



Prime Minister Alexandru Munteanu, together with ministers from his cabinet at the Government meeting of April 6, 2026.

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**Friedrich
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Modernization or centralization? The dilemmas of the local public administration reform

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The April issue of the FES/ APE Foreign Policy Bulletin is dedicated to the local public administration reform. The bulletin includes three interviews covering both the political sphere and civil society, as well as an editorial by the TVR Moldova journalist Mădălin Necșuțu.

The reform is considered inevitable by Olga Ursu (MAN MP), public administration expert Sergiu Palihovici, and the Secretary General of the Government, Alexei Buzu, in the context of European integration and administrative fragmentation.

However, Olga Ursu warns that, in the absence of genuine fiscal decentralization and public participation, the reform risks

becoming merely a political resizing. In turn, Sergiu Palihovici emphasizes the importance of legitimacy and social cohesion as essential elements for the success of the reform.

Alexei Buzu argues that the solution lies in the voluntary consolidation of communities, digitalization, and the strengthening of administrative capacity, in order to improve public services and reduce inequalities between communities.

The editorial by Mădălin Necșuțu highlights that the reform can contribute to the modernization of the state only if it maintains proximity to the citizens; otherwise, it risks being perceived as a change in form rather than substance.

News in brief:

The Parliament in Chişinău approved on April 30, in final reading, a draft law stipulating that fiscal and legislative discrepancies between the two banks of the Dniester will be gradually eliminated, and that the revenues collected from taxes and duties will be directed into a convergence fund. Tiraspol criticized this draft law, after having benefited for more than three decades from zero export taxes in a non-competitive manner.

The President of the Republic of Moldova, Maia Sandu, participated on May 4 in the European Political Community Summit, hosted in Yerevan by the Prime Minister of Armenia, Nikol Pashinyan. During the event, the head of state held several bilateral and multilateral meetings focused on advancing the Republic of Moldova's accession process to the European Union and on strengthening security partnerships. President Maia Sandu will co-chair, together with the President of France, Emmanuel Macron, a session dedicated to democratic resilience in the face of hybrid threats—one of the central themes of the European agenda in the current security context.

The Speaker of the Parliament of the Republic of Moldova, Igor Grosu, held on May 2 an official meeting with Yoshimasa Hayashi, Japan's Minister for Internal Affairs and Communications. The meeting marked an important point in bilateral dialogue, given that Yoshimasa Hayashi also serves as Chair of the Parliamentary Friendship Group with the Republic of Moldova within Japan's legislature.

Voluntary amalgamation – the direction we continue to rely on



Alexei Buzu, the Secretary General of the Government and coordinator of the local public administration reform

The Secretary General of the Government and coordinator of the local public administration reform, Alexei Buzu, gave an interview for the FES/APE Foreign Policy Bulletin, in which he discussed the Executive's vision for carrying out this extremely important, yet at the same time challenging, administrative reform.

He explained the Government's plans to accelerate the voluntary amalgamation process, through which the future administrative map is to be shaped primarily by locally elected officials, based on the needs of communities. Alexei Buzu also spoke about the challenges this process faces, the existing resistance, as well as the disinformation that accompanies this effort to modernize the country.

- Mr. Buzu, the administrative-territorial reform is one of the most sensitive reforms announced for 2026. Please tell us, in general terms, what changes it will bring and why it is absolutely necessary at this moment. At the same time, why was it not implemented earlier?

- First of all, we are talking about the reform of local public administration. I believe this reform is long overdue. Although several governments have understood its necessity, they have not assumed it. Today, however, we have the opportunity to implement it in 2026, after the parliamentary elections and before the local elections in 2027.

In essence, if we do not begin implementation already this year, the reform will no longer be able to be carried out adequately afterward. Any serious reform of local public administration entails reducing the number of town halls and district councillors, which also involves interrupting the mandates of locally elected officials—an aspect we are treating with the utmost responsibility.

For this reason, it is essential to align the reform timeline with the electoral calendar. The data clearly show that out of 10 families who do not have access to water and sewerage, 8 are located in localities with fewer than 3,000 inhabitants. Over

the past 10 years, approximately half a million citizens have left the jurisdiction of these municipalities. The smaller the locality, the more pronounced the exodus—either to other countries or to larger cities, where living conditions are better.

Through this reform, we aim to consolidate teams and resources so as to eliminate situations in which the majority of families without access to basic services are concentrated in small communities. This is not a coincidence, but a structural problem, which we intend to address directly through this reform.

Modernization through digitalization

- You recently stated that “the maps are not the problem, but the capacity of local administration.” What exactly did you mean by this, and how does this shift in paradigm translate in concrete terms?

- It is natural that there are numerous discussions on this topic, and I am glad to see a diversity of views regarding the reform. However, for the most part, these debates focus almost exclusively on the number of municipalities and on what the administrative map should look like.

In this context, it is clear that we need administrative consolidation of municipalities and district councils, but this alone is not sufficient. The discussion about the map is important and necessary, but it does not solve the underlying problem. As long as we do not rethink how public authorities function, are financed, and are organized, the changes will remain limited.

At present, we have a local administration structure established 20–30 years ago, insufficiently digitalized and lacking effective mechanisms for interaction with citizens and the business environment, including through a genuine “one-stop shop.” In addition, there is a major shortage of specialists in key areas such as project management or public procurement—functions that are essential for local development.

These aspects need to be brought to the centre of the discussion, beyond how the country’s administrative map will be redrawn.

- The concept currently discussed publicly includes several scenarios for administrative-territorial re-organization, including reducing the 32 districts to 8–10 units or even to 5 regions. However, which is the realistic scenario toward which the Government is heading, and what criteria will underpin this decision?

- Starting from 2015, districts began to gradually lose their competences, their mandate, and their relevance, as a series of functions—especially in the fields of healthcare and social assistance—were taken over at the

central level. At the same time, important changes were introduced in the fiscal-budgetary framework of local public authorities. In the coming period, competences in the field of education are also set to be transferred.

In this context, these entities need to be rethought and reoriented, with a clear focus on regional development. I believe that districts can continue to play an important role, particularly in driving regional development, managing service networks and road infrastructure, as well as in stimulating inter-municipal cooperation.

Starting from 2028, these structures will have the capacity to implement projects financed also from European funds, especially pre-accession funds. This is the logic that has underpinned our vision. In this regard, reducing the number of districts would allow for the creation of more efficient, better-sized structures that are more capable of meeting these objectives.

Risks and challenges

- In your opinion, what are the biggest risks of this reform during its implementation? I am referring in particular to possible political blockages, resistance at the local level, or a lack of resources—and to what extent these are already anticipated and being managed?

- As you mentioned, this is a sensitive reform, implemented in a context where the risk of disinformation is high. There are actors who may use this process to divide communities and society, which is why communication and consultation with citizens are essential. It is important to clearly explain why this change is necessary and how it can be carried out.

In this regard, we have relied—and continue to rely—on the voluntary amalgamation process. We want to stand alongside locally elected officials when they decide to consolidate their administrative capacities, and we provide concrete incentives in this direction, which we have tripled in volume. We intend to invest more in localities, in services, and, more broadly, in improving citizens’ standard of living.

At the same time, we are talking about a complex reform. Our task, including mine as coordinator, is to ensure that there is sufficient institutional capacity to implement these changes. We are not referring only to the amalgamation process, but also to strengthening teams, accelerating digitalization, bringing services closer to citizens, and maintaining social cohesion at the local level.

Positive signals and financial incentives

- The reform is based on the principle of voluntary amalgamation. In practice, how “voluntary” is this

process, given the financial incentives provided? Is there a risk that, in the absence of sufficient results, the Government will later resort to mandatory amalgamation, based on the existing legal framework?

- We have both options on the table and are preparing them in parallel. For the time being, the signals are encouraging: there are over 350 decisions at the local level to initiate the voluntary amalgamation process. We do not exclude that in some localities locally elected officials may decide not to take part in this process, but it remains to be seen to what extent this will happen.

As I recently mentioned in Parliament, it is important to follow the lead of mayors who consciously take on difficult decisions—including giving up their own municipality—in the interest of the community. In the discussions we have had with many of them, they have emphasized that they are willing to take this step, but they need the guarantee that their localities will subsequently benefit from concrete advantages.

For this reason, we have decided to triple the financial incentives for localities that opt for voluntary amalgamation, and we continue to invest more in their development.

At the same time, this reform must also be viewed in the broader context of the Growth Plan, financed from the €1.9 billion provided by the European Union for the period 2025–2028. Starting from 2028, the Republic of Moldova will also have access to pre-accession funds. In essence, this reform represents a necessary preparatory stage in order to be able to leverage these resources and transform them into better public services and a higher standard of living for citizens.

European funds, but do we have the capacity to absorb them?

- A central argument of the reform is that larger administrative units will be able to directly attract European funds. Do these future entities have the real capacity to manage such projects?

- We need to build this capacity—and this is the lesson offered by the experience of other countries that were previously in the position of the Republic of Moldova. States that prepared in advance and strengthened their administrative and absorption capacity managed to use European funds and programmes much more efficiently. By contrast, those that overestimated their level of preparedness or did not invest sufficiently in these capacities did not achieve the same results.

Over the past 4–5 years, I believe that the Republic of Moldova has demonstrated that, in a relatively short period of time, when there is mobilization and cohe-

sion, ambitious objectives—sometimes considered impossible—can be achieved. I am referring here also to the support provided to refugees from Ukraine or to the management of a difficult transition in the field of energy security.

We have also demonstrated this by obtaining candidate country status to the European Union, and in 2025, despite multiple challenges, we recorded the best progress. If we manage to focus on clear priorities and maintain cohesion and the capacity to act, I am convinced that we can successfully carry through this essential reform as well.

Criteria and tangible benefits

- What criteria will underpin the new organization: population, economic capacity, access to services, or political criteria?

- First of all, with regard to the voluntary amalgamation of municipalities, there is a minimum criterion related to population—the threshold being set at 3,000 inhabitants. Beyond this criterion, we can already see several models in practice: in Ungheni district, for example, 7–9 villages are set to merge, and recently, in Rezina district, a similar decision was taken for 10 villages. There are also numerous cases in which 3–4 villages to amalgamate voluntarily.

In this sense, the new administrative map of the country is not imposed by the Government, but is shaped by locally elected officials. The role of the Government is primarily to facilitate this process and to ensure that the benefits of the reform reach communities and citizens.

- What does a citizen from a small village concretely gain as a result of this reform?

- As I mentioned, out of 10 families who do not have access to water and sewerage, 8 are located in small localities. Under these conditions, the chances that essential services—such as water supply and sewerage, waste management, or the rehabilitation of roads and bridges—will reach these communities more quickly are higher if they are managed in a consolidated manner.

At the same time, there is a greater likelihood that these services will be maintained at an affordable cost when they are managed by stronger municipalities with larger budgets. Such an administration will have not only increased financial resources, but also a better-trained team, more capable of managing development projects.

This is, in fact, the real opportunity to provide these communities with quality public services that citizens have been waiting for years. In essence, this is also the central stake of the reform.

- Thank you!

Editorial

We modernize or risk drifting away from citizens

Editorial by Mădălin Necșuțu, journalist TVR Moldova

The local public administration reform has generated political debates in both the physical and virtual public sphere in the Republic of Moldova. It is one of those topics that appear technical only at first glance. In reality, it directly affects how the state reaches the citizen, how public funds are distributed, who decides the development of localities, and how prepared the Republic of Moldova is to function as a European state. For this reason, the discussion about reducing the number of districts, merging localities, and reorganizing public services is not merely an administrative debate. It is a debate about the future of this state.

The authorities presented the concept of the local public administration reform on April 8, 2026. It entails reducing the number of districts from 32 to 10 and setting a minimum threshold of 3,000 inhabitants for municipalities. At the same time, the process of voluntary amalgamation is expected to be simplified, and financial incentives for localities that agree to merge are to be increased. According to the Government, there are already over 320 decisions to initiate voluntary amalgamation that have been approved.

Why the reform is necessary

The Republic of Moldova today has an excessively fragmented local administration. Many small municipalities manage communities with low populations, limited budgets, and minimal administrative capacity. Under such conditions, local administration often ends up functioning more as a counter for institutional survival rather than as a real engine of development.



Mădălin Necșuțu, journalist TVR Moldova

A small municipality may know very well the needs of its people, but it does not always have the specialists, resources, or project-design capacity for serious investments. It cannot easily hire experts in procurement, urban planning, fund absorption, digitalization, or social services. It cannot prepare large-scale projects and cannot ensure substantial co-financing. In many localities, the mayor and a few employees carry almost the entire administrative apparatus on their shoulders.

From this perspective, the reform has a solid logic. Larger administrative units can mean stronger budgets, more qualified staff, shared public services, and a better capacity to absorb funds. Instead of dozens or hundreds of municipalities competing for limited resources, the state could build stronger administrative communities, capable of planning development in the long term.

The European argument

The necessity of the reform becomes even clearer when viewed through the lens of accession to the European Union. European integration is not achieved only by passing laws in Chișinău or through negotiations in Brussels. It is also achieved

ved through the capacity of local administrations to implement public policies, manage European funds, and provide services comparable to those in member states.

In the EU, regional development and the absorption of funds are closely linked to local and regional administrative capacity. The Republic of Moldova cannot enter the logic of European funding with a fragmented, underfunded, and often technically unprepared local administration.

This is precisely why the reform of local public administration is linked to the accession process not only symbolically, but in practical terms. The European Union supports the modernization of local administration in the Republic of Moldova, including for better public services and stronger institutional capacity.

If the Republic of Moldova wants to truly benefit from closer integration with the EU, localities must be able to prepare projects, comply with procedures, manage investments, and deliver results. Otherwise, the risk is that European funds exist on paper, but cannot be effectively absorbed in the territory.

Possible benefits

The main benefit of the reform would be the strengthening of administrative capacity. Larger municipalities and fewer districts could allow for better coordination of public services. Water supply, sewerage, local roads, lighting, transport, sanitation, social services, or digitalization can be managed more efficiently at a larger scale.

A second benefit is the professionalization of the administration. A larger administrative unit can attract better specialists, can establish functional departments, and can work more professionally with external funding. At present, many small municipalities lack both sufficient staff and the necessary expertise for complex projects.

A third benefit relates to equity. In its current form, the quality of public services depends very much on local capacity. Some communities have active mayors and projects, while others remain stuck due to a lack of funds and personnel. A well-designed reorganization could reduce these disparities and provide citizens with services of more comparable standards, regardless of the locality in which they live.

Arguments against

However, the reform is not without risks. The first argument against it is related to the distance between the citizen and the administration. In small villages, the municipality is often the only state institution that still has direct contact with people. If the reform is perceived as moving decision-making further away from the citizen, it will generate frustration and resistance.

For a resident of a small community, it is not enough to be told that the new administration will be more efficient. They will ask simple questions: where do I go for a document? who fixes my road? who listens to me when I have a problem? If the answers are not clear, the reform will be seen as a loss, not as progress.

The second argument against it is the risk of symbolic depopulation of villages. In many communities, the disappearance of the municipality may be perceived as the disappearance of the locality's status. Even if the village remains on the map, people may feel that their locality is becoming an administrative appendage of a larger commune.

The third risk is the politicization of the reform. Any administrative redrawing changes local balances, electoral influence, and centers of power. The fact that the reform is being discussed ahead of the 2027 local elections may fuel political suspicions. According to public information, the new administrative-territorial structure is expected to be approved in 2026, but to enter into force after the 2027 local elections, while some changes regarding local public finances are to be applied starting in 2028.

This phasing may be administratively rational, but politically it will inevitably be contested. This is why the Government must explain very clearly the criteria of the reform and avoid any impression that the administrative map is being redrawn for electoral advantage.

The risk of a reform only on paper

The greatest pitfall is for the reform to be reduced to a mere change of the map. If the Republic of Moldova moves from 32 to 10 districts but retains

the same bureaucratic practices, the same lack of staff, and the same dependence on the center, then the reform will be more cosmetic than structural.

Merging does not automatically produce efficiency. A larger municipality does not immediately become more competent. A larger district does not automatically mean better services. For the reform to work, it must be accompanied by genuine decentralization, predictable funding, digitalization, professional training, and clear accountability mechanisms.

Otherwise, there is a risk that citizens will lose the proximity of the old administration without gaining the quality of the new one. This would be the most dangerous scenario: a reform that generates political and social costs but fails to deliver visible benefits.

What must be guaranteed to the citizens

For the reform to be accepted, the Government must start not from the map, but from the citizen. People need to know what services they will receive closer to them, not further away. There must be local service points, functional digital services, administrative transport where needed, and mechanisms through which smaller villages are not ignored by the new administrative centers.

In addition, the identity of communities must be protected. Administrative reform should not mean the symbolic disappearance of villages. Localities can be part of larger structures without losing their name, memory, traditions, and representation.

Equally important is financial transparency. If the state promises incentives for amalgamation, people must clearly see how much funding is provided, for which projects, who manages it, and what results are achieved. Without quick and visible results, the reform will remain vulnerable to political manipulation.

A necessary, but not sufficient, reform

The reform of local administration is necessary. The Republic of Moldova

cannot build a European state with a fragmented, underfunded, and unequal local administration. It cannot effectively absorb European funds with municipalities that lack specialists. It cannot reduce disparities between localities without stronger administrative capacity.

But the reform is not sufficient in itself. It will not automatically resolve local corruption, the lack of investment, migration, or rural depopulation. It will not transform municipalities overnight into European-style institutions. It will only create the framework. The substance will depend on how the state invests in people, rules, funding, and services.

Conclusion: the real test of Europeanization

The Republic of Moldova needs this reform not because Brussels demands it, but because the current administrative model can no longer sustain the country's development. Accession to the European Union requires a functional state down to the last locality, not just reformed central institutions.

The stakes are enormous. If the reform is carried out transparently, gradually, and with care for communities, it can become one of the most important modernizations of the Republic of Moldova. It can create stronger local administrations, better services, and a real capacity to make use of European opportunities.

If it is done hastily, politically, or without guarantees for citizens, it may produce the opposite effect: distrust, local resistance, and the feeling that European integration means decisions imposed from above.

The real question is not whether the Republic of Moldova needs local administration reform. It does. The question is whether the state will manage to carry it out in such a way that citizens feel that Europe is coming closer to them, not that the municipality, in the fullness of its functions, is moving further away from them.

The National Alternative Movement primarily supports the concept of municipalization

M*MP of the Party Movement Alternative National (MAN), Olga Ursu, gave an interview for the FES/APE Foreign Policy Bulletin, in which we discussed the vision of the opposition party she represents regarding how the reform of local public administration should be designed. We addressed the models applied in other European states and what would be the most suitable pattern that the Republic of Moldova should follow within this crucial reform, also requested by the EU. We invite you to read the full interview in the lines below:*

- Ms. Ursu, the administrative-territorial reform has returned to the Government's agenda. How do you assess this initiative from the perspective of MAN—is it a necessary reform or one that is being politically rushed?

- From my point of view, as someone working in local public administration and taking into account the constant dialogue, including with the Congress of Local Authorities from Moldova (CALM), I consider that the reform of local public administration is strictly necessary and inevitable.

Undoubtedly, it is also necessary from the perspective of EU accession. The current system is far too fragmented for the size of the population we have and, unfortunately, inefficient in certain rural areas where the population is very small.

We have municipalities with limited fiscal and administrative capacities, with an extremely narrow tax base. All of this, however, is the consequence of how the system has been managed in recent years—not only in the last 6–7 years, but even over the past 15 years—a period during which many services have been centralized, while fiscal decentralization has not taken place to the necessary extent.

For this reason, the MAN Party also supports this reform. However, the essential question is not when we carry it out, but how it will be implemented.

We have analyzed the concept that has been presented, one that was launched relatively late. At present, there is no final document that could be submitted to Parliament for approval. What we have is, rather, a well-structured analysis—a diagnosis. We therefore have the diagnosis, but not the treatment.

In this context, the question is whether we are talking about a genuine structural reform or merely a readjustment, as the presented concept seems to suggest.



Olga Ursu, MP of the Party Movement Alternative National (MAN)

Valid arguments, but partial

- Reducing the number of districts and territorial reorganization represent one of the central ideas of the reform. Do you consider that this model is suitable for the Republic of Moldova?

- The Government frequently invokes the argument that this reorganization of local public administration is necessary in the context of European integration. We are told that, in one way or another, the EU requires the Republic of Moldova to carry out this reform, including in order to be able to absorb more efficiently the European funds that will follow.

This argument is valid, but only partially. I believe that the problem of the Republic of Moldova is not limited to the size of the administrative-territorial units, but, to a very large extent, to the lack of genuine fiscal decentralization—an issue we raise every time.

The Alternative National Movement, as well as myself personally, rather support the concept of municipalization, a topic that is being discussed more and more frequently. It is a well-argued position, also supported by the Congress of Local Authorities from Moldova (CALM) and by several experts, given that districts represent an outdated structure.

It is not only about terminology, although there have been numerous discussions on this aspect as well. As long as districts are maintained as a structure, they will continue

to act as intermediaries redistributing resources, as is happening at present, often on political grounds.

In my view, a proper, genuine, and effective reform can only be achieved through municipalization, not by preserving the existing structure. Municipalization implies eliminating the intermediate tier—second-level local public administration—and strengthening towns through the integration of adjacent territories.

- Is there a risk that this reform could lead to an excessive centralization of power in Chişinău? In your opinion, what should a balanced model between local autonomy and administrative efficiency look like?

- Certainly, the risk of excessive centralization is one of the most widely discussed aspects in the context of the local public administration reform currently proposed by the Government. However, it is not automatic that a larger administrative-territorial unit will also benefit from greater financial autonomy.

As long as these newly amalgamated, territorially expanded units do not also have sufficient resources to carry out their responsibilities, the reform will not produce the expected effects. In such a case, it risks being limited to mere territorial—and possibly political—resizing.

Moreover, the recent amendments to the law on amalgamation—particularly the removal of the proximity criterion and the requirement for a qualified vote of local councils over a longer period—can be interpreted as pointing rather toward a political reshaping. In this sense, there is a risk of increased centralization, including along political lines, around the current governing power.

Older promises

- The authorities are promoting the concept of voluntary amalgamation. How realistic is this under the current conditions? Do you consider that financial incentives are sufficient to convince small municipalities to accept this reform?

- The Government has been promoting this voluntary amalgamation not just recently, but for approximately three years. Throughout this period, various financial incentives have been announced—investments, grants, technical support, and others.

However, if we look at the reality on the ground, we see that the results are very limited. Out of the 898 local public authorities in the Republic of Moldova, only two clusters have successfully gone through the voluntary amalgamation process.

This suggests that the mechanism has not worked. Either the financial incentives have been insufficient, or there have been other issues. In my view, beyond the lack of resources—in a context where investment needs in infrastructure are very high (roads, lighting, water supply and sewerage networks)—there has also been a lack of long-term predictability of these investments.

Localities are promised investments in the first years after amalgamation, but there is no clarity regarding their continuity and sustainability in the long term. This aspect is essential and explains why the trust of local authorities in this process remains fragile.

At the same time, we hear that, if voluntary amalgamation does not take place, the Government is considering a “normative amalgamation.” A term that sounds technical, but which, in essence, can be interpreted as a form of forced, top-down amalgamation.

The message conveyed to localities is that, in the absence of voluntary amalgamation, access to European funds and state investments could be limited. This has, in fact, been one of the factors that led some localities to enter the process.

At the same time, there are numerous signals regarding how this process is being carried out. In some cases, mayors are not involved, and, according to positions expressed including by the Congress of Local Authorities from Moldova (CALM), the voting threshold required for decision-making has been reduced—from a two-thirds majority to a simple majority.

I believe that any territorial change should, first and foremost, reflect the will of the citizens. At a minimum, extensive consultations are needed, and the most appropriate solution would be to organize a referendum, either local or national.

In this logic, MAN continues to support the organization of a referendum, because not only a majority of councillors should decide, but the citizens themselves. They are the ones who must decide whether they want amalgamation, what impact on local identity they are willing to accept, and what expectations they have in terms of investment and development.

In this context, the amendments recently adopted in Parliament raise serious questions regarding the direction and fairness of the process.

Examples from other countries

- The reform is presented as a solution for improving the efficiency of public spending. Do you consider that it will generate real savings or rather a redistribution of resources? Will the new administrative entities be able to attract European funds without the support of the central authorities?

- Even the Government has acknowledged that the reform will not generate savings in the short term; on the contrary, it will lead to increased expenditures in the initial phase.

As far as I am concerned, the argument that merged municipalities will automatically have a better capacity to access European funds is not entirely convincing. We have

the example of Romania, where local authorities did not merge in order to access funds, but rather strengthened their institutional capacities.

Local authorities have hired experts for project development, outsourced consultancy services, and formed partnerships or clusters to jointly access European funds.

Therefore, any potential savings may arise only to the extent that administrative overlaps are eliminated—and here the discussion returns to the need to abandon outdated structures such as districts.

For the reform to be effective, three elements are essential: (1) genuine fiscal decentralization; (2) delegation of responsibilities accompanied by the necessary financial resources; and (3) strengthening institutional capacities.

A concrete example relates to the remuneration of staff involved in managing externally funded projects. Starting this year, the salary bonus has been limited to 50%, compared to 75% in previous years. For a young specialist in local public administration, this aspect is essential, as it directly affects the attractiveness of these positions.

In theory, larger administrative entities could have easier access to European funds. In practice, however, without internal institutional capacity or specialized external support, this remains difficult to achieve. Territorial expansion, in itself, does not solve the underlying problem.

Risk of politicization

- The reform is being prepared in a pre-election year. Do you believe there is a political stake behind this process?

- When such reforms are initiated on the eve of elections or in an electoral year, they naturally raise a number of questions.

I believe that reforms of this kind must go beyond electoral cycles. They should be planned and implemented over the longer term and, most importantly, benefit from broad consensus. This is because we aim for a reform that is fair, genuine, and irreversible. It is an essential reform for the administrations of the Republic of Moldova, and its objective should unequivocally be its success.

The success or failure of such a reform depends not only on the idea itself, but especially on how it is implemented. For this reason, it is important that it enjoys broad support and is carried out properly. In the absence of certainty regarding the optimal way of implementation, it would also be useful to pilot certain solutions before scaling them up at the national level.

- The Government links this reform to the European path. Is this connection justified, or is it rather a political argument?

- The Government tends to associate almost every reform, amendment, or legislative initiative with the European

path. However, the citizens of the Republic of Moldova have already expressed their choice in this regard, including through the referendum on European integration.

As for the absorption of funds, this depends, first and foremost, on the capacity of local authorities. It is not necessarily true that a larger administrative unit will access funds more easily. If we look at the funding directions discussed, including at the level of the European Commission, these are, in the next EU budget cycle, largely oriented toward central authorities.

Therefore, there is also a trend toward centralization at the European level. In my view, this is a debatable approach, as local authorities have the capacity to implement projects more quickly and more efficiently.

As long as local public administrations do not benefit from direct funding, but rather receive it through central authorities, there is a risk of politicization of investments and delays in implementation. By contrast, direct funding would contribute to depoliticizing allocations and would allow resources to be directed precisely where they are needed.

Mayors and local councillors are the ones who best understand the needs of their communities. In this sense, projects designed and implemented directly at the local level could respond more adequately to these needs compared to centralized programmes, such as “European Village.”

Sound foundations for the reform

- If the reform is implemented in its current form, do you consider that it will contribute to strengthening local public administration, or, on the contrary, does it risk generating new structural problems?

- If the reform is limited merely to changing the territorial boundaries of localities, its effects will be negligible, and its implementation risks not being properly carried through to completion.

The essential pillars of a genuine reform are decentralization, the delegation of competences, increasing the own revenues of local public administrations—not only those derived from transfers—as well as digitalization and the development of integrated services.

The objective should be to bring public services closer to the citizen. In its current form, however, the reform seems rather to move these services further away, to diminish the role of local public administrations, and to continue excessive centralization.

In essence, we are dealing with a resizing of centralization, not with a genuine reform.

- Thank you!

The administrative-territorial reform does not take place in a political and social vacuum, but at a historic moment

The Director of the Public Administration School within the Moldova State University, Sergiu Palihovici, gave an interview for the FES/APE Foreign Policy Bulletin, in which we addressed the main dimensions of the administrative-territorial reform. The discussion covered both the reform of public administration as a whole and that of local public administration. We discussed how this reform should be carried out, in relation to the Government's objectives, but also to the real needs of the Republic of Moldova in the field of local administration. We addressed both the opportunities and the risks entailed by these complex reforms. We invite you to read the full interview in the lines below:



Sergiu Palihovici, the Director of the Public Administration School within the Moldova State University

- Mr. Palihovici, the administrative-territorial reform is returning to the forefront after several years of stagnation. How do you assess this renewed focus: is it an inevitable reform for the Republic of Moldova, or one driven by the political context? Why did previous governments avoid this reform—was it a matter of lack of vision or was the political cost simply too high?

- Both. The issue is not the necessity of this reform—this is indisputable. The real question is whether the reform will take the form of a genuine reform effort, understood and supported by a broad majority of actors in society, or whether it will turn into an electoral exercise, dictated by the political context of the party in power.

An assumed, participatory reform, supported by a high degree of social cohesion, requires clear answers, predictable actions, credible financing, real decentralization, and the protection of local autonomy. By contrast, a reform driven by political expediency translates into political pressure, unfunded financial promises, and the use of administrative-territorial reorganization as an instrument of political repositioning.

In other words, the reform is inevitable, but its success is not guaranteed. This also explains why several governments have so far avoided adminis-

trative-territorial reorganization. It was not a lack of vision, but rather a political cost that was too high, in conditions of significant uncertainty regarding the outcome of the reform.

This risk persists today and takes on an almost existential dimension for the Republic of Moldova, especially in the context of its European path. Even a well-designed and properly implemented reform will not generate immediate benefits, and this gap between costs and results may have significant consequences at a strategic moment for our society, which aspires to integration into the European Union.

Suitable models

- At the same time, what model should the Republic of Moldova follow: a more centralized one or one based on strengthened local autonomy? What risks do you identify in an excessively centralized model, compared to one that is overly decentralized?

- Administrative-territorial reorganization represents only one element of the reform of public administration in general, and of local public administration in particular. The central elements of this reform are

decentralization, in all its forms, and the strengthening of local autonomy. If we truly want a professional, engaged, and efficient local public administration, then the centralized model of managing public affairs is, in essence, the opposite of decentralization and local autonomy.

However, these models should not be absolutized. Each has advantages and disadvantages, opportunities and risks. In practice, there are no states that are fully centralized or fully decentralized.

The choice of the appropriate model for the Republic of Moldova depends, first and foremost, on the capacity of public authorities, at all levels of governance, to manage public processes effectively. An appropriate formula would be that of a unitary state, with strong institutions both at the central and at the local level, and with a balanced distribution of competences, depending on the existing administrative and institutional capacities.

For these reasons, the reform of local public administration—including through administrative-territorial reorganization—must aim at developing real capacities at the local level. This does not mean only the transfer of responsibilities, but also the provision of the tools and resources necessary to exercise them, so as to stimulate decentralization and strengthen local autonomy.

Voluntary amalgamation: between limits and realities

- The concept of voluntary amalgamation— is it realistic in the current context, or does it rather represent a preliminary stage toward mandatory decisions? In your opinion, what would motivate small villages to accept such a merger? At the same time, how do you assess the idea of reducing the number of districts and creating larger administrative units? What would be an optimal number of such units, given the profile of the Republic of Moldova?

- Like any initiative based on voluntariness, the voluntary amalgamation of local administrations has its limits. It can function where several essential conditions are met: the existence of an economic and financial rationale, community and ethnic compatibility, geographical proximity, a genuine participatory process—free from disinformation and manipulation—as well as strong local leadership willing to assume political costs.

From the perspective of administrative sciences, voluntary amalgamation, alongside inter-municipal

cooperation and decentralization, represents preliminary stages toward a possible normative—that is, imposed—reorganization. In other words, normative intervention should be residual: where voluntary instruments have not produced results, mandatory measures are introduced.

According to the Government's strategic documents, this scenario also appears likely in the Republic of Moldova. The problem is that voluntary instruments have not been sufficiently developed and have not produced effects, which means that the ground has not been prepared for a normative reorganization.

This lack of preparation creates not only the perception, but also the real risk that the reform will be seen as imposed, top-down, which may seriously affect its legitimacy. In fact, the Government itself has acknowledged, in the interim report on voluntary amalgamation, a number of shortcomings: complicated procedures, limited institutional capacity both at the local and central levels, the absence of a clear and predictable timeline, as well as an incentive system that is insufficient and difficult to use.

As for the reorganization of districts, reducing their number to around 10 may be considered a logical measure. What remains less clear, however, is the mandate of these new structures. The Government's concept assigns them a role in regional and economic development—strategic planning, infrastructure, attracting EU funds.

The problem is that these functions are already, to a large extent, carried out by Regional Development Agencies (RDAs). Thus, there is a clear risk of overlapping competences.

Under these conditions, it remains unclear what the new district will essentially represent: a second-level authority with its own competences, a mini development region, or a hybrid structure. It is precisely this ambiguity that is risky.

In a functional institutional architecture, it must be clear who plans, who decides, who implements, who finances, and who assumes political responsibility. Without this clarity, the reform risks generating additional confusion and inefficiencies.

Efficiency gains and reduction of expenditures

- The reform is presented as a solution for improving the efficiency of public spending. In your opinion, will it generate real savings or rather a redistribution of resources? Are there credible estimates

regarding these savings, or are we mainly dealing with an argument of a political nature?

- The reform of local public administration, including administrative-territorial reorganization, should not be presented as a solution for reducing expenditures. The main stake lies elsewhere: the efficiency of administration and the generation of added value—in local development, in the quality of public services, and, more broadly, in the well-being of citizens.

The redistribution of resources does not necessarily mean their reduction, but rather a more efficient use— “placing resources where they generate the greatest impact.” This implies, on the one hand, optimizing certain categories of expenditures and, on the other, redirecting funds toward priority areas.

The existing resources at the level of local public administration should be maintained and even strengthened. The objective of the reform is not saving per se, but increasing the efficiency and impact of public spending.

It is to be expected that the reform will generate costs, especially transition costs, and the results will not be immediate. We will not necessarily spend less, but rather spend better and more rationally.

These perspectives, however, are valid only to the extent that the reform is carried out on the basis of the principles of genuine decentralization and the effective guarantee of local autonomy.

If you were to formulate, in 2–3 principles, what a successful administrative-territorial reform in the Republic of Moldova should look like, what would these be?

The expression “administrative-territorial reform” in itself implies a positive outcome, with an impact on the problems that this process aims to address.

Starting from this premise, a few basic principles can be formulated to ensure such a result:

A successful administrative-territorial reform (ATR) must enjoy a high degree of legitimacy. Given that it represents one of the most important actions of state reform, ATR must be the result of a joint effort of the entire society. This effort also presupposes a certain level of social cohesion around this objective. In other words, the reform should not be merely a governmental action, but one that is designed, supported, and implemented at the level of the whole society;

ATR must be implemented on the basis of the principles of decentralization and the full guarantee

of local autonomy. A reform carried out within this framework constitutes the premise for sustainable development, both from an economic and social perspective, as well as from a democratic one.

The need for fiscal reform

- Without a fiscal reform at the local level, can administrative-territorial reform truly function, or do we risk merely redrawing the map without changing reality? Should municipalities benefit from greater autonomy in revenue collection, or is there a risk that this could deepen inequalities between regions?

- Without fiscal reform, administrative-territorial reorganization risks remaining a mere redrawing of the map. The relationship between the two is one of interdependence: no fiscal reform can compensate for excessive administrative-territorial fragmentation, and without reducing it and increasing administrative capacity, fiscal adjustments remain partial and insufficiently effective.

An adequate fiscal reform, in this sense, represents a precursor to local autonomy. At present, 60.5% of the revenues of first-level local public administrations and 73.4% of the revenues of districts come from transfers from the state budget, which indicates a significant dependence on the central level.

As for autonomy in revenue collection, this is a more sensitive issue. In my view, local public authorities need greater fiscal autonomy, but within a balanced model.

This would involve a genuinely broader space for managing local taxes and duties, a more solid base of own revenues, and greater predictability in relation to transfers from the state budget. At the same time, in order to avoid deepening imbalances between localities, a robust equalization mechanism is necessary, one that combines autonomy in revenue collection with effective fiscal equalization.

The issue of human resources

- Will the new administrative units have the real capacity to attract European funds without Government support? How do you assess, in this context, the shortage of specialists on the market in the preparation of European projects?

- Consolidated administrative-territorial units will indeed have greater chances of attracting European funds. However, they will not be able to fully capitalize on these opportunities without the

existence of a support ecosystem. And this is not only about Government support. Future counties (districts), development regions, the academic environment, experts, and civil society active in this field are all essential components of this ecosystem.

The capacity to attract funds must be strengthened through training and professional development and, in many cases, built practically from scratch. The problem is both institutional and related to human resources. There are not enough specialists in this field, and even if an adequate institutional framework existed, the current level of remuneration is not sufficiently attractive to recruit and retain talent.

At the same time, the shortage of specialists is not the only—or even the main—problem. A major challenge is the absence of a coherent and phased system for managing funding opportunities. For this reason, the clear delineation of competences between levels of government must explicitly include responsibilities related to attracting and implementing externally funded projects.

Risk of politicization

- The reform is planned to be implemented by the time of next year's local elections. In this context, how significant do you consider the risk that it will be perceived as a political instrument?

- The risk is very high. The political calendar, linked to the upcoming local elections in 2027, overlaps with the stages of administrative-territorial reorganization, which makes it almost inevitable that this initiative—conceived as a reform—will be interpreted through a political lens.

This is precisely why the level of social cohesion built around this reform is essential. A reform that benefits from broad societal support becomes, in practice, a “closed chapter” for political competition: it can no longer be easily instrumentalized. Previous experiences show that, in the absence of such consensus, the risk of politicization increases significantly.

It is important to emphasize that the perception of politicization does not automatically mean that the reform is wrong. Administrative-territorial reform is inevitable; however, the outcome of its implementation remains less predictable. A reform may be necessary, but poorly managed or communicated—and this is the major vulnerability.

From this stem the real risks, which may go beyond the political cost for the governing authorities. The loss of public legitimacy for a reform of such

magnitude can have deeper societal consequences, including for future democratic processes, especially those related to support for the European path of the Republic of Moldova.

The need for legitimacy

- In your opinion, what are the main risks in implementing this reform: resistance at the local level, lack of administrative capacity, or political will? Or do you identify other relevant risks as well?

- You have already addressed this question, at least partially. Political will, limited administrative and institutional capacity—both at the central and local levels—as well as resistance, not only at the local level, represent some of the major risks in implementing this reform.

However, the main risk relates to the deficit of public legitimacy. This dimension is all the more important in the current context of the Republic of Moldova, which is undergoing an accelerated process of accession to the European Union.

Administrative-territorial reform does not take place in a political and social vacuum, but at a moment when society must support a major strategic objective—European integration. Under these conditions, social cohesion, trust in public institutions, and the acceptance of structural reforms become essential resources for the success of this path.

A reform perceived as imposed, excessively disruptive, or associated with the loss of local identity may amplify public concerns, fuel polarizing narratives, and reduce the legitimacy of public institutions.

A test before Brussels

- To what extent is this reform an implicit condition for the European integration of the Republic of Moldova? Are European models directly applicable, or does Moldova need its own solution?

- The local public administration reform in general, and administrative-territorial reform in particular—alongside the reform of central public administration—represent important implicit conditions in the European integration process. However, they are not formulated as explicit requirements of the type “without administrative-territorial reform, there is no accession.” The European Union does not impose on the Republic of Moldova a specific administrative map or a predetermined number of districts or municipalities.

What is required instead is administrative capacity, functional public services, multi-level governance, coherent decentralization, and the effective implementation of reforms.

In the reports of the European Commission, public administration reform is addressed under the “fundamentals” chapter, which underlines its essential role as a precondition for delivering on the reform agenda.

In other words, the link between the reform agenda and the EU accession process is a functional one. There is also a clear financial dimension: the Growth Plan for the Republic of Moldova, worth €1.9 billion, conditions access to funding on the implementation of reforms that transpose the *acquis communautaire* and accelerate the accession process.

The European Administrative Space is complex and heterogeneous, which is why there is no single model applicable to all states. Consequently, there is no “perfect” model for the Republic of Moldova. There are, however, good practices and relevant experiences that can be adapted, without attempting to reinvent solutions that have already been tested.

For this reason, both the European Commission and the Council of Europe place emphasis more on principles than on fixed models. Genuine local autonomy, decentralization, clarity of competences, adequate resources, administrative capacity, and democratic participation are the pillars recognized at the European level as the foundation of effective governance, both at the central and local levels.

- If this reform is not implemented or not fully carried out, what does the Republic of Moldova stand to lose in the long term: administrative efficiency, European funding, or even credibility in the eyes of external partners?

All three—and more. I will try to synthesize:

We lose *time*—because we delay modernization and, consequently, development;

We lose *money*—because we spend a lot and inefficiently, and because we attract fewer new resources;

We lose *capacity*—because local administrations are not sufficiently strong, efficient, and resilient;

We lose *cohesion*—both territorial and social—because development is uneven and we fail to capitalize on the advantages of administrative consolidation;

We lose *credibility*, both internally and externally—because citizens and external partners do not see a state that not only promises, but also delivers.

- Thank you!

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