



*Debate on local public administration reform, 26 May 2026, Chisinau.
Photo source: FES Moldova.*

May 2026

Local Public Administration Reform in Search of Consensus: Four Models and the Need for Sustainable Reform

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Local public administration reform in the Republic of Moldova has entered a phase of intensive public debate. During a roundtable organized by the Friedrich Ebert Foundation and the School of Public Administration of Moldova State University, four distinct visions for the future of local governance were presented in the context of European integration.

The **Government** promotes the voluntary amalgamation of localities and the strengthening of the administrative and financial capacities of municipalities, with the aim of improving public service delivery and enhancing access to European funds.

The **IFAR model**, developed by the School of **Public Administration of Moldova State University**, is rooted in the challenges posed by depopulation and proposes a functional reform based on administrative viability, a balance between efficiency and democratic representation, and the

transformation of districts into approximately ten counties.

CALM considers excessive centralization to be the main problem and advocates for stronger local self-government, the preservation of municipalities, the development of inter-municipal cooperation, and the reorganization of the district level into larger regions compatible with European standards.

The **Civic Congress** proposes replacing the current district structure with approximately **40 self-sufficient municipalities** serving as development hubs around networks of democratically self-governing rural communities. The model places particular emphasis on fiscal decentralization and strengthening local autonomy.

Despite their differences, all four approaches underscore the importance of broad political and social consensus, enhanced financial autonomy, and alignment with European standards of local governance.

News in brief:

European Commissioner for Enlargement Marta Kos stated in Chisinau on 2 June that the first cluster of accession negotiation chapters for the Republic of Moldova and Ukraine is expected to be opened in June, provided that current positive political developments continue. According to the Commissioner, this optimism is based on productive discussions between the authorities in Kyiv and Hungary's new government, which have injected fresh momentum into the EU enlargement process.

Seven members of the Parliament of the Republic of Moldova will undertake a study visit to the United States as part of a professional exchange programme. During their visit, the MPs will participate in activities in Washington, D.C., and the state of North Carolina aimed at facilitating the exchange of best practices in areas relevant to legislative work and strengthening cooperation with representatives of U.S. public authorities.

The separatist authorities in Tiraspol are considering the establishment of a Russian Science and Culture Centre in the Transnistrian region following the decision of Moldova's constitutional authorities to denounce the agreement between the Government of the Republic of Moldova and the Government of the Russian Federation on the establishment and operation of cultural centres.

"We believe it is appropriate to finally resolve the issue of opening a fully operational Russian House in Transnistria in order to ensure comprehensive cultural and humanitarian cooperation between Russia and Transnistria," said Vitaly Ignatiev, the region's de facto foreign minister.

Four Approaches to Local Public Administration Reform: Between Amalgamation, Local Autonomy, and Raions



At a roundtable organized by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University (MSU) in Chişinău on 26 May, all key stakeholders involved in the reform process had, for the first time, the opportunity to present their respective visions for this reform process, which is essential for the modernization of the Republic of Moldova.

As a result of the meeting between representatives of the government, parliamentary and extra-parliamentary political parties, local authorities, and experts, participants outlined four models of LPA reform, with each side presenting the arguments supporting its position. Accordingly, the LPA reform models proposed by the Government, the School of Public Administration of the Moldova State University, the Congress of Local Authorities from Moldova (CALM), and the Civic Congress Party were presented.

The reporters of the FES Foreign Policy Bulletin spoke with each of the actors who proposed a distinct reform model and addressed the same set of questions to all of them. We discussed the broad political consensus needed to ensure the irreversibility of this process, the constructive compromises required, the quality of the reforms, and the number of municipalities and districts/development regions that should result from this comprehensive reform process.

We invite you to read more about all these issues in the pages that follow.

The Local Public Administration Reform Model Proposed by the Government

What do you consider to be the main structural weakness of Moldova's current local public administration system, and why is the reform model you advocate better suited than the available alternatives to address this challenge, especially in light of the country's European integration ambitions and the need to align with European standards of local governance?



Diana Chiriac
Photo: FES Moldova

The main structural problem of the current local public administration system is the limited capacity of many local public authorities. More specifically, it is their limited ability to provide modern, high-quality public services that are closer to the people living in local communities.

Many localities have a limited tax base, insufficient human resources, and difficulties in planning and implementing development projects that would help them develop in line with the needs of their residents.

All these factors generate a high level of dependence. First and foremost, this concerns dependence on financial transfers from the state budget. At the same time, significant development disparities persist between localities, along with a limited capacity to implement European standards at the local level.

The Government's reform concept, which is currently the subject of extensive public discussion, seeks to address these challenges by promoting the voluntary amalgamation of administrative-territorial units, encouraging inter-municipal cooperation, and introducing other measures aimed at strengthening the capacities of local public authorities. The objective is to enable them to fulfil their core functions and develop their communities in accordance with their own needs and priorities.

The reform aims to create stronger, more capable, sustainable, and competitive municipalities. In the context of competition at the European level, we realize that a village in the Republic of Moldova will no longer compete with another village within the country, but rather with localities beyond our

borders. Therefore, it is clear to us that we must be better prepared for what lies ahead and be capable of implementing European projects that will strengthen the capacity of local public authorities and contribute to the development of our communities.

Our concept focuses on human resources, capacity-building, and the professionalization of municipal teams so that they can design projects and access funding dedicated to local development.

Another important element is reducing disparities and preventing the marginalization of certain villages and towns across the Republic of Moldova. Ultimately, the reform seeks to bring the Republic of Moldova closer to the principles of the European Charter of Local Self-Government and to the European principles of multi-level governance, including at the local level.

Citizens at the Heart of the Reform

Local public administration reform inevitably involves a difficult balance between administrative efficiency and local democratic representation. Where do you believe this balance should be struck?

We believe that this balance should be struck precisely where citizens feel represented and heard, where their needs come first, and where, at the same time, they benefit from functional, efficient, and high-quality services.

Today, the Republic of Moldova enjoys broad democratic representation across many local communities. However, the limited administrative capacity of many

local administrations has unfortunately become a major constraint on their development.

A local public administration needs both democratic legitimacy and effective tools to provide quality public services to citizens. We are talking about essential services such as water supply and sanitation, road and infrastructure maintenance, as well as modern social and administrative services.

The reform of local public administration does not call into question the preservation of local identity—community culture, traditions, or festivals. On the contrary, it seeks to bring administration closer to citizens both through administrative consolidation and the strengthening of the mayor's team, as well as through other mechanisms designed to facilitate access to public services that are more accessible and responsive to people's needs.

In this regard, we are talking about the development of Unified Public Service Delivery Centres (CUPS), the introduction of the mayor's representative as a mechanism of local representation, the preservation of community identity, and the consultation and involvement of citizens in the decision-making process.

At the same time, the reform also entails strengthening financial resources through a stronger budget, enabling local public administrations to invest in and develop their communities. The ultimate objective of the reform is to strengthen a local democracy that is functional, efficient, and sustainable.

Preparing for Pre-Accession Funds

What conditions are necessary for voluntary amalgamation to succeed in the Republic of Moldova? Are financial incentives alone sufficient, or will stronger forms of state intervention be required at some stage?

Voluntary amalgamation is one of the instruments through which the Government encourages local public authorities to strengthen their capacities, alongside other mechanisms such as intercommunity development associations, intercommunity cooperation, and intermunicipal cooperation.

We believe that this process can succeed under several essential conditions: the existence of clear financial incentives, the provision of technical and methodological support, and the building of trust between communities. Equally important are clear and consistent communication with citizens and guarantees that public services will improve as a result of the process.

Both the law and the Government decision adopted for this purpose constitute the instruments that have created a concrete, clear, predictable, and enabling framework for the implementation of this process. All these elements are necessary to initiate the transformation and strengthening of local public administration.

The objective is that, over time, administrative capacities will be reinforced and local administration teams will be prepared to access and effectively utilize pre-accession and European funds.

As our colleagues from Romania and other European Union member states have told us, these funds have provided essential support for the development of localities that previously faced low levels of development. They have contributed to the modernization of infrastructure, the improvement of public services, and the reduction of development disparities between communities.

Financial Autonomy or Financial Dependence?

How realistic is genuine financial autonomy for local authorities under the current conditions in the Republic of Moldova, and what specific changes do you consider to be priorities in the fiscal system and the redistribution of resources?

Financial autonomy is one of the most important prerequisites for local public authorities to strengthen their capacities and respond effectively to the needs of the communities they serve.

The economic and institutional analysis carried out as part of the Government's reform concept shows that many local public administrations have limited own-source revenues and remain highly dependent on financial transfers from the state budget.

Under these circumstances, it is difficult to speak of a high degree of local financial autonomy. This is why administrative, fiscal, and budgetary reforms are needed to create the conditions for sustainable local development.

One of the key priorities is the consolidation of administrative-territorial units through the expansion of their financial capacity, the strengthening of the local tax base, and an increase in the share of own-source revenues. Ultimately, these measures should contribute to stimulating local economic development and creating better conditions for accessing pre-accession funds, European funds, and other investment opportunities.

For example, in the field of tourism, the Republic of Moldova has significant potential. We have a picturesque country with many attractive and authentic destinations. I believe that more and more Europeans will be interested in discovering these places, and every locality has something unique to offer—distinct traditions, local characteristics, and experiences that differ from those found elsewhere.

What is important is that financial resources are aligned with the responsibilities and capacities of local public administrations. Voluntary amalgamation and other forms of inter-municipal cooperation contribute to this objective by helping localities become more economically viable and better equipped to manage public resources effectively.

In our view, financial autonomy means giving local public administrations the ability to plan their resources strategically, attract investment, and respond more effectively to the needs of the communities they serve—the villages and towns under their administration.

The Need for Broad Consensus

Almost all participants in the debate organized by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University emphasized the need for broad political consensus to ensure that the reform becomes irreversible. What compromises do you consider possible, and where do you see the red lines of your own reform concept?

That is a very good question. First and foremost, public administration reform requires political continuity, institutional dialogue, and public support in order to deliver lasting results and succeed in the long term.

For this reason, we believe that broad political consensus is one of the key conditions for the success of the reform. At the same time, it is important that the current government, which has taken ownership of this complex and by no means easy reform, is able to continue its course. Naturally, there is always room for compromise and adjustments across different dimensions of the reform. We remain open to dialogue with all partners and political parties that participated in the event and that, alongside the

Government's concept, presented three additional visions for local public administration reform.

At the same time, we must understand that the reform needs to preserve the fundamental principles on which it was built, and these are very clear. First, the European orientation of the reform process. Second, strengthening the capacities of public administration and enhancing local self-government, not only from a financial perspective but also from an institutional and administrative one. Equally important is ensuring that responsibilities are matched with adequate resources and that citizens benefit from better public services.

It does not matter where a citizen lives—whether in the north or the south, in Giurgiulești or Unguri. People need the same basic conditions: good roads, access to water, and quality public services. We are not talking about luxury standards, but rather about the necessary and reasonable standards expected in a country that is progressing toward membership in the European Union.

We believe that this reform must be built exclusively through dialogue and partnership. This is precisely why we maintain continuous discussions with local authorities, conduct outreach across the country, and work closely with groups of municipalities that have adopted decisions on voluntary amalgamation. To date, more than 65 municipalities have become involved in this process.

We engage with development partners, citizens, and locally elected representatives. A sustainable reform must be built, above all, on trust, predictability, and tangible results for communities.

The strongest argument for continuing the reform is that its benefits must be felt directly by citizens. It is evident that these effects will not materialize overnight, as a broad and complex reform such as local public administration reform produces results over time, typically within a period of three to five years.

At the end of this process, local administrations will be more efficient, better prepared, and closer to the people they serve. At the same time, they will create new opportunities for the economic and social development of communities across the Republic of Moldova.

Thank you!

The Local Public Administration Reform Model Proposed by the School of Public Administration of Moldova State University

Mr Palihovici, what do you consider to be the main structural weakness of Moldova's current local public administration system, and why is the reform model you advocate better suited than the available alternatives to address this challenge, especially in light of the country's European integration ambitions and the need to align with European standards of local governance?

The main structural problem of the current local public administration system in the Republic of Moldova lies in the demographic, economic, and institutional erosion of the local governance base. Depopulation has a direct structural impact on local public administration. As communities lose population, the local tax base shrinks, economic potential declines, jobs disappear, and local administrations face increasing difficulties in attracting and retaining qualified personnel.

At the same time, the lack of employment opportunities accelerates migration, while migration further reduces the economic potential of local communities. As a result, a vicious cycle of local fragility emerges: depopulation reduces the workforce and the economic base; a weak economic base limits local revenues; reduced revenues undermine the administration's ability to provide services and stimulate development; and insufficient services and limited opportunities, in turn, fuel further depopulation.

In this context, the IFAR (Integrated Functional Administrative Reform) model envisages: (1) the creation of a local governance system capable of supporting public service delivery and local development through a functional analysis of local public administration, the establishment of criteria that clarify the concept of "administrative



Sergiu Palihovici
Photo: FES Moldova

viability," voluntary and normative amalgamation based on this principle of administrative viability, inter-municipal cooperation, decentralization, and effective local self-government; (2) ensuring a balance between administrative efficiency and democratic participation while preserving the necessary and natural link between citizens and local administration; and (3) maintaining the social cohesion required for the reform to be accepted, to become irreversible, and at the same time to remain compatible with the country's European path.

Local public administration reform inevitably involves a difficult balance between administrative efficiency and local democratic representation. Where do you believe this balance should be struck?

In the process of administrative-territorial reorganization (ATR), as part of the broader local public administration reform (LPAR), the choice of a particular scenario is never neutral or purely technical. Choosing between larger or smaller administrative-territorial units (ATUs) requires making trade-offs among the fundamental objectives of the reform: administrative efficiency, institutional capacity, local democracy, social cohesion, and political legitimacy.

In this context, international experience shows that larger administrative-territorial units tend to enhance administrative efficiency and the capacity to deliver public services. At the same time, however, they may generate significant risks for the proximity of governance and the le-

vel of democratic participation at the local level. Smaller communities provide a more favorable environment for direct citizen involvement, the preservation of community identity, and the strengthening of trust in local institutions.

The right approach is not “efficiency versus participatory democracy.” Rather, it is about ensuring the necessary balance between the two by choosing an institutional configuration capable of simultaneously providing administrative capacity, local self-government, and effective democratic representation.

What conditions are necessary for voluntary amalgamation to function effectively in the Republic of Moldova? Are financial incentives alone sufficient, or does there come a point when more assertive state intervention becomes necessary?

The IFAR model approaches voluntary amalgamation differently from existing reform models and concepts. Under the IFAR concept, voluntary amalgamation should not be understood as a one-off measure limited to the initial stage of local public administration reform and to the period ending in 2026.

Instead, it should be conceived as a permanent, continuous, and adaptive instrument of administrative consolidation that remains available beyond the 2027 local elections. This approach is important because the demographic, economic, and institutional realities of the Republic of Moldova are not static: some localities will continue to lose population, others will experience changes in their economic potential, and the administrative capacity of local public authorities will evolve differently over time.

Therefore, within the IFAR framework, voluntary amalgamation is not merely a method for the immediate reduction of administrative-territorial fragmentation. It is also a permanent mechanism for adjusting the administrative-territorial structure to the functional realities generated by ongoing social and economic developments.

It enables local communities to consolidate when they determine that they can no longer effectively exercise their assigned competences, attract and retain qualified personnel, generate sufficient revenues, or deliver public services efficiently at their existing administrative scale. In

this sense, voluntary amalgamation should function as an “institutional safety valve,” allowing the administrative system to adapt progressively without requiring a new comprehensive reform imposed from the center each time circumstances change.

How realistic is genuine financial autonomy for local authorities under the current conditions in the Republic of Moldova, and what specific changes do you consider to be priorities in the fiscal system and the redistribution of resources?

Under current conditions, genuine financial autonomy for local public administrations is limited and, to a large extent, formal. Today, 60.5% of the revenues of first-tier local public authorities and 73.4% of the revenues of district-level authorities originate from transfers from the state budget. Effective financial autonomy is constrained by administrative-territorial fragmentation, depopulation, a weak local tax base, and a high degree of dependence on budgetary transfers.

Local public administration reform is inconceivable without a reform of local public finances. Under the IFAR concept, the priority measures should necessarily include: (1) the application of the principle that resources must be adequate and proportionate to the competences assigned to local authorities; (2) strengthening own-source and shared revenues by revising the allocation mechanism for personal income tax based on the taxpayer’s place of residence, introducing a local share of corporate income tax revenues, increasing the share of revenues from natural resource taxes, and directing certain administrative fines to the local budgets of the administrative-territorial units where the violations were identified; and (3) reforming the current model of intergovernmental fiscal transfers.

The existing transfer system should be adjusted so that it does not treat localities facing fundamentally different structural conditions in the same way. The transfer formula should take into account factors such as population size, territory, the degree of depopulation, demographic vulnerability, fiscal capacity, the actual cost of public service provision, distance from administrative centres, the state of infrastructure, the number of constituent localities within an administrative-territorial unit, and other relevant indicators.

Almost all participants in the debate organized by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University emphasized the need for broad political consensus to ensure that the reform becomes irreversible. What compromises do you consider possible, and where do you see the red lines of your own reform concept?

I believe that broad political consensus is essential for the success and irreversibility of local public administration reform. A reform of this magnitude cannot produce lasting results if it is perceived as belonging exclusively to one political majority or if it risks being reversed after a single electoral cycle.

From this perspective, there is room for compromise regarding the specific institutional design of the reform: the number of administrative-territorial units, the pace of implementation, mechanisms for inter-municipal cooperation, the stages of decentralization, or the ways in which the administrative and financial capacities of local authorities are strengthened. International experience demonstrates that there is no single optimal model, and different options must be assessed in relation to the objectives pursued and the national context.

At the same time, there are several principles from which the IFAR concept believes no departure is possible. The reform must simultaneously ensure administrative capacity and efficiency, effective local self-government, democratic representation, and social cohesion. In this regard, a reform that sacrifices local democratic participation in favour of administrative efficiency—or, conversely, administrative efficiency in favour of preserving non-viable structures—would fail to achieve its intended objectives.

Therefore, IFAR does not view reform as a choice between efficiency and local democracy, but rather as an exercise in balancing these objectives. In a context where Moldovan society is subject to multiple pressures—migration, polarization, and economic and informational vulnerabilities—any structural intervention must be carefully calibrated in order to avoid backlash and strengthen public trust in institutions.

From this perspective, the fundamental question of the reform remains the same: what type of local public administration can simultaneously ensure administrative capacity and efficiency, local self-government, effective democratic representation, and social cohesion?

At the roundtable held on 26 May, many participants expressed the view that the current district (raion) level has become outdated and no longer responds effectively to today's administrative needs. How do you see the future of districts within the administrative architecture of the Republic of Moldova?

Reducing the number of districts from 32 to 10 counties is a logical and foreseeable step within the IFAR framework. It is not about eliminating this level of public administration, but rather about reforming it. This reform of the district level is based, on the one hand, on the current limitations and dysfunctions of this tier of administration and, on the other hand, on the need to transform and preserve it as an intermediate level of governance organized in the form of counties.

Several arguments support this approach. (1) From the perspective of public service delivery, counties—with their larger territorial and demographic scale—can provide the critical mass necessary for the efficient management of complex public services of supra-local importance. (2) From the perspective of intergovernmental relations, counties can complement and support first-tier local authorities through their role in strategic territorial development planning, the provision of technical expertise needed to attract investment, and the capacity to design and implement funding projects that require a certain scale and an adequate level of expertise. (3) From the perspective of deconcentrated public services, their reorganization at the county level would allow for the standardization of territorial coverage, clearer allocation of responsibilities, and stronger coordination mechanisms between central and territorial authorities, thereby improving the effectiveness of public policy implementation.

Thank you!

The Local Public Administration Reform Model Proposed by the Congress of Local Authorities from Moldova (CALM)

Mr Furdui, what do you consider to be the main structural weakness of Moldova's current local public administration system, and why is the reform model you advocate better suited than the available alternatives to address this challenge, especially in light of the country's European integration ambitions and the need to align with European standards of local governance?

The greatest problem is excessive administrative centralization, the lack of genuine financial autonomy for local public authorities, and the mismatch between their competences and responsibilities and the resources available to them. In practice, there have been numerous cases where responsibilities were transferred to local public authorities without providing the financial and institutional resources necessary for their effective implementation.

The current system does not give local communities the capacity to make decisions and manage their own resources autonomously. The model proposed by CALM—based on genuine decentralization, financial autonomy, and the strengthening of administrative capacities—addresses this shortcoming by aligning with the principles of the European Charter of Local Self-Government and by creating a genuine partnership between the state and local communities.

Local public administration reform inevitably involves a difficult balance between administrative efficiency and local democratic representation. Where do you believe this balance should be struck?

The balance should be struck in favour of preserving democratic representation at the local level. Administrative efficiency cannot be achieved by



Viorel Furdui
Foto: FES Moldova

sacrificing democracy, but rather by strengthening administrative capacities and developing mechanisms for inter-municipal cooperation. Reform must ensure efficient public services without diminishing the voice and representation of local communities.

The solution proposed by CALM is based on the need to clearly distinguish between political representation and economic efficiency. Reform is not about abolishing municipalities or communities, but rather about a flexible solution that can be summarized by the formula: “legally independent, but functionally united.” Or, more simply: not the abolition of municipalities, but the integration of services.

Under this approach, villages should retain their legal status, mayor, and local council, thereby preserving the direct link between citizens and the state. At the same time, in order to enhance administrative efficiency and development capacity, localities should be encouraged through legislation to cooperate within inter-municipal structures for the management of complex services such as water supply, waste management, and public transport, as well as for attracting large-scale investment funding.

What conditions are necessary for voluntary amalgamation to function effectively in the Republic of Moldova? Are financial incentives alone sufficient, or does there come a point when more assertive state intervention becomes necessary?

Voluntary amalgamation can work only if there is trust, meaningful incentives, and respect for the

identity of local communities. The process must take place without political, administrative, or financial pressure. Financial incentives are necessary, but they are not sufficient on their own. Genuine consultations, guarantees regarding the preservation of local assets and cultural identity, and a clear and predictable legislative framework are also essential.

More assertive state intervention may be acceptable only when it is the result of broad consensus rather than an approach based on imposition.

How realistic is genuine financial autonomy for local authorities under the current conditions in the Republic of Moldova, and what specific changes do you consider to be priorities in the fiscal system and the redistribution of resources?

Today, local financial autonomy is more theoretical than practical. For it to become a reality, several priority measures are needed. First, the system for redistributing resources must be reformed, and the share of own-source revenues available to local communities must be increased.

It is also necessary to transfer certain sources of tax revenue to the local level and designate them as own-source revenues. One example would be the allocation of a share of VAT revenues to local budgets. At the same time, politically motivated practices in the allocation of resources must be eliminated. Only under these conditions will local public authorities be able to plan strategically and ensure the sustainable development of the communities they represent.

Almost all participants in the debate organized by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University emphasized the need for broad political consensus to ensure that the reform becomes irreversible. What compromises

do you consider possible, and where do you see the red lines of your own reform concept?

Possible compromises concern the pace and stages of the reform, but not its fundamental principles. The red lines are local self-government, the irreversibility of the process, fiscal decentralization, and the mandatory consultation of local communities. Without these elements, the reform risks becoming reversible and undermining the country's European integration process.

At the roundtable held on 26 May, many participants expressed the view that the current district (raion) level has become outdated and no longer responds effectively to today's administrative needs. How do you see the future of districts within the administrative architecture of the Republic of Moldova?

The district (raion) level, in its current form, has become outdated. CALM believes that the future lies in reorganizing this tier into a more efficient regional structure, with clearly defined competences adapted to current realities and aligned with the NUTS 2 standard.

Districts should be transformed into regional coordination units, without replacing the role of municipalities and local communities. CALM considers that maintaining 10 larger districts risks exacerbating existing problems related to the politicization of resource allocation and the distribution of public funds.

In CALM's view, the most appropriate option for the Republic of Moldova is an administrative organization based on a maximum of five regions, in line with the European NUTS 2 standard. This is the level at which the European Union implements its regional development policy and manages structural and cohesion funds.

Thank you!

The Local Public Administration Reform Model Proposed by Mark Tkaciuk, Chairman of the Civic Congress Party

What do you consider to be the main structural weakness of Moldova's current local public administration system, and why is the reform model you advocate better suited than the available alternatives to address this challenge, especially in light of the country's European integration ambitions and the need to align with European standards of local governance?

I believe the main problem is precisely that no one wants to name it. As the saying goes, "In the house of a hanged man, one does not speak of the rope."

What problem are we actually trying to solve? What are we hoping to achieve by abandoning the current system and introducing a new model of local administration? There are hardly any coherent answers to these questions. Instead, we hear emotional reactions and passing impressions: "Moldova is too fragmented!", "Unlike our neighbours, we have not carried out administrative reforms for a long time!", "So many municipalities—it is unacceptable!"

What we do see, however, is an obvious reality: our villages and towns are being depopulated. People are leaving, and their numbers continue to decline. This is the challenge to which we must respond. The question is: how?

The Government's answer appears simple: make everything small bigger. Merge three districts into one and consolidate small municipalities into larger entities. As a result, we will have only 10 districts and around 300 municipalities. Presumably, all problems will then be solved—at least until those structures also begin to lose population or until a new round of large-scale amalgamation becomes necessary. This exercise resembles a social game of 'Tetris' or



Mark Tkaciuk
Foto: FES Moldova

an administrative Lego set more than a genuine reform.

Let us be honest: amalgamating rural municipalities merely to facilitate access to European grants is not a development objective; it is an approach dependent on external resources. Moreover, the forced merger of municipalities essentially means the disappearance of hundreds of local spaces of democracy—a blow to civic activism and the quality of community life. Saving money at the expense of democracy may be a trend of our times, but it is a trend that should be resisted rather than applauded.

The real problem, therefore, is the degradation of the regions—a complex process with economic, social, and human dimensions. Its consequence is the mass exodus of the population. This also defines the primary objective: the creation of a sustainable and innovative system of development incentives, including in the sphere of local public administration. What we need is not optimization but modernization. Not adjustments to a burial garment, but a suit tailored for the future. Not a new rigid vertical of power, but genuine local self-government.

The modernization model proposed by the Civic Congress is based precisely on incentives and freedoms—organizational, fiscal, and democratic.

Its central element is the "40 Cities" project, which follows the logic of the great historical

reforms that survived for centuries after their creators had disappeared. Magdeburg Law, Lübeck Law, the laws of Paris, London, or Nuremberg were not merely models of self-government; they were expressions of urban freedoms that created the recognizable image of the European city: the town hall, the clock tower, and the central square.

The essence of our approach is simple. District centres—the towns and cities—must become engines of development, centres for planning and implementing projects aimed at improving communal services and quality of life. The districts should be transformed into municipalities. Fiscal autonomy—that is, the expansion of local freedoms and opportunities—must become a reality. This is how the conditions can be created for increasing employment in urban areas and for transforming rural localities into modern and attractive places to live.

All rural municipalities should be able to associate and reorganize exclusively on a voluntary basis, while preserving their essential role as institutions that foster community responsibility, self-government, and citizens' capacity for self-organization.

Money and the Use of Resources

Local public administration reform inevitably involves a difficult balance between administrative efficiency and local democratic representation. Where do you believe this balance should be struck?

In reality, this balance does not exist. Administrative efficiency is, first and foremost, a matter of money and the use of resources. Local representation, on the other hand, is about values, fairness, and citizens' participation in the decision-making process. Attempting to transform the rural municipality into a kind of Soviet-era “millionaire collective farm” under the banner of the European Union is nothing more than a new utopia. Villages have long ceased to be self-sufficient communities. The last time they functioned as such was during the Neolithic period. The urban revolution and the division of labour changed that reality forever.

The prosperity of rural communities does not depend on the number of local councillors, but rather on the financial, organizational, and development capacities of the nearest urban centre. In our model, this role belongs to the municipal centre. It is the municipal centre that, in partnership with rural municipalities, should set quality-of-life standards and become the hub for planning and coordinating infrastructure projects: sewage networks, water supply systems, electricity networks, and other services that simultaneously serve several rural localities.

What conditions are necessary for voluntary amalgamation to function effectively in the Republic of Moldova? Are financial incentives alone sufficient, or does there come a point when more assertive state intervention becomes necessary?

From my point of view, the term “amalgamation” is so meaningful in itself that it can only imply a voluntary process. As for this idea, I have already expressed my position: I consider it both unnecessary and undemocratic. It is an attempt to reduce administrative and operating costs at the expense of local democracy. In other words, it seeks to achieve relatively minor savings while sacrificing essential mechanisms of local representation and citizen participation in decision-making at the community level.

Radical Fiscal Decentralization

How realistic is genuine financial autonomy for local authorities under the current conditions in the Republic of Moldova, and what specific changes do you consider to be priorities in the fiscal system and the redistribution of resources?

The Civic Congress advocates for radical fiscal decentralization. The central element of the fiscal reform we propose is the introduction of the principle of reverse profit taxation: the further a locality is from Chisinau in terms of its level of development and quality of life, the lower its tax burden should be.

We propose the establishment of a clear and rigid two-tier system for the allocation of tax

revenues, under which both rural municipalities and municipal centres would retain the full proceeds from personal income tax and corporate income tax. In this way, 100% of these revenues would remain at the disposal of local public authorities, providing them with the resources necessary for development and for improving public services.

Almost all participants in the debate organized by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University spoke about the need for broad political consensus to ensure that the reform becomes irreversible. What compromises do you consider possible, and where do you see the red lines of your reform concept?

Indeed, consensus is necessary for a reform to become irreversible. It is, first and foremost, a matter of pragmatism. In the absence of broad consensus, any reform risks failing to survive the next democratic change of government.

However, the current authorities do not appear to be particularly concerned with either building consensus or pursuing genuine reform. Instead, they seem to be playing their own political game, without taking long-term consequences into account.

The number of dissatisfied stakeholders can only grow. And the scale of this phenomenon is not difficult to estimate. We are talking about nearly 600 rural municipalities that could be affected simply because they have fewer than 3,000 inhabitants. We are also talking about at least 20 towns that would lose their status as district centres. In all of these localities, political forces will inevitably emerge promising the same thing: a return to the previous situation.

Naturally, the Civic Congress will also criticize the current government's approach, but from the perspective of its own reform model. Unlike the solutions being proposed today, our model requires a much higher level of political and societal consensus, as it would also involve amendments to the Constitution.

Relics of the Past

At the roundtable held on 26 May, many participants argued that the current district (raion) level has become outdated and no longer responds effectively to Moldova's administrative needs. How do you see the future of districts within the country's administrative-territorial architecture? What role, if any, should they play in a reformed model of local governance?

The district level is, in essence, a relic of past economic and administrative relations based on the traditional centre-periphery model. It corresponded to a reality characterized by an industrial capital, several major industrial hubs—Bălți, Tiraspol, Bender, Cahul, Soroca, and Orhei—and vast rural areas with an agricultural profile. Within such an agro-industrial model of territorial development, the district level represented a natural link. The village was not merely a place of residence but also a distinct economic unit—a collective farm or a state farm.

Today, the district level is a vestige of the past. This is why we envision the administrative architecture of the Republic of Moldova as being built around **40 self-sufficient municipalities**, surrounded by networks of democratically self-governing rural communities. Such a reform would be efficient, modern, and supported by citizens.

Thank you!

Editorial

The Real Stakes of Local Government Reform: Four Concepts, One Conclusion

Editorial by Madalin Necsutu, journalist at TVR Moldova

At the roundtable organized on 26 May by the Friedrich Ebert Foundation in partnership with the School of Public Administration of Moldova State University, four different concepts for local public administration reform were presented. Four visions, four approaches, four answers to the same question: how do we build a local administration capable of meeting the challenges of the coming decades?

Although the proposed solutions differed, one message was shared by almost all participants: without broad political and institutional consensus, any reform risks becoming yet another experiment abandoned when power changes hands. And the Republic of Moldova can no longer afford the luxury of unfinished reforms—neither for its own sake nor for Brussels.

In reality, the discussion about local public administration is far deeper than it may appear at first glance. It is not a debate about administrative maps, the number of municipalities, or the boundaries of territorial units. It is a debate about the state's capacity to function and about Moldova's ability to seize the historic opportunity of European integration.

We Have Representation, but Not Enough Capacity

For years, discussions about administrative-territorial reform have been viewed with suspicion. In the public space, the impression has taken hold that any attempt at reorganization is aimed at abolishing localities or diminishing community identities.

In reality, the problem is different. Today, the Republic of Moldova has hundreds of municipalities operating with limited financial resources, insuf-



Madalin Necsutu, journalist at TVR Moldova
Photo: FES Moldova

ficient staff, and evident difficulties in managing development projects. In many cases, local administrations depend almost entirely on transfers from the state budget. Such a situation can hardly be described as local autonomy, even if the law defines it as such.

The paradox is obvious: we have democratic representation in almost every locality, yet the administrative capacity needed to meet citizens' expectations remains limited.

And citizens no longer judge public administration by the existence of a town hall a few hundred meters from their homes. They judge it by roads, water supply, sewerage, street lighting, social services, and economic opportunities. In other words, by results.

Europe Will Not Wait for Us

European integration fundamentally changes the equation. Until now, Moldova's localities have, in one way or another, competed mainly with one another. In the years ahead, however, the competition will be much broader. Communities across Moldova will need to demonstrate that they can attract investment, manage complex projects, and use European funds effectively.

This is where the major challenge arises. Pre-accession funds—and later, EU structural and cohesion funds—will not automatically reach villages and towns. To benefit from them, competent administrations, well-trained civil servants, and strong planning and project-management capacities are required.

The experience of countries that joined the European Union before Moldova is crystal clear: communities with strong administrations prospered. Those that were unprepared watched from the sidelines as other regions developed.

From this perspective, local public administration reform is not merely an administrative reform. At its core, it is a reform aimed at preparing the country for accession.

Between Identity and Efficiency

One of the most sensitive questions remains the relationship between administrative efficiency and democratic representation. This concern is entirely legitimate. People fear that administrative consolidation could lead to the loss of local identity, traditions, or influence over decision-making.

Yet European experience demonstrates that a community's identity is not defined by the existence of a separate town hall. Identity is shaped by people, culture, traditions, and a sense of belonging.

The real challenge is finding a formula that allows communities to preserve their local character while benefiting from more efficient administrations and better services.

This is why instruments such as voluntary amalgamation, inter-municipal cooperation, local mayoral representatives, and Unified Public Service Centres should be viewed not as threats, but as solutions for adapting to a new reality. In the twenty-first century, citizens need both representation and quality services. One without the other is no longer sufficient.

Without Financial Autonomy, Local Autonomy Remains an Illusion

Another essential issue is financial autonomy. The truth is that one cannot expect performance from a local administration that lacks the resour-

ces necessary to carry out its responsibilities. Nor can one speak of genuine decentralization when most financial decisions remain dependent on the centre.

Local autonomy is not merely the right to make decisions. It is also the capacity to finance them. This is why any serious reform must address both the administrative and the financial dimensions simultaneously. Strengthening the local tax base, increasing own-source revenues, and aligning responsibilities with available resources are indispensable conditions for the success of the proposed changes. Otherwise, we risk changing the form without changing the substance.

A Reform That Must Survive Elections

Perhaps the most important conclusion of the 26 May debate is that local public administration reform cannot belong to a single government or a single political party. If it is perceived as a short-term political project, it will suffer the same fate as many previous reforms: it will be contested, suspended, or abandoned after the next election.

If, however, it is built through dialogue, consultation, and reasonable compromise, it has the potential to become one of the structural transformations that truly change the Republic of Moldova. This is why consensus is neither a luxury nor a slogan. It is the fundamental condition for making the reform irreversible.

Ultimately, citizens will not assess the success of the reform by the number of amalgamated municipalities or by the legislative amendments adopted. They will judge it by simple things: whether they have running water, better roads, accessible public services, and opportunities for their children.

And if the reform succeeds in delivering these results, then the debate about administrative maps will become irrelevant. Because the real stake is not the fate of a particular institution or territorial structure. The real stake is the Republic of Moldova's ability to become a functional, modern, competitive European state.

And that stake is far too important to be sacrificed in short-term political battles.

Local Public Administration Reform: Beyond the Models, What Matters Is the Way Decisions Are Made

Local public administration reform in the Republic of Moldova has ceased to be a taboo subject. After several unsuccessful attempts and multiple decentralization policies that followed one another without being fully implemented, the discussion has entered a new phase.

The country's 892 municipalities, of which 776 (almost 87%) have fewer than 3,000 inhabitants, are now the subject of a reorganization effort. In the spring of 2026, the Government published a reform concept, while the Congress of Local Authorities of Moldova (CALM) and several independent experts put forward alternative proposals.

Under these circumstances, the public debate has shifted. The question is no longer whether reform is necessary, but rather how it should be carried out: according to which criteria, at what pace, and through what instruments.

In broad terms, three main reform models have emerged in the public debate, with significant differences between them. The greatest degree of convergence can be found in the assessment of the current situation, while the greatest divergence concerns the solutions being proposed.

Government Model

The official concept published by the State Chancellery is built around four complementary objectives: administrative-territorial consolidation, enhanced financial autonomy, genuine institutional capacity, and greater transparency and accessibility of public services. The underlying logic of the document is that these objectives cannot be achieved in isolation and that fragmented measures are likely to lead to failure.

The concept combines voluntary amalgamation—supported by a financial package estimated at approximately MDL 6.5 billion for the period 2026–2030, including an increased infrastructure investment incentive of MDL 3,000 per inhabitant—with mandatory normative amalgamation for municipalities with fewer



Adrian Ermurachi
Photo: FES Moldova

than 3,000 residents. At the second tier of administration, the concept envisages reducing the current 32 districts to 10 new districts, with average populations ranging from 150,000 to 350,000 inhabitants, a scale broadly compatible with the NUTS 3 standard used by the European Union for the programming of structural funds.

The model also includes a number of complementary instruments: Unified Public Service Centres (CUPS), to be hosted in the buildings of former municipal administrations; the position of mayoral representative in constituent villages; revisions to the transfer formulas of the Financial Support Fund; the redistribution of a share of VAT revenues to municipalities according to demographic thresholds; and dedicated funds for the co-financing of externally funded projects.

The proposed timetable foresees the adoption of the necessary legal framework in October 2026, with the reform entering into force after the local elections scheduled for November 2027.

Alternative Models

At least two alternative reform models are currently being discussed in the public space.

The first, proposed by the Congress of Local Authorities of Moldova (CALM), focuses primarily on reforming the second tier of local public administration. The concept envisages transforming the existing 32 districts into 32 municipalities, following the model currently used for the municipalities of Chişinău and Bălţi, without altering the existing structure of first-tier local authorities. Under this vision, responsibilities in the fields of education and social assistance would be transferred from the district level to first-tier local governments. At the same time, certain revenue sources would be redirected to municipalities, strengthening local budgets without changing the administrative-territorial map at the first tier.

A second alternative has been proposed by entrepreneur Vasile Tofan in a study entitled *The Baltic Formula*. This approach is based on a different premise: administrative reforms implemented gradually or only partially in countries such as Latvia in 2009, Greece in 2010, or Ukraine before 2020 subsequently required additional rounds of intervention and adjustment within a relatively short period of time. The proposed model envisages the creation of 40 municipalities organized around the current district centres, the complete abolition of the second tier of local public administration, genuine fiscal decentralization, and the introduction of the position of local prefect in constituent villages, drawing on models already in place in Lithuania, Latvia, and Poland.

A Shared Diagnosis

For a public debate that is often polarized, the three reform models show a remarkable degree of convergence in their diagnosis of the problem.

All three recognize that Moldova's administrative fragmentation is a structural challenge. The country's system is among the most fragmented in Europe. All three acknowledge that the financial autonomy of municipalities is severely constrained: only 11.1 percent of local budget revenues are generated from own-source revenues, compared to an average of 30 percent across Southeast Europe. All three also agree that districts, in their current form, no longer fulfil the role for which they were originally created.

As far as the diagnosis is concerned, there is broad consensus among the Government, CALM, and independent experts. When it comes to solutions, however, the differences are substantial. The question that will ultimately determine the success of the reform is not which solution is inherently superior. Rather, it is how the decision-making process can be designed in such a way that the outcome delivers better services for citizens, rather than creating an administrative disruption that is followed by yet another reform after a single electoral cycle.

Three Questions About the Process

The experience of reforms in other countries shows that their success has depended largely on the quality of the decision-making process. Latvia's 2009 reform was theoretically well designed, yet it partially failed due to insufficiently calibrated consultations and thresholds that were set too low, making a second round of reform necessary in 2021. Denmark's 2007 reform was bold, but it was supported by a political and social consensus that had been built over many years before implementation. The difference between the two was not ambition, but process.

Several process-related questions deserve to be raised before a final decision is reflected on the map.

First: Is there a complete set of quantitatively modelled scenarios? The administrative data available through the *Strong Municipalities* platform make such modelling exercises possible. It remains unclear, however, whether comprehensive alternative scenarios have been developed. What effects would result from a threshold of 5,000 inhabitants instead of 3,000? What would happen under a model with five districts rather than ten? Or under an expanded system of inter-municipal cooperation, inspired by French or Italian models and adapted to the realities of the Republic of Moldova?

Second: What is the projected impact on each individual community? Given the significant disparities between Chisinau and other large cities on the one hand, and smaller localities on the other, it is essential to assess the effects at the level of each administrative unit. For every proposed cluster, detailed assessments should exist—and these assessments should be made public—covering the expected benefits for citizens, potential costs or disadvantages, the alternatives that were considered, and the reasons why a particular configuration was selected over others.

Third: How can a broad consensus be built that extends beyond a single electoral cycle? Territorial reforms make sense only if they can withstand changes in political power. This requires the involvement of both parliamentary and extra-parliamentary opposition parties in at least a minimum consensus regarding the ownership and implementation of the reform. The absence of such a consensus remains one of the greatest risks to the reform's long-term sustainability.

Three Process Recommendations

Based on these questions, several recommendations can be formulated. All of them concern the decision-making process rather than any specific reform model.

First: Develop and assess multiple alternative models. In addition to the option based on a 3,000+ population threshold, at least two alternative scenarios—such as thresholds of 5,000+ and 10,000+ inhabitants—should be examined so that the public debate can compare genuine alternatives.

Second: Conduct detailed assessments for every proposed cluster and publish them before a final decision is adopted. These assessments should clearly indicate what citizens stand to gain, what they may lose, which alternatives were considered, and which indicators will be monitored after implementation. Such a level of detail would transform public consultation from a communication exercise into an informed decision-making process, enabling citizens to better understand the expected outcomes and anticipated results over a five- or ten-year horizon.

Third: Build a minimum political consensus with the main opposition parties. Although such a process may require additional time in the present, it strengthens long-term implementation and reduces the risk of a future “counter-reform,” similar to the one that took place in 2001.

More Important Than the Model: Trust in the Process

Local public administration reform in the Republic of Moldova has a genuine chance of success. The shared diagnosis among the key stakeholders is sound. Despite their differences, the proposed models contain complementary elements. And for the first time, there is a real political window of opportunity for implementing such a reform.

The greatest risk does not stem from the quality of the available models, but from the decision-making process itself. If the reform is to deliver better services for citizens rather than create an administrative disruption followed by yet another reform after the next electoral cycle, the decision must be grounded in rigorous analysis and adopted through a credible and carefully managed process.

Ultimately, this is less a question of public administration and more a question of trust.

Imprint

Publisher

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May 2025

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