns and a degree of strategic buffer space.

### **3.2. Serbia: A "Traditional Partner" Outside Western Institutions**

Serbia represents a typical "traditional partner." It is neither a member of the European Union nor of NATO and maintains deep historical, religious, and political ties with Russia. By supporting Serbia's position on Kosovo, offering preferential energy arrangements, and sustaining military cooperation, Russia has consolidated its strategic influence in the Balkans. Although Serbia publicly continues to endorse progress towards EU accession, it has refused to join sanctions against Russia and has preserved a broadly Russia-friendly atmosphere in both public discourse and society.

As a "traditional partner," Serbia's core value within Russia's national-interest configuration lies in its role as a stable security buffer, a vehicle for maintaining regional influence, and a key node in energy and transit routes. Serbia is not only an important component of pro-Russian networks in the Balkans, but also a transit corridor for Russian gas supplies to Hungary and other EU markets. Through the control of downstream assets, gas-storage facilities, and cross-border pipelines, Russia has transformed energy relations into a political instrument. This has helped sustain Belgrade's non-aligned position on sanctions against Russia. For decades, Serbia has sought to balance its European aspirations, partnership with NATO, and centuries-old religious, national, and political ties with Russia.[16] This strategic position helps explain the recurring use of preferential gas supplies, asset acquisitions, and infrastructure joint ventures in Russian–Serbian energy relations, as well as Russia's occasional use of supply restrictions when Serbia faced payment arrears or political disagreements.

Russian–Serbian energy relations entered a more institutionalized phase after 2007. This process began with a comprehensive political–energy package that combined privatization, gas-storage development, and the South Stream pipeline project. In 2008, Serbia sold a 51% stake in the national oil company NIS to Russia's Gazprom Neft for EUR 400 million, a price widely regarded as preferential. The transaction was bundled with arrangements relating to South Stream transit and gas-storage development and was commonly viewed as a politically driven energy deal. It was interpreted as part of Serbia's broader exchange for Russian support in opposing Kosovo's declaration of independence.[17] In 2010, the two sides established the Banatski Dvor gas-storage joint venture, in which the Russian side held a 51% stake. Construction of the Serbian section of South Stream began in 2013 but was terminated in 2014 amid EU regulatory objections. From 2019 onward, TurkStream and Balkan Stream became alternative routes to South Stream. Since 2021, Russian gas has been transported through Bulgaria and Serbia to Central Europe, making Serbia a critical transit route for onward deliveries to Hungary.

Russia's energy-related engagement with Serbia has relied primarily on three instruments. The first is asset control. The acquisition price for NIS was reportedly below comparable regional valuations and was accompanied by Russian commitments to investment and technological modernization. In

2012, the Pančevo refinery completed the installation of a hydrocracking unit, followed in 2020 by the commissioning of a delayed-coking unit.[18] These upgrades significantly strengthened the refinery's processing capacity and improved fuel quality. Russia's long-term controlling position, combined with the Serbian government's minority shareholding, has created a stable ownership structure. In 2025, Gazprom Neft transferred approximately 5.15% of its shares in NIS to Gazprom, reportedly in an effort to reduce exposure to potential United States sanctions that could disrupt Serbia's crude-oil supply. Serbia's active pursuit of sanctions exemptions further illustrates the importance of Russian energy ties to the country.

The second instrument is storage-based linkage. The Banatski Dvor gas-storage facility entered operation in 2011, with active capacity of approximately 450 million cubic metres. In 2015, Russia and Serbia agreed to expand the facility, and in 2025 the expansion process was formally initiated, with a target capacity of 750 million cubic metres. The joint-venture structure ensures that Russia retains a leading role in balancing seasonal gas supply in Serbia, while complementing Serbia's access to storage capacity in Hungary.

The third instrument is contractual flexibility. In 2013, Russia reduced Serbia's gas price by approximately 5% and agreed that annual terms could be renegotiated, demonstrating the adaptability of pricing arrangements to broader diplomatic considerations. In 2022, under conditions of acute regional energy insecurity, the two countries concluded a new three-year, oil-indexed gas-supply contract, described by Serbian officials as among the most favourable in Europe. Combined with seasonal increases in daily delivery volumes and coordinated storage arrangements, the agreement helped Serbia stabilize gas supplies for industry and households during a period of elevated energy prices.[19] During the energy crises of 2022 and 2023, Serbia reportedly paid substantially less for gas than many other European countries. In 2025, the two sides began negotiating a new contract with a proposed duration of three to ten years, aimed at securing long-term preferential pricing. Although Serbia has introduced Azerbaijani gas as part of a diversification strategy, Russian gas has remained dominant in its overall supply structure.[20]

Overall, Russia's interests in Serbia rest on three interrelated objectives: maintaining a security buffer, preserving regional influence, and securing economic leverage. Through preferential asset acquisitions and refinery modernization, Russia has strengthened its position in downstream energy assets. Through joint gas-storage arrangements and cross-border pipeline infrastructure, it has acquired influence over supply balancing and transit. Through long-term contracts and additional deliveries, it has maintained Serbia's reliance on Russian gas. For a "traditional partner," Russia's strategy is therefore centred on redistribution and binding. This pattern has contributed to Serbia's high level of dependence on Russia and its non-aligned stance on sanctions, while securing Russia a relatively stable sphere of influence in the Balkans.

### **3.3. Moldova: A Geopolitically Vulnerable "Frontier Partner"**

Moldova represents a geopolitically vulnerable "frontier partner." Within Russia's broader national-interest configuration, it serves the dual purpose of maintaining a security buffer and preserving regional influence. Situated between the European Union and Ukraine, Moldova's geopolitical position, combined with the unresolved issue of Transnistria, has made energy relations an important policy instrument for Moscow. Through its influence over Moldova's gas system and its deep involvement in the separatist region, Gazprom has been able both to constrain the central government's gradual alignment with the European Union and other Western institutions and to maintain leverage over downstream markets and the electricity supply chain.

The structure of Russian–Moldovan energy relations is rooted in a Soviet-era pattern of single-source imports and dependence. During the 1990s, Gazprom and the Moldovan side established Moldovagaz. Its ownership structure—Gazprom holding 50% plus one share, the Moldovan government 35.33%, and the Transnistrian authorities 13.44%—provided Russia with substantial vertical influence over

procurement, transmission, distribution, and sales.[21] At the same time, the Cuciurgan power plant in Transnistria, commonly known as MGRES, used Russian gas to generate electricity and supplied power to the right bank of the Dniester for an extended period without paying for the gas it consumed. This arrangement accumulated into substantial gas debt. The model of “free gas and low-cost electricity” not only sustained the separatist region’s economic and political operation, but also deepened the right bank’s dependence on electricity generated in Transnistria.[22]

In the autumn of 2021, Russia and Moldova signed a five-year gas-supply agreement that incorporated the auditing of historical debt and the formulation of a repayment plan into the broader political framework of the contract. Gas prices were determined according to monthly oil-and-gas indexation, institutionalizing the continuation of pre-existing dependence.[23] From 2022 onward, Gazprom repeatedly reduced, or threatened to reduce, gas deliveries on the grounds of technical or payment-related disputes. Moldova was consequently compelled to provide emergency fiscal support and, with assistance from the European Union and Romania, seek alternative electricity and gas supplies.[24]

Russia’s energy-related engagement with Moldova has relied primarily on three mechanisms. The first is binding through corporate and infrastructural control. Through its controlling position and managerial authority in Moldovagaz, Gazprom has exercised long-term influence over Moldova’s gas procurement, network dispatch, and end-user supply. The 13.44% stake held by the Transnistrian authorities further embeds the separatist region within the company’s governance structure. This vertically integrated arrangement enables Russia to exert influence over pricing, volumes, technical standards, and settlement procedures, constituting a typical form of state-led structural linkage.

The second mechanism is coercion. From October 2022 onward, Gazprom reduced deliveries by approximately 30% and repeatedly threatened suspension on the grounds of payment arrears.[25] Moldova was forced to adopt emergency fiscal measures and conservation policies, while its parliament declared or extended energy-related states of emergency on several occasions. Fluctuations in gas supply were directly transmitted to the electricity sector: MGRES reduced or suspended electricity sales to the right bank, while Moldova had to procure replacement electricity from Romania and regional markets at substantially higher prices. This demonstrates the immediate utility of energy as an instrument of pressure.

The third mechanism is selective redistribution. Transnistria received Russian gas on near-zero-cost terms for many years, an arrangement described by local authorities as “humanitarian assistance.” The Cuciurgan power plant used this gas to generate electricity and then sold it to the right bank at below-market prices; during periods of crisis, settlement prices were reportedly around USD 66 per megawatt-hour. In substance, this represented a non-market concession embedded in political conditions. After Ukraine declined to renew the transit agreement for Russian gas in 2024–2025, this source of “free gas” was interrupted. Moldova’s right bank consequently turned to electricity imports from Romania and Ukraine, demonstrating that the previous arrangement functioned as a lever that could be tightened or relaxed in response to political circumstances.

Overall, Russia’s energy-related strategy towards Moldova has centred on coercion and selective redistribution. Through shareholding control, debt negotiations, supply restrictions, and preferential gas arrangements for Transnistria, Russia has sought to preserve political leverage and regional presence. Compared with Hungary and Serbia, Moldova’s strategic significance to Russia lies more directly in its security and geopolitical value, while economic returns are secondary. Although Moldova has made progress in diversifying its energy supplies, its frontier vulnerability is unlikely to disappear fully in the short term.

## 4. CONCLUSION

In practice, Russia has adopted differentiated approaches according to the strategic identity of individual states, resulting in a more diversified pattern of energy-related engagement. Toward “exceptional partners,” Russia has used long-term contracts, pipeline connections, and nuclear cooperation to generate structural dependence, while offering preferential pricing or supply exemptions in exchange for reserved positions within the European Union and NATO. Such arrangements can weaken Western policy cohesion by encouraging delays, exemptions, or more cautious positions on Russia-related issues. Toward “traditional partners,” Russia has relied more heavily on preferential energy supplies, debt rescheduling, and equity control in order to consolidate long-term pro-Russian orientations and sustain regional influence. Toward “frontier partners,” energy has functioned more directly as an instrument of coercion and selective redistribution. Russia has combined supply interruptions, price increases, and debt pressure with the provision of low-cost or even free energy to separatist regions in order to preserve buffer zones and strategic leverage.

These differentiated strategies demonstrate the multiple functions of energy assistance within Russia’s national-interest logic. Energy serves not only as a defensive instrument for maintaining security buffers, but also as an institutional mechanism for constructing relations of dependence and extending regional influence. At the same time, it remains linked to the practical objective of securing economic returns. The diversity and selectivity of these instruments have enabled Russia to retain important forms of influence in Central and Eastern Europe despite EU sanctions and regional efforts to diversify energy supplies.

Overall, the historical continuity between Soviet and Russian energy assistance lies in the persistent embedding of energy within great-power strategy. The principal transformation lies in the increasing flexibility, selectivity, and diversification of the instruments employed. Through differentiated engagement with three categories of partner states, Russia has sought to maintain a dynamic balance among security, political, and economic interests in Central and Eastern Europe. This logic not only reveals the strategic nature of energy assistance, but also offers a broader perspective for understanding the structural tensions that continue to shape Russia–Europe energy relations.

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