

49th SESSION

Report
 CG(2025)49-16prov
 10 October 2025

Monitoring of the application of the European Charter of Local Self-Government in the Republic of Moldova

Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels (Monitoring Committee)

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Summary

This report was prepared following a monitoring visit to the Republic of Moldova carried out from 4 to 6 March 2025 and builds on previous monitoring and post-monitoring visits organised in the Republic of Moldova since the country ratified the European Charter of Local Self-Government in 1997.

The rapporteurs note with satisfaction the progress made in implementing the previous Congress Recommendation 436 (2019), including improved collaboration between the central government and local authorities and the adoption of measures to enhance fiscal decentralisation. Furthermore, local authorities' access to increased funding for infrastructure investments and the government's demonstrable commitment to territorial reforms aimed at addressing the fragmentation of local government are positively noted.

However, the report raises several matters of concern regarding the structural and functional weaknesses of local authorities. These include territorial fragmentation, overlapping and unclear competences, and the limited discretion of local authorities to address matters of local importance. Additionally, local authorities continue to face limited financial autonomy, a lack of appropriate delimitation of municipal land, and an excessive reporting burden due to the involvement of multiple oversight bodies, compounded by a shortage of administrative and legal personnel.

The national authorities of the Republic of Moldova are therefore invited to continue implementing the reform agenda, revise and clarify the system of local competences, ensure the allocation of adequate financial resources to local authorities, enhance their fiscal capacity, and simplify and standardise reporting requirements to reduce the bureaucratic burden. The rapporteurs also recommend that the Republic of Moldova sign and ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207).

1. L: Chamber of Local Authorities / R: Chamber of Regions.
 EPP/CCE: European People's Party Group in the Congress.
 SOC/G/PD: Group of Socialists, Greens and Progressive Democrats.
 ILDG: Independent Liberal and Democratic Group.
 ECR: European Conservatives and Reformists Group.
 NR: Members not belonging to a political group of the Congress.

DRAFT RECOMMENDATION²

1. The Congress of Local and Regional Authorities of the Council of Europe (“the Congress”) refers to:

a. Article 2, paragraph 1.b, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulating that one of the aims of the Congress is “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 1, paragraph 3, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulating that “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure the effective implementation of the principles of the European Charter of Local Self-Government.”;

c. Chapter XVIII of the Rules and Procedures of the Congress on the organisation of monitoring procedures;

d. the Contemporary Commentary by the Congress on the explanatory report to the European Charter of Local Self-Government adopted by the Statutory Forum on 7 December 2020.

e. the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda for Sustainable Development, in particular Goals 11 on sustainable cities and communities and 16 on peace, justice and strong institutions;

f. the Guidelines for civil participation in political decision making, adopted by the Committee of Ministers on 27 September 2017;

g. Recommendation CM/Rec(2018)4 of the Committee of Ministers to member States on the participation of citizens in local public life, adopted on 21 March 2018;

h. Recommendation CM/Rec(2019)3 of the Committee of Ministers to member States on supervision of local authorities’ activities, adopted on 4 April 2019;

i. Congress [Recommendation 436 \(2019\)](#) “Monitoring of the European Charter of Local Self-Government in the Republic of Moldova”;

j. the explanatory memorandum on the monitoring of the European Charter of Local Self-Government in the Republic of Moldova;

2. The Congress points out that:

a. the Republic of Moldova joined the Council of Europe on 13 July 1995. It signed the European Charter of Local Self-Government (ETS No. 122, “the Charter”) on 2 May 1996 and ratified it on 2 October 1997;

b. the Republic of Moldova has not signed or ratified the Additional Protocol to the European Charter of Local Self-Government on the rights to participate in the local government affairs (CETS No. 207);

c. the Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels (“the Monitoring Committee”) decided to examine the situation of local and regional democracy in the Republic of Moldova in the light of the Charter. It instructed Gudrun Mosler-Törnström, Austria (L, SOC/G/PD) and Urs Janett, Switzerland (R, ILDG) with the task of preparing and submitting to the Congress a report on the implementation of the Charter in the Republic of Moldova. The delegation was assisted by Professor Tania Groppi, Vice-Chair of the Group of Independent Experts on the European Charter of Local Self-Government, and by the Congress Secretariat;

2. Approved by the Monitoring Committee on 3 July 2025.

d. the monitoring visit took place from 4 to 6 March 2025. The Congress delegation met the representatives of various institutions at all levels of government. The detailed programme of the visit is appended to the explanatory memorandum;

e. the co-rapporteurs wish to thank the Permanent Representation of the Republic of Moldova to the Council of Europe and all those whom they met during the visit.

3. The Congress notes with satisfaction that in the Republic of Moldova:

a. important progress has been made in the implementation of the previous Congress Recommendation 436 (2019). This includes improved collaboration and political dialogue between central government and local authorities, the adoption of measures aimed at enhancing fiscal decentralisation, and improvements in the conditions of office of elected officials, including their financial compensation;

b. the government is committed to territorial reforms aimed at overcoming the fragmentation of local government, including through the Public Administration Reform Strategy for 2023-2030;

c. local authorities have access to increased funding for infrastructure investments through the local investment fund.

4. The Congress expresses its concerns on the following issues:

a. the weakness and fragmentation of local authorities, especially in rural areas, which undermines their capacity to fulfil their competences, as well as the uncertain role of the second-tier authorities (districts), especially following the recentralisation of their competences over social services;

b. the overlapping and unclear competences of local authorities, which does not align with the principle of subsidiarity;

c. the lack of local authorities' discretion to act on any matter that is neither excluded from their competences nor assigned to any other authority;

d. the lack of formal rules on consultation of local authorities, which remains largely dependent on the political will of the government;

e. local authorities' inability to recruit high-quality staff and provide for adequate training opportunities, competitive salaries or clear career prospects;

f. persistently limited financial autonomy of local authorities, with their financial resources often insufficient to cover all responsibilities and community needs, as well as local authorities' high dependence on State transfers and subsidies;

g. the lack of appropriate delimitation of municipal land, preventing land evaluation for tax purposes and leading to a potential loss of local revenue;

h. although administrative supervision over local authorities is now more balanced and proportionate, the involvement of multiple oversight bodies places an excessive reporting burden on local authorities, as they often lack adequate administrative and legal personnel;

i. despite some improvements in the conditions of office for local elected officials, including financial compensation, a gap remains between the level of responsibility and compensation at the local level.

5. In the light of the foregoing, the Congress requests that the Committee of Ministers invite the authorities of the Republic of Moldova to:

a. continue implementing the reform agenda, in consultations with the Congress of local authorities from Moldova (CALM), to achieve more effective decentralisation and address territorial fragmentation more effectively, including at the district level, and with a view to enhancing the capacity of local authorities to exercise their competences;

- b. revise and clarify the system of local competences, including those that are delegated, in order to prevent overlaps between local and central responsibilities, and to uphold the principle of subsidiarity;
- c. grant local authorities greater discretion in adapting the exercise of their tasks to local conditions, notably in the context of inter-municipal cooperation;
- d. strengthen the normative framework for consultation with local authorities, by ensuring a structured and institutionalised consultation mechanism and guaranteeing the regularity and continuity of the consultation process;
- e. enhance the managerial capacity of local authorities, by providing them with greater freedom and flexibility in human resources management, enabling the recruitment of high-quality staff;
- f. ensure the allocation of adequate financial resources to local authorities, in accordance with the principle that financial resources should be commensurate with assigned functions;
- g. increase the fiscal capacity of local authorities, including by completing the delimitation of municipal lands to allow their re-evaluation for tax purposes;
- h. simplify and standardise reporting requirements to ease the bureaucratic burden on local authorities;
- i. continue efforts to align the financial compensation level, particularly for mayors, with their level of responsibility;
- j. sign and ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207) in the near future.

6. The Congress calls on the Committee of Ministers and the Parliamentary Assembly of the Council of Europe to take account of this recommendation on the monitoring of the European Charter of Local Self-Government in the Republic of Moldova and the accompanying explanatory memorandum in their activities relating to this member State.

EXPLANATORY MEMORANDUM

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1. INTRODUCTION: AIM AND SCOPE OF THE VISIT, TERMS OF REFERENCE

1. Article 1, paragraph 3, of the Charter of the Congress of Local and Regional Authorities, appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulates that “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure the effective implementation of the principles of the European Charter of Local Self-Government”.

2. The Republic of Moldova joined the Council of Europe on 13 July 1995, signed the European Charter of Local Self-Government (ETS No. 122, “the Charter”) on 2 May 1996 and ratified it on 2 October 1997. The Charter entered into force on 1 February 1998. When ratifying the Charter, the Republic of Moldova did not formulate declarations to any of the articles (on the ground of Article 12, paragraph 2 of the Charter). It has thus been legally bound by all the articles of the Charter since 1998. The Republic of Moldova has not signed the Additional Protocol to the European Charter of Local Self-Government on the rights to participate in the affairs of a local authority (CETS No. 207).

3. The Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels (“the Monitoring Committee”) decided to examine the situation of local and regional democracy in the Republic of Moldova in the light of the Charter. It instructed Gudrun Mosler-Törnström, Austria (L, SOC/G/PD) and Urs Janett, Switzerland (R, ILDG) with the task of preparing and submitting to the Congress a report on the implementation of the Charter in the Republic of Moldova. The delegation was assisted by Professor Tania Groppi, Vice-Chair of the Group of Independent Experts on the European Charter of Local Self-Government, and by the Congress Secretariat. The rapporteurs wish to express their thanks to the expert for her assistance in the preparation of this report. This group of persons will be hereinafter referred to as “the delegation”.

4. The monitoring visit took place from 4 to 6 March 2025. The Congress delegation met the representatives of various institutions at all levels of government. The detailed programme of the visit is appended to the explanatory memorandum.

5. The co-rapporteurs wish to thank the Permanent Representation of the Republic of Moldova to the Council of Europe and all those whom they met during the visit.

6. According to Rule 89.3 of the Congress Rules and Procedures, the preliminary draft report was sent on 23 May 2025 to all interlocutors met during the visit for their comments and possible adjustments or corrections (hereinafter referred to as “consultation procedure”). The present report is based on the comments received, which were considered by the rapporteurs before submission for approval to the Monitoring Committee.

2. INTERNAL AND INTERNATIONAL NORMATIVE FRAMEWORK

2.1 Local government system (constitutional and legislative framework, reforms)

2.1.1 Constitutional and legislative bases of local government in the Republic of Moldova

7. The Republic of Moldova is a country that covers an area of 33,843.5 km² (including the Transnistrian region of the Republic of Moldova)³. The population of the Republic of Moldova is of 2,401,200 persons (resident population according to the preliminary results of the 2024 census, including the Transnistrian region)⁴. The Republic of Moldova, since its establishment, experienced a constant reduction of the resident population: according to the last Soviet census, in 1989, it had 4,335,360 inhabitants⁵.

8. Traditionally a rural country, it is becoming more and more urban. According to the preliminary results of the 2024 census, out of 2,401,200 persons, 46.4% (or 1,113,700 persons) live in urban areas and 53.6% in rural areas (1,287,500 persons). The population decreased by 13.9%, compared to the 2014 census (average annual rate of 1.3%). The decrease in the population during this period was influenced by the reduction in the natural population growth (especially during the pandemic period) and

3. <https://moldova.md/en/content/geography>

4. https://statistica.gov.md/en/preliminary-results-of-the-2024-population-and-housing-census-10077_61626.html

5. https://www.demoscope.ru/weekly/ssp/sng_nac_89.php?req=9

the negative balance of external migration, also facilitated by the fact that an important percentage of the population also holds European (Romanian) citizenship. The country's urbanisation process continues to be attested, with the share of the urban population increasing by 7.9 percentage points in the last 10 years compared to the 2014 census.

9. The territory of the Republic of Moldova has a rich history. The current Republic of Moldova was born as an independent country in 1991, when it gained independence in the aftermath of the collapse of the Soviet Union. The declaration of independence was proclaimed on 27 August 1991.

10. The current Constitution of the Republic of Moldova was adopted in 1994. The form of government of the Republic of Moldova is that of a parliamentary Republic, “a sovereign, unitary and indivisible State” according to Article 1.1. of the Constitution. The value of unity is further stressed in Article 10.1: “The unity of people of the Republic of Moldova constitutes the foundation of the State. The Republic of Moldova is the common and indivisible motherland of all its citizens”. This paramount and explicit importance given to unity is connected to the contentious and problematic experiences of the Transnistrian region and of the Autonomous Territorial Unit (ATU) of Gagauzia (see *infra*). The Head of State is the President of the Republic, who is elected by popular and direct vote on a two-round electoral system (Art. 79 of the Constitution).

11. The Constitution includes specific provisions dealing with the territorial structure of the State in the Chapter on “Public administration”. Article 109 defines the basic principle of “local public administration” (including the principles of local autonomy and decentralisation). Article 110 declares that the territory of the Republic of Moldova is structured in villages, towns, districts and the ATU of Gagauzia (paragraph 1). In addition, the city of Chisinau is proclaimed as the capital of the country (paragraph 3). Specific provisions for the ATU of Gagauzia are laid down in Article 111, which explicitly declares the autonomy of that region. Article 112 deals with village and town authorities (*sate* and *oraşe*) and Article 113 with the district councils (*raioane*), a second-level local authority.

12. The general legal framework for decentralisation and local self-government is provided by a set of laws which have changed significantly over time. The most important piece of legislation is Law No. 436-XVI of 28 December 2006 on Local Public Administration. This statute acts as a code for the local administration system and regulates the organisation of the local authorities, their competences, their internal administration, the forms of control over their activities, their property and financial resources, and the forms of association and cooperation. Law on Local Public Finances No. 397-XV of 16 October 2003 regulates the financial aspects of local self-government. It specifies the sources of local revenues, including taxes, fees, and transfers from the central government. The law also sets out the procedures for budget preparation, approval, and execution at the local level. Other important pieces of legislation are: Law on Administrative and Territorial Organisation of the Republic of Moldova No. 764-XV of 27 December 2001; Law on Local Elected Officials, No. 768-XIV of 2 February 2000; Law on Administrative Decentralisation, No. 435-XVI of 28 December 2006; Law on Regional Development in the Republic of Moldova No. 438-XVI of 28 December 2006; Law on Framework Status of Villages (Communes) and Towns (Municipalities) No. 436-XV of 6 November 2003.

13. The political landscape in the Republic of Moldova traditionally reflects two strongly held views, either pro-European or pro-Russian, and has witnessed further polarisation since the beginning of the war of aggression of the Russian Federation against Ukraine in 2022. These contrasting and often inimical perspectives affect most aspects of public life, from national to local politics, to the media and the economy. Since 2022, the Republic of Moldova had to step up measures to protect itself from cyber-attacks, hybrid warfare and interference, allegedly from the Russian Federation and attempted to reduce its strong economic dependency on the Russian Federation.

14. Since the election of Maia Sandu, from the Party of Action and Solidarity (PAS), as President of the Republic of Moldova in 2020, the government of the Republic of Moldova has worked resolutely towards European Union accession. In the parliamentary elections held in July 2021, the Party of Action and Solidarity, led by Ms Sandu, won 63 of the 101 mandates. This was the first time in 20 years that a party received an absolute majority of votes in a parliamentary election, a majority which enabled significant legislative reform focusing on European integration, the independence of the judiciary and the fight against corruption.⁶ On 23 June 2022, the European Council granted the country candidate status. On 8 November 2023, the European Commission recommended that the Council opens

6. See document CPL(2024)46-04 “[Local Elections in the Republic of Moldova](#)”, 5 November 2023

accession negotiations with the Republic of Moldova, which it did on 14 December. On 3 November 2024, incumbent president Maia Sandu was re-elected with about 55% of votes. On the same day as the first round of the election (October 20, 2024), a narrow majority of Moldovans voted "yes" to add the desire for EU membership to the country's constitution.⁷

15. The many reforms of the local government system recently approved or in progress should be understood against this backdrop.

2.1.2 Administrative territorial structure

16. The administrative and territorial organisation of the Republic of Moldova dates back to the post-Soviet era. It comprises two levels: a first tier of 898 local entities consisting of 832 villages or communes (*sate*) and 53 towns (*orase*) and 13 municipalities (*municipia*); the second-tier is made up of 35 territorial units corresponding to the second-level of local government authority: 32 districts (*raion*), two large municipalities, Chisinau and Balti which hold the status of second-level local government and the ATU of Gagauzia. The only exception to this two-layer organisation is the ATU of Gagauzia, the only autonomous region in the country. The Transnistrian region of the Republic of Moldova is considered as a region with special status like Autonomous Territorial Unit Gagauzia.⁸

17. According to Law on Administrative and Territorial Organisation of the Republic of Moldova No. 764-XV of 27 December 2001, the village (*satul*) is an administrative-territorial unit that includes the rural population (Art. 5). The commune (*comuna*) is an administrative-territorial unit, made up of two or more villages (Art. 5¹). The city (*oraşul*) "is an administrative-territorial unit in which the majority of labor resources are employed in non-agricultural activities with a diversified level of endowment and equipment, exerting a significant socioeconomic influence on the surrounding area. (2) Under the terms of the law, some cities may be declared municipalities" (Art. 6). The municipality (*municipiul*) "is an urban locality with a special role in the economic, socio-cultural, scientific, political and administrative life of the country, with important industrial, commercial structures and institutions in the fields of education, health care and culture" (Art. 7). The status of municipality is attributed to the cities of Chisinau, Balti, Bender, Cahul, Ceadir-Lunga, Comrat, Edinet, Hincesti, Orhei, Soroca, Straseni, Tiraspol and Ungheni (Art. 8).

18. The second-tier of local government is the district (*raionul*). According to Article 10 of Law No 764/2001, "The district is an administrative-territorial unit made up of villages (communes) and towns, united by territory, economic and socio-cultural relations". The relationship between subnational governments of the first and second tiers is non-hierarchical, and all first-level units of local government have identical competences, regardless of the size or population of the unit. The two larger cities, Chisinau and Balti, combine the municipal and district-level responsibilities. In addition, Chisinau has a special status as a capital city regulated by a law adopted in 2016 (see *infra*).

19. The number and size of local authorities are considered as a structural problem in the Republic of Moldova. According to many interlocutors, the number of more than 900 local authorities seems excessive for the country. While the average size of first level local authorities is 2,918 inhabitants⁹, despite the legal requirement that administrative-territorial units should have at least 1,500 inhabitants, approximately 52% of the localities in the Republic of Moldova have populations of fewer than 1,500 inhabitants¹⁰. In OECD countries, the average size of first level local authorities is 10,432 inhabitants, while in the European Union is 5,249.¹¹ The system is too fragmented, and most local authorities have limited administrative capacity to fulfil their functions. This is coupled with reduced managerial capacity and a weak financing system. The situation regarding the provision of two essential local public services, the supply of drinking water and the collection, transport and storage of household waste, is very problematic.¹² According to official statistics,¹³ in 2023, only 65.2% of the country's localities had access to public water supply systems. About 63.9% of Moldova's villages had access to drinking water supply from public systems. Although compared to 2019, the number of localities with access to public water supply systems in operation increased by 12.4%, an important part of the population is still excluded from this basic service.

7. Ibid.

8. <https://moldova.md/en/content/administrative-territorial-organization-moldova>

9. https://www.sng-wofi.org/country_profiles/republic_of_moldova.html

10. <https://www.calm.md/viorel-furdui-52-dintre-localitati-au-mai-putin-de-1500-de-locuitori/>

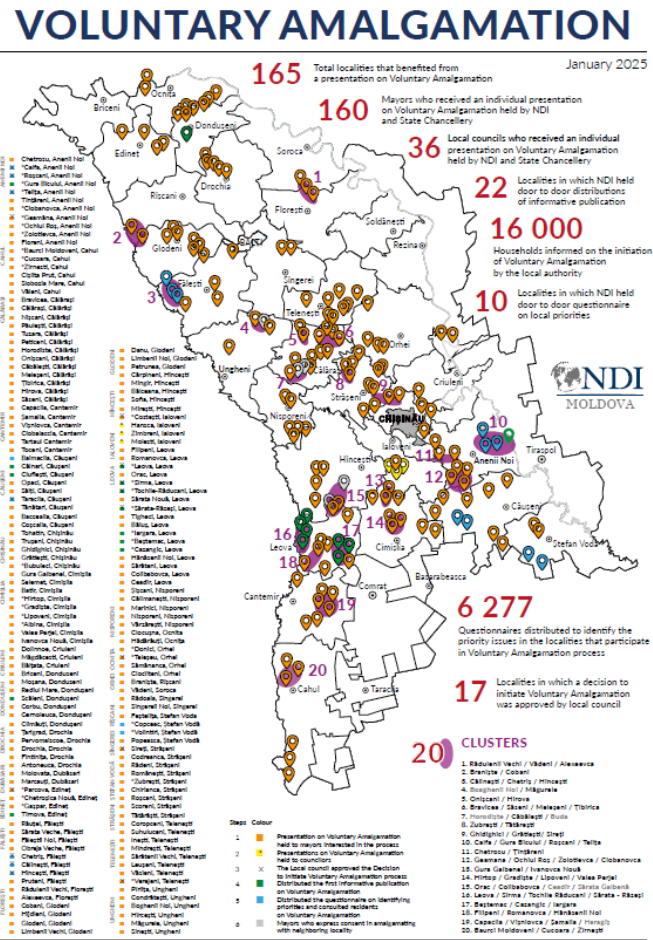
11. https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/subnational-finance-and-investment/subnational-governments-infrastructure-finance-2024.pdf/jcr_content/renditions/original/subnational-governments-infrastructure-finance-2024.pdf

12. GIRBU V., *Local Government in Moldova*, NALAS, November 2021, p. 24,

13. https://statistica.gov.md/ro/activitatea-sistemelor-publice-de-alimentare-cu-apa-si-de-9780_61263.html

20. While during the 2018 monitoring visit the delegation did not hear about the existence of any systematic governmental plan to address the territorial fragmentation, now the territorial reform constitutes a key point of the Public Administration Reform Strategy for 2023-2030 (PAR Strategy), approved by Government Decision No. 126/2023.¹⁴

21. The PAR Strategy considers a preparation period 2023-2026 and an implementation period 2026-2030, for both levels, including districts. According to point 223 activity 1.1, in the period 2023-2026, the development, adoption and implementation of a coherent and well-organized process of voluntary amalgamation at the first-level of local public administration is underway. In addition, at the latest by the end of 2026, the results of the voluntary amalgamation process will be evaluated and the most effective policies for the further territorial consolidation of the first-level local public administration will be defined, including the option of applying a normative model.



Source : <https://amalgamare.gov.md/ro>

22. The stages of the voluntary amalgamation process will be:
1. Creation of the voluntary amalgamation group/cluster;
 2. Adoption of decisions to initiate voluntary amalgamation in local councils;
 3. Formal establishment of the joint working group;
 4. Consultation of the local community;
 5. Approval of decisions on the voluntary amalgamation of local authorities;
 6. Approval of the voluntary amalgamation process by the State Chancellery;
 7. Approval of the draft amendment to Law No. 764/2001 on the administrative-territorial organization of the Republic of Moldova by the Government;
 8. Adoption of amendments to Law No. 764/2001 on the administrative-territorial organization of the Republic of Moldova by the Parliament;
 9. Conducting new local elections in the amalgamated local authorities.

14. <https://gov.md/ro/comunicate-de-presa-cancelaria-de-stat>

23. To date, according to the information provided to the delegation by the State Chancellery, 20 active clusters have been established and 19 decisions to initiate voluntary amalgamation have been adopted by local councils. Over 170 individual presentations of the methodology were made to mayors, over 35 individual presentations of the methodology to local councils, and 3 groups of local authorities have declared their intention to adopt decisions on voluntary amalgamation in 2025.

24. As for the districts, various possibilities are being examined, going from 5 to 10 districts. The PAR Strategy describes two options for reorganising the second-level local authorities: 1) based on the current development regions (North, Center, South, ATU Gagauzia and Chisinau Municipality); 2) creation of 10 regions/districts, which will follow the territories currently managed by the territorial offices of the State Chancellery. After the parliamentary elections of September 2025, next government will decide.

25. During the meetings and in its written answers to the rapporteurs, the Congress of Local Authorities of Moldova (hereinafter CALM: see *infra* under Article 10.2) considered that the administrative-territorial reform and reorganisation cannot be treated superficially, as it is an extremely important and sensitive subject, political, social, financial, economic, cultural, ethnic, etc. There have been many approaches in the history of the Republic of Moldova, and they have resulted in total failure and great disappointment among the population. Therefore, this topic requires a very broad discussion in society and the widest possible consensus.

26. CALM stated that they support voluntary amalgamation, but this instrument must be reviewed in terms of approach, implementation method, incentives, deadlines. Moreover, this concept must be correlated with the European Charter of Local Self-Government in the chapter on the obligation to organise a referendum in the event when the boundaries of local authorities are changing (see *infra*, under Article 5). In addition, amalgamation should not be seen as the only way to increase the administrative capacity local authorities, but it must be put on the same level as other instruments: inter-municipal cooperation, inter-municipal development associations, pole cities, delegation of competences.

27. During the consultation procedure, CALM emphasised that any further territorial reform must be preceded by a thorough assessment of all sides' administrative capacities to avoid destabilising the fragile overall public administration system in the Republic of Moldova. CALM noted that studies consistently indicate that local governments demonstrate greater managerial and administrative capacities than central authorities—and this is supported by public polls, which reveal higher levels of trust in local government, considered as more efficient, democratic, and responsive to the needs of communities than the central administration.

28. The rapporteurs recognise that the number and size of local authorities is a particularly sensitive issue in the Republic of Moldova, as is the case in many member States. They highlight that the provision of local services necessary for the community and the principle of subsidiarity are at the core of the decentralisation and local self-government according to the Charter. They also note that the existence of local communities with their own traditions and identities is an important aspect of local democracy.

The Autonomous Territorial Unit of Gagauzia

29. Specific provisions for the Autonomous Territorial Unit of Gagauzia (ATUG) are laid down in Article 111 of the Constitution and in Article 10 of Law on Administrative and Territorial Organisation of the Republic of Moldova No. 764-XV of 27 December 2001. Article 111.1 of the Constitution identifies Gagauzia as “an autonomous territorial unit having a special status and representing a form of self-determination of the Gagauzian people”. Although it is said that it “constitutes an integral and inalienable part of the Republic of Moldova”, the Constitution expressly provides that ATUG “shall resolve its political, economic and cultural issues independently, within the limits of its competence, pursuant to the provisions of the Constitution of the Republic of Moldova, in the interest of the whole of society”.

30. The special status of ATUG is regulated by Law No. 344/1994 on the special legal status of Gagauzia (Gagauz-Yeri). While ATUG independently determines its own political, economic and cultural affairs, the Republic of Moldova retains control over justice, foreign policy and security. The directly elected governor (*Bashkan*) represents the Gagauzian Government for a four-year term and also holds a position in the Moldovan Government. The current governor Evghenia Gutul (former Shor party member, now independent) was elected in May 2023 and relations between the central government and

the ATUG have soured since the election was contested by the central authorities in light of the concerns over foreign interference in the electoral process.¹⁵

31. The rapporteurs note that at the time of the monitoring visit, the Bashkan of ATUG was subject to restrictive measures¹⁶ imposed by the European Union in October 2024 for the destabilising actions in ATUG. These sanctions targeted five individuals and one entity, holding them responsible for “attempting to overthrow the constitutional order, thereby threatening the sovereignty and independence of the Republic of Moldova, and democracy, stability and security in the Republic of Moldova”. On 25 March 2025, she was detained at Chişinău International Airport for several accusations involving corruption, the illegal financing of her 2023 election campaign and alleged involvement in the banned Shor party’s activities. She was subsequently placed under house arrest and the judicial proceedings in the case of Ms. Guţul were ongoing at the moment of the drafting of this report.

32. During the consultation procedure, CALM pointed to several systemic dysfunctions in the mechanisms for ensuring the legal status, institutional and financial autonomy of the Autonomous Territorial Unit of Gagauzia. The lack of compliance with the provisions of Law of the Republic of Moldova No. 344/1994 "On the Special Legal Status of Gagauzia" in terms of the participation of the Bashkan in the work of the Government of the Republic of Moldova was highlighted. It also pointed to the non-extension to the ATUG of the measures aimed at increasing local officials and employees’ salaries applied to first-level authorities in the Republic of Moldova. ATUG was not affected by the RESTART programme (see *infra*) and retained responsibility for persons caring for relatives with disabilities, and no funds have been allocated for this task, but their cost within the ATUG budget for 2024 amounted to 22 million lei, representing 6.1% of its own revenues.

33. As for the financial autonomy, CALM complained that the Parliament of the Republic of Moldova, without prior consultations, adopted Law No. 285 of 5 October 2023, amending Article 6 of the Tax Code, which obliged the ATUG budget to reimburse national taxes to economic agents operating on its territory, without allocating compensatory funds from the state budget. The Constitutional Court subsequently declared this law unconstitutional, but during the period of its validity (about 4 months), allegedly ATUG had to pay 29 million lei, which amounted to 8.1% of its own central budget revenues.

34. In its written answers to the rapporteurs, the government underlined that the main objective of the current government, highlighted in all national policy documents, is that the development of the Republic of Moldova is carried out fairly and uniformly in all regions directly and in the Autonomous Territorial Unit (ATU) of Gagauzia. In this context, the government mentioned the activity of the Parliamentary Working Group on Gagauzia, made up of representatives of all political parties in the Parliament of the Republic of Moldova, interest groups and stakeholders, and ATUG People's Assembly.

35. Some legal acts have been passed in the last few years in order to create institutionalised consultation and cooperation mechanisms. Law No. 374/2022 was adopted to amend Article 32 of Law No. 100/2017 on normative acts. According to the new provisions, “Draft normative acts concerning the status of the autonomous territorial unit of Gagauzia and/or the powers of its authorities shall be submitted for approval to the People's Assembly of the autonomous territorial unit of Gagauzia”, while “The draft normative acts of the People's Assembly of the autonomous territorial unit of Gagauzia may be submitted for approval to the ministries and other central administrative authorities, responsible for the field to which the respective draft refers”.

36. In order to regulate the mandatory consultations with ATUG People's Assembly in the case of examining draft laws regarding the status, powers or other issues relating to the Autonomous Territorial Unit of Gagauzia, Law No. 375/2022 amended Art. 58.1 of the Rules of procedure of the Parliament, to establish that “(1) Draft normative acts concerning the status of the autonomous territorial unit of Gagauzia and/or the powers of its authorities shall be submitted for approval to the People's Assembly of the autonomous territorial unit of Gagauzia. (2) Failure to submit the opinion within a maximum period of 30 days or within a shorter period established by the President of Parliament shall not prevent the examination of the draft normative act by Parliament. (3) If the standing committee notified in the matter organizes public hearings regarding the draft normative act concerning the status of the autonomous territorial unit Gagauzia and/or the powers of its authorities, representatives of the People's Assembly of the autonomous territorial unit Gagauzia shall also be invited to the hearings”.

15. Congress, [Foreign interference in electoral processes at local and regional levels](#), CG(2025)48-10.

16. Council of the EU, [“Republic of Moldova: Council lists further 5 individuals and 1 entity for destabilising actions”](#), Press release, 14 October 2024.”

Organisation of the local authorities

37. In first-level local authorities, the representative and decision-making body is the local council. The council adopts the most important political decisions such as the local budget, by-laws, development plans, etc. Voters elect local councillors under a proportional representation system and can vote for candidates registered on closed lists compiled by political parties and alliances of parties or competing as independents. The number of councillors elected in villages/towns/municipalities depends on the size of the population. The seat distribution method used by the District Election Commissions to allocate mandates is the D'Hondt method (Article 172 of the Electoral Code).

38. The mayor (*primar*) is elected directly every four years. The elections of mayors are based on a two-round majoritarian system. Mayors are the highest authority of the town/village/city/municipality with a clear political leadership role and significant executive functions such as the awarding of contracts, the execution of laws and regulations, the management of staff.

39. Each second-level authority has a council and a president. The council is also directly elected for a term of four years on closed lists or competing as independents. The seat distribution technique is similar to the one used for local councils. The district president is the executive head of the *raion* and is elected by the district council for a term of four years, if supported by a majority vote of councillors. An exception is envisaged for regional elections in the ATU of Gagauzia, as the elections for the People's Assembly and the *bashkan* of Gagauzia are held separately (Article 155 of the Electoral Code).

40. An important feature of local politics is political migration – elected representatives changing parties after an election – affecting mayors in particular. This issue has been noted by the Congress in the past and erodes the voter's expressed choice while questioning the independence/allegiance of local politicians. Changes in the political affiliation of the mayors elected in 2019 affected 39% of mayors, according to the data provided by the government. Regardless of this, citizens express much more confidence in local authorities than another political institution (Parliament, Government, President), including political parties (the least trusted).¹⁷ According to CALM and experts met by the delegation, this practice still exists, although more recent data are not available. The State Chancellery currently stated that, following the general local elections held on 5 November 2023, political mandates have stabilised, and while some individual cases of political migration may still occur, the scale of such migrations is now considered minimal.

Competences

41. Subnational government responsibilities are not established by the Constitution, but they are identified in different laws, including Law No. 436-XVI on Local Public Administration, Law No. 435-XVI on Administrative Decentralisation and the Law on Public Finance. Subnational governments have two types of responsibilities: delegated and exclusive. According to the law, all first-level local authorities have the same set of responsibilities, irrespective of their size, institutional, administrative or fiscal capacity. Local governments of the second-tier have almost the same competences. At the regional level, the only case of asymmetry in terms of functions is the "special autonomy" of the ATU of Gagauzia.¹⁸

17. See document CPL(2024)46-04 (5 November 2023) Local Elections in the Republic of Moldova

18. https://www.sng-wofi.org/country-profiles/republic_of_moldova.html

■ SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

2020	DOLLARS PPP / INHABITANT	% GDP	% GENERAL GOVERNMENT	% SUBNATIONAL GOVERNMENT
Total expenditure	1 129	8.7%	24.5%	100%
Incl. current expenditure	884	6.8%	21.5%	78.3%
Compensation of employees	626	4.8%	57.8%	55.5%
Intermediate consumption	179	1.4%	19.3%	15.8%
Social expenditure	41	0.3%	2.6%	3.6%
Subsidies and current transfers	36	0.3%	8.6%	3.2%
Financial charges	2	0.0%	1.6%	0.2%
Others	0	0.0%	-	0.0%
Incl. capital expenditure	245	1.9%	49.3%	21.7%
Capital transfers	4	0.0%	15.8%	0.4%
Direct investment (or GFCF)	240	1.9%	51.3%	21.3%

Source: https://www.sng-wofi.org/country_profiles/republic_of_moldova.html (2020)

42. The main competences of villages and towns (first-level local authorities) are:
- socio-economic development;
 - territorial and urban development;
 - construction and maintenance of roads, streets, local bridges and traffic management;
 - maintenance and operation of water supply systems, sewerage, water treatment, sanitation and domestic waste;
 - social housing;
 - local public transportation; bus and train stations;
 - maintenance of buildings for pre-school education ;
 - public cultural institutions; maintenance of libraries and museums;
 - sports facilities;
 - markets and other public places; protection of consumer rights;
 - registration and maintenance of households; management of local property assets;
 - fire departments;
 - maintenance of parks and green spaces; environmental protection;
 - management of land;
 - maintenance of cemeteries;
 - green areas;
 - waste management.
43. The competences of the second-level local authorities include:
- management of public property;
 - construction of roads of raional interest;
 - regional public transport;
 - spatial planning;
 - economic development support;
 - local gas and heat distribution;
 - maintenance of buildings for pre-university education, except pre-school education;
 - cultural, tourism and sport management;
 - co-ordination of the activities of the local councils in order to provide public services at district level;
 - management and maintenance of systems and infrastructure providing services to different towns and villages.
44. The main competence of the district, social services, has been recently centralised at central level by the reform of the social sector called RESTART¹⁹, which was described by the representatives of the State Chancellery during the meeting with the delegation as a form of “centralisation for decentralisation”, to express the idea that competences of local authorities is still a work in progress, which has to be accomplished and clarified in the next few years, in connection with the territorial reform.

19. Law No. 256 of 17-08-2023 for the amendment of some normative acts (reform of the "RESTART" on social assistance system).

45. During the consultation procedure, CALM expressed disagreement with this approach, pointing to the near impossibility of long-term planning due to instability of governments. CALM views this development as a clear case of centralisation (from 2nd tier to the central level), contrasting it to the CALM approach towards decentralisation – from 2nd tier to 1st tier (particularly what concerns the institute of social assistants). According to CALM, several sectoral laws (Law No. 547/2003 on social assistance, Law No. 123/2010 on social services, etc.) erroneously assigned competences in the field of social protection to the first-level local authorities, which is an area of central government competence. It has repeatedly called for amending these laws in line with the provisions of Law no. 136/2017 on the Government or for the delegation of some social protection competences (regarding the provision of social services) to first-level local authorities, which should be accompanied by the allocation of adequate and sufficient financial resources to enable the exercise of these competencies. CALM considers this adjustment would be particularly relevant in the context of launching the “RESTART” reform of social assistance system, to align it with the principle of subsidiarity, as social services are mostly provided at community level.

Finances

46. The Constitution of the Republic of Moldova, although it devotes several provisions to local government, does not include any paragraph on the financing of local authorities. The only reference to local finances is to be found in Article 131.5, which states that “the district, town and village budgets shall be drafted, approved and carried out in accordance with law”. The same is true for Article 132.1, which provides that, “all taxes, duties, other revenues of the State budget and of the social insurance budget, as well as of the district, town, village budgets are established under the law by the competent representative bodies”.

47. Consequently, the regulation and structure of local financing is left totally in the hands of the legislature and of the government. In this field, the most important pieces of legislation are Law No. 397-XV on Local Public Finance of 16 October 2003; the Tax Code of the Republic of Moldova No. 1163 of 24 April 1997, Law No. 181/2014-XIII on Public Finances and Fiscal Responsibility and the Local Public Administration Act of 2006.

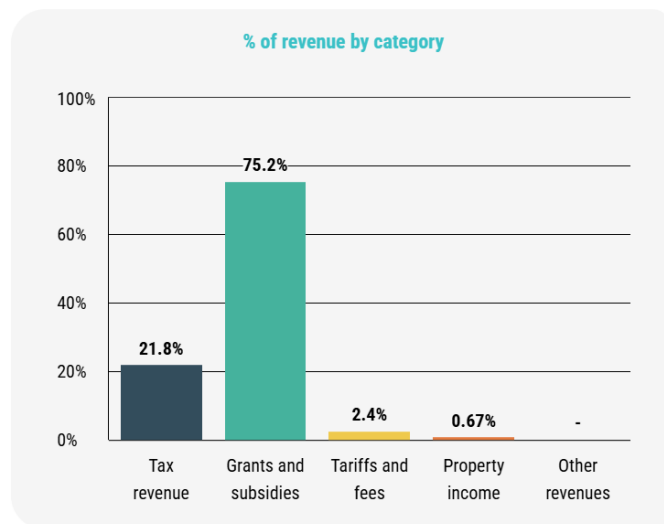
48. In the Republic of Moldova, the main sources of local revenue for local authorities are the following:

- own revenue (local taxes and fees);
- shared taxes and fees;
- special means (special funds);
- transfers (from the State budget);
- borrowing;
- revenues from property sales, rent and privatisation;
- revenues from commercial activities.

■ SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

2020	DOLLARS PPP / INHABITANT	% GDP	% GENERAL GOVERNMENT	% SUBNATIONAL GOVERNMENT
Total revenue	1 150	8.9%	29.2%	100%
Tax revenue	250	1.9%	10.0%	21.8%
Grants and subsidies	865	6.7%	-	75.2%
Tariffs and fees	27	0.2%	-	2.4%
Income from assets	8	0.1%	-	0.7%
Other revenues	0	0.0%	-	0.0%

Source: https://www.sng-wofi.org/country-profiles/republic_of_moldova.html (2020)



Source: https://www.sng-wofi.org/country-profiles/republic_of_moldova.html (2020)

49. As for local taxes and fees, first-level local authorities can receive own-source taxes and fees, second-level authorities have no own-source taxes but can collect fees. According to Article 6, paragraph 6, of the Tax Code No. 1163-XIII of 24 April 1997, the system of local taxes and fees includes:

- a. real estate tax;
- b. taxes on natural resources;
- c. land-use tax;
- d. fees on the organisation of auctions and lotteries on the territory of the administrative territorial unit;
- e. taxes on advertising;
- f. taxes on the application of local symbols;
- g. taxes on commercial units and/or service provision;
- h. market taxes;
- i. accommodation taxes;
- j. resort fees;
- k. taxes for the provision of passenger transport services on municipal, town and village (communal) routes;
- l. parking fees;
- m. sanitation fees;
- n. advertising device fee.

This enumeration does not mean that all these fees exist in all Moldovan local authorities, but only in those who have decided to create and collect them.

50. Shared tax revenues, the most important being the personal income tax (PIT), are allocated directly to local governments based on the residence, in different proportions: 100 per cent for villages, cities (excepting capital cities of districts) and municipalities (excepting Chisinau and Balti); 50 per cent for Chisinau and Balti municipalities, and cities and municipalities that are also capital cities of a district; 25 per cent for districts. The remaining part of the shared tax revenues is withheld and transferred to the Balancing Fund, which is the source of the General Purpose Transfer received by local governments. In reality, these “shared taxes” can be categorised both as “transfers” and as “equalisation mechanisms” since the local entities have absolutely no power to regulate, manage or collect those taxes. They are the exclusive responsibility of the State, which later on redistributes all or part of the taxes collected to the local authorities.

51. Both cities, villages, and municipalities (excepting Chisinau and Balti municipalities), as well as districts, can benefit from General Purpose Transfer, which are allocated from the balancing fund, 45 per cent in favour of the first-tier and 55 per cent in favour of the second-tier. General Purpose Transfer is distributed to local governments on the basis of fiscal capacity per inhabitant data, multiplied by a coefficient of 1.3 and then on the basis of the population and size of territory of each local authority of the first-tier. Fiscal capacity per inhabitant is determined by taking into consideration incomes generated only by the Personal income tax, regardless of the type of the locality (rural, urban). For districts, the allocation criteria refer to population and territory (except for the municipalities of Chisinau

and Balti that cannot benefit from general purpose transfers). General Purpose Transfer is limited to the total amount of the balancing fund. Rules for the General Purpose Transfer distribution do not take into consideration the total amount needed in order to meet the average fiscal capacity per inhabitant for all local public authorities, which can lead to a situation when available funds are lower than needed.²⁰

52. The third, and larger, type of intergovernmental transfer is the Special Purpose Conditional Transfer, financed directly from the central government budget. These transfers are allocated to local governments to fund expenditure needs of the educational sector, delegated functions and capital investment. These transfers do not finance districts.²¹

53. Grants and subsidies represent the most important source of subnational government revenue, accounting for a very large share of subnational government revenue: 75.2%.²²

54. Since 2020, several reforms aimed at strengthening the financial possibilities for local authorities have been adopted. The Ministry of Finance informed the delegation of the following measures.

55. From 2020:

- the budgets of the villages (communes), towns (municipalities), except for the towns/municipalities of district residence and the municipalities of Balti and Chisinau, receive 100% of the personal income tax (PIT);
- Balti municipal budget receives 50% of the PIT compared to the previous 45%;
- the budgets of district-residence cities and district-residence municipalities receive 50% of the PIT compared to 20% and 35%, respectively;
- the Fund for financial support of the local authorities was supplemented with a share of the corporate income tax (CIT), established in the annual budget law, which currently constitutes 10% of receipts.

56. From 2021:

- the cancellation of the 15% reduction in the earlier payment of real estate tax was approved;
- granting powers to establish special local taxes for the provision of local public services;
- granting local authorities in rural localities the right to set independently within the limits of 0.05% to 0.4% the rate of real estate tax (previously the amount of real estate tax was 0.1 percent).

57. From 2022:

- the annulment of the provisions of the Fiscal Code aimed at capping local taxes entered into force, as a result of the Decision of the Constitutional Court no. 27 of September 14, 2021 on the unconstitutionality of the provisions of Article VII points 78-87 of Law No. 257/2020;
- the full allocation of the tax revenues for the use of roads by vehicles registered in the Republic of Moldova to the first-level local budgets (increase of the amount from 50% to 100%) was established, keeping the existing formula for the distribution of the volumes of transfers, as well as the conditionality of the use of the means according to the destination.

58. From 2023:

- the cancellation of the maximum quotas for real estate for residential use, for the garages and the land on which they are located, the lots of fruit-growing companionships with or without constructions located on them, as well as for the agricultural land with constructions located on them, was established;
- modifying the distribution of the fee for the extraction of useful minerals, by establishing an amount of 50% of the total volume collected on the territory of the administrative-territorial unit of the level first to be paid to the respective local budget;
- redirection from special purpose transfers for local public road infrastructure to general purpose transfers for first-level local budgets, keeping the mechanism for their calculation and distribution (proportionate to the number of population).

20. Gibru V., *op. cit.*, pp. 15-16.

21. https://www.sng-wofi.org/country-profiles/republic_of_moldova.html

22. https://www.sng-wofi.org/country-profiles/republic_of_moldova.html

59. From 2024:

- by Law No 428/2023 (concerning customs policy for 2024), as of 1 January 2024, 50% of the total volume collected on the territory of the respective administrative-territorial unit has been deducted from taxes on natural resources in the budgets of villages (communes), cities (municipalities), including those of ATU Gagauzia, as well as in the municipal budgets of Balti and Chisinau, and the remaining 50% has been transferred to the State budget.

60. From 2025:

- granting the local council the right to increase the tax on real estate up to 300% for untidy buildings and land located within the built-up area and for agricultural land not worked for 2 consecutive years;
- optimizing and simplifying the process of determining the subjects of the sanitation tax.

61. In addition, the Ministry of Infrastructure and Regional Development has established several programmes designed to enable local authorities of the first level to implement development projects, such as “European Village” (editions 2022-2023 and 2023), “European Village Express (edition 2023), “Expansion of Public crèches” (editions 2023 and 2024). In particular, the programme “European Village” is aimed at supporting projects for the modernization of rural villages. Most of the projects are related to the water supply and sewage systems, street lighting, the renovation of culture houses and sports fields. Other programmes have been promoted by the Ministry of Energy (such as the “Fund for Energy Efficiency in the Residential Sector of the Republic of Moldova”) and the Ministry of Environment (National Environment Fund).²³

62. As a result, according to the Ministry of Finance, this is the actual financial situation of the income of local authorities in the Republic of Moldova:

<i>Indicatori</i>	2021		2022		2023		2024	
	Executat	Pondere în total venituri, %	Executat	Pondere a în total venituri, %	Executat	Pondere a în total venituri, %	Executat	Pondere în total venituri, %
Defalcări de la impozite și taxe de stat (IVPJ, IVPF, TVA, accize și taxe rutiere)	3.565,4	17,5	4.205,5	17,6	5.085,5	17,7	5.986,7	21,1
Venituri proprii	2.212,6	10,9	2.516,3	10,5	2.832,2	9,9	2.879,4	10,1
Venituri autonome (venituri proprii +defalcari impozite si taxe de stat)	5.778,0	28,3	6.721,7	28,1	7.917,7	27,6	8.866,1	31,2
Transferuri total (de la bugetul de stat și fonduri speciale)	14.609,1	71,7	17.167,6	71,9	20.803,6	72,4	19.531,6	68,8

Source: Ministry of Finance

Supervision

63. In the Republic of Moldova, the oversight and supervision of local authorities are not regulated in the Constitution, but by regular statutes and administrative regulations, that lay down the cases and the procedures under which this supervision can take place (Law No. 436/2006 on local public administration, Articles 61-72, and other normative acts).

64. The key bodies for the supervision of local authorities are the State Chancellery and the Ministry of Finance. The State Chancellery is the body that concentrates the most important powers in the field of local government and decentralisation and coordinates all issues dealing with local governments. The State Chancellery has the power to validate the legality of the acts and decisions of the local authorities, something it does through its regional offices.

65. The Ministry of Finance also plays an important role in administrative supervision, but it is limited to financial and fiscal issues. Outside the executive branch, the Court of Accounts of the Republic of Moldova plays a fundamental role in the administrative oversight of local authorities. There is a special

23. Report of the Government of the Republic of Moldova on the implementation of the actions in the Revised Roadmap on Local and Regional Democracy in the Republic of Moldova (signed on 15 April 2021) (reporting period: 2021-2024).

division in the Court of Accounts dealing with local governments. In carrying out its functions, the Court of Accounts performs financial audits and issues recommendations. It may also refer to the prosecutor if mismanagement or misappropriation is unveiled as a consequence of the audit.

66. The State Chancellery is responsible for organising the administrative control of the activity of local public administration authorities, which is exercised directly by the State Chancellery or through 10 territorial offices, led by the representatives of the government in the territory, whose activity is regulated by Government Decision No. 845/2009 on the organisation and functioning of the territorial offices of the State Chancellery and is guided by the following principles:

- Exercising it only according to the procedures and in the cases provided for by the legislation in force;
- Respecting the proportionality between the scope of the control authority's intervention and the importance of the interests it protects;
- Not admitting the limitation of the right of the local public administration authority to autonomously administer, under the law, the affairs that fall within its own competence.

67. The territorial offices of the State Chancellery carry out the control of the legality of the administrative acts adopted by the local public authorities. The control of the legality of administrative acts can be mandatory, optional, the control requested by the local public administration authority and the control requested by the persons whose right was violated by an administrative act of the local public authorities.

68. The territorial offices of the State Chancellery are organised and operate as a territorial subdivision of the State Chancellery, intended to fulfil the prerogatives granted by the regulatory framework in force, including the control over the legality of acts adopted or issued by the local public administration authorities of the first and second levels. If the Office considers that an act issued by the local authority is illegal, it notifies the issuing local authority of the illegality of the act, requesting its total or partial modification or repeal. Within 30 days from the date of receipt of the notification, the issuing local authority must amend or repeal the contested act. If, within this term, the issuing local authority has maintained its position or has not re-examined the contested act, the territorial office of the State Chancellery may notify the administrative court.

69. If it considers that the act may have serious consequences, in order to prevent imminent damage, the territorial office of the State Chancellery may directly notify administrative court after receiving the act it considers illegal, immediately notifying the issuing local authority. Once the administrative court is notified, the territorial office of the State Chancellery may request the latter to suspend the contested act or to order other provisional measures.

70. The only authority empowered with the right to express itself on the legality of administrative acts issued by local public administration authorities are the courts. Thus, according to Article 20 of the Administrative Code, if an administrative activity violates a legitimate right or a freedom established by law, this right may be claimed through an administrative litigation action, which is decided by the courts competent for examining the administrative litigation procedure, according to this code.

71. The Court of Accounts conducts a legality/regularity control of the spending process by local authorities, as provided in Article 31, paragraph (3) of Law no. 260/2017 regarding the organisation and functioning of the Court of Accounts of the Republic of Moldova: "In performing the compliance audit, the Court of Accounts determines whether the activities of the audited entities are in accordance with the legislation and the rules established by the authorities. The compliance audit is concluded with an auditor's conclusion or opinion regarding compliance". All audit missions are performed *post facto*. According to the provisions of Article 31, paragraph (4) of Law no. 260/2017, in performing the performance audit, the Court of Accounts evaluates the economy, efficiency, and effectiveness of a particular aspect of operations carried out by an entity or part of it, or within a programme or activity. As a result, the appropriateness of certain expenditures can only be audited through the lens of economy, efficiency, and effectiveness.

2.2 Status of the capital city

72. With a population of 719.7 thousand persons according to the preliminary results of the 2024 census (16.7% more than in the 2014, so that almost every 3rd resident person of the country lives in Chisinau municipality),²⁴ Chisinau is by far the biggest Moldovan city.

73. Article 14 of the Constitution provides that “The capital of the Republic of Moldova is the city of Chisinau” and Article 110 states that “The status of the capital of the Republic of Moldova, the city of Chişinău, is regulated by organic law”. In fact, Chisinau has a special status and a special law regulating it: Law No. 136 on the Status of Chisinau Municipality of 17 June 2016. According to this law, Chisinau Municipality is also a second-level administrative-territorial unit, which includes first-level administrative-territorial units. In terms of administrative organisation, Chisinau is subdivided into 5 sectors. Besides the city itself, the municipality comprises 34 other suburban localities: 6 towns and 12 communes. The municipality elects a mayor (*primar general*) and a local council, which appoints five *pretors*, one for each sector. Each sector encompasses a part of the city and several suburbs.

74. As for the competences, there is not any difference between Chisinau and the other municipalities, with the only exception that it combines the competences of both the first and the second-tier. However, while the RESTART reform took over the competences of social assistance from the districts to transfer them to newly established territorial social assistance agencies, Chisinau kept its responsibilities in this field, being, with the ATU of Gagauzia, the only local authority still in charge of social services.

75. The delegation did not hear any significant complaint about the status of the capital city, from a legal point of view. In his communication and written answers to the questions, the Mayor of Chisinau supported the position of the CALM, stressing the lack of consultation on major administrative reforms (see *infra*, under Article 4.6). He also highlighted that the monthly allowance of 50% of the base salary granted to mayors and deputy mayors at the first-level local authorities does not apply to the capital, and to the municipality of Balti. The main complaint heard by the rapporteurs about the current situation had to do with financing. The mayor pointed out that, although Chisinau contributes over 65% to the national GDP, it receives only 19% of the national budget to the State transfers. As a result, it is 53% dependent on transfers from the State budget. This dependency significantly limits the city’s financial capacity. In addition, several decisions of the central government negatively impacted on the city budget, such as raising salaries or establishing water and sewage tariffs. The same concerns were expressed about the gas and electricity tariffs increase, which the city has had to cover from its own budget allegedly without any compensation, and about the RESTART reform, the financial impact of which on the municipal budget (estimated in 210 million Lei in 2024) was not covered by additional financial resources.

2.3 Legal status of the European Charter of Local Self-Government

76. Article 8 of the Moldovan Constitution provides that “the Republic of Moldova commits to observe the Charter of the United Nations and the treaties to which it is a party”. The Constitutional Court has declared that the unanimously recognised principles and provisions of international law (among them, the *pacta sunt servanda* principle), found in the ratified international treaties joined by the Republic of Moldova are part of the domestic legal framework (judgment No. 55/1999). Derived from that basis and given that the Parliament of Moldova ratified the Charter by Decision No. 1253-XIII of 16 July 1997, the provisions of the Charter are considered to be an integral part of the legal system of the Republic of Moldova.

77. All the most important pieces of legislation on local government refer to the Charter, as a source of the principles on local autonomy. For example, Art. 7 of Law No. 436 of 28-12-2006 regarding local public administration, establishes that “In carrying out their powers, local public administration authorities have autonomy, enshrined and guaranteed by the Constitution of the Republic of Moldova, the European Charter of Local Self-Government and other treaties to which the Republic of Moldova is a party”. Art. 1.2 of Law No. 136 of 17-06-2016 on the status of the municipality of Chisinau establishes that “The organization and functioning of the public administration authorities of Chisinau municipality is regulated

24. https://statistica.gov.md/en/preliminary-results-of-the-2024-population-and-housing-census-10077_61626.html

based on the provisions of the European Charter of Local Self-Government, Law No. 436-XVI of December 28, 2006, on local public administration, this law and other legislative and regulatory acts”.

78. Moreover, the Constitutional Court has had the opportunity to issue a handful of rulings where the nature, effectiveness and legal power of the Charter have been analysed. From this case law, the Constitutional Court has elaborated a concept of local autonomy, where the Charter has played a fundamental role. During the meeting with the Constitutional Court, the delegation was informed of some recent judgments referring to the Charter. Judgment No. 27 of 14.09.2021 referred to Articles 4.6 and 9.1 of the Charter to interpret Article 109 of the Constitution²⁵, and judgment No. 5 of 5 March 2024 referred to Article 4.6 of the Charter, in interpreting Articles 109 and 111 of the Constitution²⁶.

2.4 Previous Congress reports and recommendations

79. The Congress has been closely following the developments in local and regional democracy in the Republic of Moldova since 1998. The nature of the Congress partnership with Moldova is twofold: on the one hand, the Congress monitors the State of local and regional democracy in the country (as it does in all its member states) and on the other hand, the Congress has carried out a post-monitoring dialogue and implements cooperation projects to facilitate the implementation of recommendations from the monitoring visits.

80. In 2005 the situation of local democracy in Moldova was the object of a monitoring visit that resulted in Recommendation 179 (2005) on local democracy in Moldova. In September and November 2011, other monitoring visits were carried out in the country. This led to the adoption by the Congress of Recommendation 322 (2012) on local and regional democracy in the Republic of Moldova. The latest monitoring visit to the Republic of Moldova was carried out in 2018 and led to Recommendation 436 (2019).

81. The Congress Recommendation 436 (2019) asked the Committee of Ministers to invite the Republic of Moldova to:

- a. get back on the path to decentralisation through appropriate and full implementation of all previous Congress recommendations: 179 (2005), 322 (2012) and 411 (2018) and through the delegation of new competences to the local level, and by speeding up the process of meeting the objectives approved in the National Decentralisation Strategy and other relevant policies;
- b. allocate sufficient financial resources to local authorities, in line with the principle that the resources should be commensurate with the responsibilities;
- c. increase the fiscal capacity of local authorities by enabling them to establish local taxes and to determine their rate, and by clarifying the delimitation of municipal lands to allow their re-evaluation for tax purposes;
- d. revise and clarify the system of local competences in order, inter alia to avoid situations of overlap between local and central competences, and to allocate concomitant finances to local authorities;
- e. allow local authorities to have more discretion in adapting the exercise of their tasks to local conditions;
- f. adopt the necessary legal and regulatory arrangements to avoid the possible distorting consequences of the application of local recall referendums in local political life;
- g. increase the managerial capacity of local authorities by giving them more freedom and flexibility in the management of their human resources, so that they can offer training opportunities and adapt and upgrade the remuneration of their own staff members, as well as their career prospects
- h. increase the salaries of mayors and district council presidents in order to offer a salary scale commensurate with the importance of their responsibilities;
- i. ensure that supervision of the actions of local authorities is in proportion to the importance of the interests that it is intended to protect and is limited to ensuring legality while refraining from supervision over local authorities' actions in their own areas of competence;

25. [Judgment no. 27 of 14.09.2021](#) on the constitutional review of several provisions of Law No. 257 of December 16, 2020, regarding the amendment of several normative acts

26. [Judgment No. 5 of 5 March 2024](#) on the review of constitutionality of Law No. 285 of 5 October 2023, amending Article 6 of the Tax Code.

- j. reinstate a fair consultation process with local authorities and a political dialogue, in order to come to an agreement on the planned measures that may affect the interests of local authorities;
- k. remedy, in the shortest possible time, the current situation regarding the governance of the capital city of Chişinău, in order to ensure the stability of the mayoral office in between local elections and to prevent the appointment of nonelected acting mayors;
- l. find a more appropriate balance between the fight against corruption and the requirements of local democracy, so that the bringing of criminal prosecutions against local elected representatives does not disrupt local political life, and refrain from exercising any type of pressure on local elected representatives;
- m. consider signing and ratifying the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority in the near future.

82. Subsequent post-monitoring visits led to the signing of the “Revised Roadmap for Local and Regional Democracy in the Republic of Moldova” in April 2021 between the Government of the Republic of Moldova and the Congress. The “Roadmap” contains several important recommendations such as fostering political dialogue and a fair consultation process with local authorities, clarifying the system of local competencies, increasing fiscal capacities of local authorities.

83. The latest post-monitoring visit was paid to the Republic of Moldova, on 19 June 2023, to assess the state of play and the level of implementation of the revised roadmap. Following this post-monitoring visit, Congress rapporteurs on the Republic of Moldova prepared an information report “State of play of the roadmap for local and regional democracy following the mission carried out on 19 June 2023”. The Monitoring Committee took note of this report during its meeting on 24 October 2023 and welcomed the positive cooperation with all stakeholders during the post-monitoring process which was marked by a fruitful political dialogue. This marked the closure of the post-monitoring dialogue procedure in the country, before the ordinary monitoring visit which took place in March 2025.

84. The report highlighted significant progress in local reforms compared to the situation in June 2022. There was however ongoing debate and disagreement about the pace and impact of these reforms among local representatives and top government officials. The government showed strong commitment to the reform process, supplementing the “revised roadmap” with the “PAR strategy.” Inter-governmental dialogue had notably improved, with functioning “parity commission” and various sectoral groups established for different sectors of decentralisation. While local finances had seen an increase in available fiscal and other revenue, the impact on local authorities remained limited, exacerbated by unplanned expenses like salary increases for government employees decided by the Parliament but not supported by State transfers. Political tension was rising due to upcoming local elections (at the time of the visit their date was unknown). Despite challenges, the government was determined to continue reforms and implement the revised roadmap, supported by the Congress of Local Authorities of Moldova (hereinafter CALM: see *infra* under Article 10.2). The positive inter-governmental dialogue raised hope for further progress in the short and medium term.

85. Lately, the Action Plan of the Council of Europe for the Republic of Moldova 2025-2028 was officially launched on 12 February 2025 with the overall budget estimated at €30 million. It includes several initiatives and measures aimed at strengthening local authorities and promoting local governance.²⁷ Under the headline “Strengthening Local Governance”, the Action Plan emphasizes the importance of enhancing the capacity and accountability of local authorities. This includes providing training and support to local officials to improve their governance practices and ensure they adhere to democratic principles and human rights standards. Under the headline “Decentralisation and Local Autonomy”, the plan supports efforts to decentralize governance, giving more autonomy to local authorities. This aims to improve the efficiency and responsiveness of local governments in addressing the needs of their communities. Under the headline “Local Development Initiatives”, specific initiatives focused on promoting local development are considered, as projects aimed at improving local infrastructure, fostering economic development at the local level, and enhancing the quality of public services provided by local authorities. Under the headline “Community Participation”, the Action Plan encourages increased involvement of civil society and local communities in decision-making processes. This includes initiatives to promote transparency, public participation, and accountability in local governance. Under the headline “Capacity Building”, the plan includes measures to build the capacity

27. Council of Europe Action Plan for the Republic of Moldova 2025-2028, [CM\(2024\)172-final](#)

of local authorities to effectively manage resources, implement policies, and deliver services. This involves training programmes, technical assistance, and the sharing of best practices.

3. HONOURING OF OBLIGATIONS AND COMMITMENTS: ANALYSIS OF THE SITUATION OF LOCAL DEMOCRACY ON THE BASIS OF THE CHARTER (ARTICLE BY ARTICLE)

3.1 Article 2 – Constitutional and legal foundation for local self-government

Article 2 – Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

86. Article 2 requires the principle of local self-government to be recognised at domestic level in an ‘open’ and ‘express’ manner, i.e. in written law. The practical and operational consequences of this recognition can be fully understood in the light of Article 11, according to which “the principles of local self-government as are enshrined in the constitution or domestic legislation” shall be protected by judicial remedies that local authorities can activate. Therefore, the written principles represent the standards for court’s ruling on the recourses submitted by local authorities against acts infringing their local autonomy.²⁸

87. In the Republic of Moldova, the Constitution establishes the fundamental principles of local autonomy, while the detailed regulation is reserved to organic laws. According to Article 72, paragraph 3, of the Constitution, “The organic laws shall govern: [...] f) organisation of local administration, of the territory, as well as the general regulation of local autonomy”. According to Article 74.1, “Organic laws shall be adopted by the vote of the majority of the elected members of Parliament, following at least two readings”. Art. 111 paragraph 7 establishes that “The organic law that governs the special statute of the autonomous territorial unit of Găgăuzia may be amended with the vote of three fifths of the elected members of Parliament”.

88. The general legislation on local government establishes and recognises the principle of autonomy, with explicit references to the Charter. The Constitutional Court has systematically underlined the importance of local autonomy and provided a clear definition, since the ruling No. 71/1999, in which the Court stated that “local autonomy presumes the right and effective capacity of local authorities to manage and solve, under the law, under their own responsibility and in favour of the local population, an important part of public affairs”.

89. For these reasons, the rapporteurs conclude that the requirements of Article 2 of the Charter are complied with in the Republic of Moldova.

3.2 Article 3 – Concept of local self-government

Article 3 – Concept of local self-government

1. Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
2. This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

3.2.1 Article 3.1

90. The main question that must be addressed under this heading is whether, in the present situation, Moldovan local authorities regulate and manage a “substantial share of public affairs under their own responsibility and in the interests of the local population”. This provision requires an assessment which takes into account the rather “subjective” and relative nature of such concepts as “ability”, “a substantial share of public affairs”, “under their own responsibility” and “in the interests of the

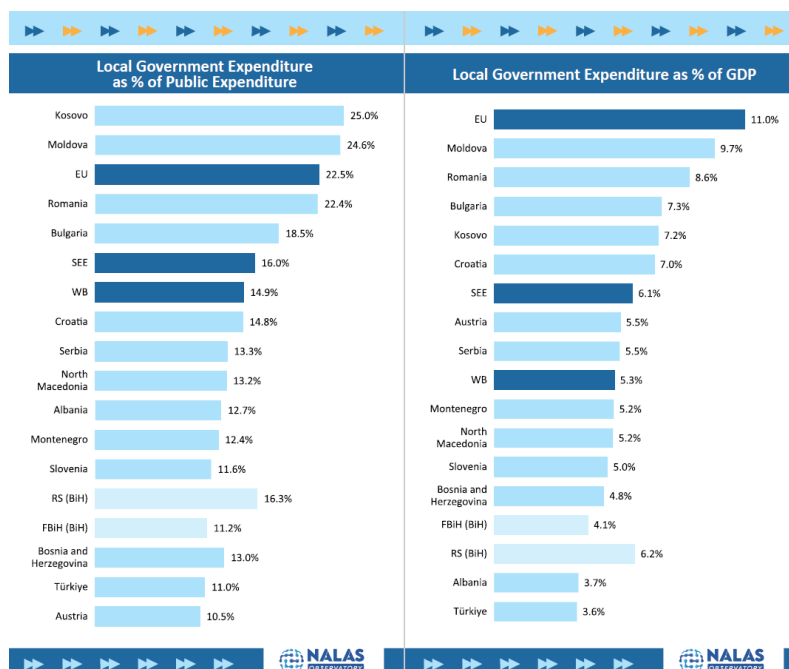
²⁸. Congress, [A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government](#), CG-FORUM (2020)02-05, 12 February 2020, para19.

local population” since no official or universal method of measuring such substantial character has yet been developed. The question must be addressed considering the historical evolution, the culture and the constitutional traditions of the country under analysis. It is also closely linked to the assessment of the compliance with other parts of the Charter, such as Articles 4, 8 and 9 (Contemporary commentary, §36).

91. In order to assess compliance with this provision, both legislative and factual aspects should be taken into consideration.

92. As for legislative provisions, Art. 3 of Law No. 436 of 28-12-2006 regarding local public administration establishes that: “(1) Public administration in administrative-territorial units is based on the principles of local autonomy, decentralization of public services, eligibility of local public authorities and consultation of citizens on local issues of particular interest. (2) Local public administration authorities benefit from decision-making, organizational, managerial and financial autonomy, have the right to initiative in everything regarding the administration of local public affairs, exercising, under the law, their authority within the limits of the administered territory.” Art. 3 of Law No 435 of 28-12-2006 on administrative decentralization establishes: “Administrative decentralization is based on the following principles: a) the principle of local autonomy, which implies guaranteeing the right and effective capacity of local public authorities to regulate and manage, according to the law, under their own responsibility and in the interest of the local population, a significant part of public affairs”.

93. In practice, subnational government expenditure in the Republic of Moldova, as a percentage of public expenditure, according to a report of the Network of Associations of Local Authorities of South-East Europe, constitutes 24.6% for 2023. This is one of the highest indicators in South-East Europe, corresponding to the 9.7% of the GDP.²⁹



Source: NALAS : <https://nalas-observatory.eu/publications/28>

94. During the consultation procedure, CALM pointed out that the capacities of local authorities to exercise their competencies are being significantly limited by three factors, notably the lack of competencies in registering and punishing the contraventions, and thus also lack of efficient tools to enforce the legislation/regulations; the significantly contradictory legislation (between different acts and normative documents); and the rather negative effects of multiple crises, war and inflation upon local budgets (one of the highest in Europe).

29. NALAS, [Local Government Finance Indicators in South-East Europe](https://nalas-observatory.eu/publications/28) (Statistical Brief 2025 NALAS), 2025.

95. Rapporteurs agree that in many cases, the lack of adequate human and financial resources prevents the local authorities from having the necessary capacity to manage their responsibilities. While strongly encouraging the government to improve the local authorities' capacities, the rapporteurs consider that the decentralisation is effective in the Republic of Moldova, representing a pillar of its democratic transition and democratic consolidation.

96. Therefore, the rapporteurs conclude that in general the Republic of Moldova complies with Article 3, paragraph 1 of the Charter.

3.2.2 Article 3.2

97. Article 3.2 is the main statement of the democratic principle in the provisions of the Charter. The right to self-government must be exercised by democratically constituted authorities. The concept of local autonomy does not involve the mere transfer of powers and responsibilities from central to local authorities but also requires local government to express, directly or indirectly, the will of the local population.

98. In the Republic of Moldova, local authorities are governed by a council which is elected every 4 year (Article 156 of Electoral Code). The mayor is also directly elected, while the president of the district council is elected by the council. An election is declared invalid if a turnout rate of 25% of the registered voters is not achieved in the first round and 20% in the second round (Article 175 of the Electoral Code). The turnout requirement in the second round was added to the Electoral Code in 2022. Following the Venice Commission and OSCE/ODIHR opinion,³⁰ Article 177 of the Electoral Code was amended to avoid a succession of failed elections, establishing that "3) Repeated voting... shall be considered valid regardless of the number of voters who participated in the voting".³¹

99. The last local elections took place on 5 November 2023, for the first round. The second round was held in 265 administrative-territorial units on 19 November 2023. The turnout for the first round of the 2023 local elections amounted to 41,4%. The second round of elections saw a lower turnout with only 36.73% of voters availing of the opportunity to vote. The turnout in the parliamentary elections of 2021 was of 48,41%.

100. Women are underrepresented at local level in the Republic of Moldova. While gender quotas have been in use for national elections, the 2023 local elections were the first occasion in which mandatory 40% quotas were applied to all lists for district and local councils: the placement requirements ensured at least four candidates of each sex for every ten positions (Article 68.3 of the Electoral Code). Financial incentives also encourage parties to nominate women in local elections, as 7.5% of public funding is allocated to parties in proportion to the women actually elected in local elections (Article 27 of the Law on Political Parties). However, the women elected resulted 33,3% in the councils of districts and municipalities and 40,3% in local councils,³² while only 24,13% of mayors were women.³³

101. Some interlocutors considered that 2023 local elections were marred by irregularities and external interferences, contributing to disrupting the democratic process and eroding public trust in institutions. During the consultation procedure, CALM stressed this aspect, complaining about irregularities affecting the electoral campaign and about some aspects of the new electoral code.

102. The Congress, in its report on electoral observation, stated that, overall, the 2023 local elections were conducted in a calm and transparent manner, despite challenging circumstances, and within a renovated and consistent legal framework. It also expressed its concerns on a number of issues, which were extensively covered in the mentioned report, and proposed relevant recommendations.³⁴

103. Moldovan legislation provides for other forms of citizen participation. According to the "statute framework", approved by Law No. 436/2003 on the Framework Statute of the village (commune), city (municipality), "the statute establishes, under the terms of the law, the method of consulting by

30. European Commission for Democracy through Law (Venice Commission), OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), Republic of Moldova – [Joint opinion on the draft electoral code](#), Strasbourg/Warsaw, 24 October 2022, CDL-AD(2022)025.

31. CODE No. 325 of 08-12-2022 ELECTORAL CODE https://www.legis.md/cautare/getResults?doc_id=134589&lang=ro

32. <https://alegeliber.md/progrese-semnificative-in-reprezentarea-de-gen-in-alegerile-locale-din-2023-dar-si-abateri-in-aplicarea-sistemului-de-cote-duble-4003.html>

33. <https://alegeliber.md/primare-in-umbra-studiu-privind-reprezentarea-femeilor-si-barbatilor-in-functiile-elective-la-nivel-de-primarii-3998.html>

34. See document CPL(2024)46-04 ([5 November 2023](#)) Local Elections in the Republic of Moldova

referendum the inhabitants of the village (commune), city (municipality) on issues of particular importance for the administrative-territorial unit and determines the specific issues considered to be of particular importance. Referendums, citizens' assemblies, consultations, public hearings and discussions may be organized in all localities of the administrative-territorial unit or only in some of them. Citizens' assemblies are organized in villages - in rural areas, and in sectors or streets - in urban areas. Citizens' assemblies, consultations, public hearings and discussions may be held on the initiative of the mayor or the local council".

104. The Electoral Code (Articles 215-243) regulates local referendums. The most controversial form of local referendum is the one that may be organised to recall or dismiss the mayor of the city/village/municipality. Congress Recommendation 436 (2019) expressed concern regarding the dysfunctional use of the recall referendum and invited the authorities of the Republic of Moldova to "adopt the necessary legal and regulatory arrangements to avoid the possible distorting consequences of the application of local recall referendums in local political life; and in the meantime, revise the legal provisions regulating the grounds for calling such a referendum, in order to provide for more legal certainty and to reduce the scope of discretionary decisions in triggering such popular consultations". Some changes to the legal framework of the recall referendum have been introduced by the Electoral Code, which entered into force on 1 January 2023. In addition, the delegation was informed that the practice of local referendums to recall mayors is less frequent than in the past and no special complaints have been raised on this issue during the monitoring visit.

105. Therefore, the rapporteurs consider that Article 3, paragraph 2 is respected in the Republic of Moldova.

3.3 Article 4 – Scope of local self-government

Article 4 – Scope of local self-government

1. The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2. Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.
3. Public responsibilities shall generally be exercised, in preference, by those authorities who are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4. Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5. Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6. Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

3.3.1 Article 4.1

106. Article 4, paragraph 1, of the Charter requires that the basic powers and responsibilities of local authorities are prescribed by the constitution or by statute, so as to ensure predictability, permanence and protection for the benefit of local self-government. Therefore, the tasks of local authorities should not be assigned on an *ad hoc* basis and should be properly enshrined in written parliamentary legislation. Establishing local powers and competences by means of administrative regulation should be avoided and goes against the spirit of the Charter (Contemporary Commentary, §49).

107. In the Republic of Moldova, legislation attributes to the local authorities several competences. The main legislative reference are Law No. 436-XVI on Local Public Administration, Law No. 435-XVI on Administrative Decentralisation and the Law on Public Finance. In addition, the sectoral legislation also stipulates responsibilities for local authorities. As stated above, the main responsibilities for first-level local authorities are: socio-economic development; territorial and urban development; construction and maintenance of roads, streets, local bridges and traffic management; maintenance and operation of water supply systems, sewerage, water treatment, sanitation and domestic waste; social housing;; local public transportation; bus and train stations; maintenance of buildings for pre-school education; public cultural institutions; maintenance of libraries and museums; sports facilities and sports schools; markets and other public places; protection of consumer rights; registration and maintenance of

households; management of local property assets; fire departments; maintenance of parks and green spaces; environmental protection; management of land; maintenance of cemeteries; green areas; waste management.

108. The competences of the second-level local authorities include: management of public property; construction of roads of district interest; regional public transport; spatial planning; economic development support; local gas and heat distribution; maintenance of buildings for pre-university education, except pre-school education; cultural, tourism and sport management; coordination of the activities of the local councils in order to provide public services at district level; management and maintenance of systems and infrastructure providing services to different towns and villages.

109. In addition to these competences, local authorities may receive “delegated” tasks from central authorities and legislation. Moldovan local authorities also have regulatory powers, since they can approve local binding regulations imposing duties, conditions and obligations on the local residents.

110. Therefore, it appears to the rapporteurs that Article 4, paragraph 1, is respected in the Republic of Moldova.

3.3.2 Article 4.2

111. According to Article 4, paragraph 2, local authorities must have the right to exercise their initiative on matters not explicitly excluded from their competence by law. In addition, they must have “full discretion to exercise their initiative”. Restrictions on local bodies’ full discretion can also stem from management, fiscal and budgeting rules that require a sound legal basis for spending (Contemporary Commentary, §59).

112. Recommendation 436 (2019) expressed concerns with respect to this issue, inviting the authorities of the Republic of Moldova to “allow local authorities to have more discretion in adapting the exercise of their tasks to local conditions”.

113. According to the information collected by the delegation, the situation has not changed, and Moldovan local authorities do not enjoy full discretion to exercise their initiative “with regard to any matter which is not excluded from their competence nor assigned to any other authority”. Local authorities are supposed to act strictly within the domains and spheres where the law has attributed competence to them. As it was stated after the 2018 monitoring visit, the lack of operational capacity of most Moldovan local authorities still prevents them from exercising new or innovative actions outside the circle of competences identified in the law.

114. During the consultation procedure, CALM particularly highlighted the fragmentation of competences in water sector, as a consequence of some substantial changes approved in 2023-2024. CALM pointed out that the entire sector will be managed exclusively by the operators, while direct administration by local authorities will end.

115. It appears to the rapporteurs that Article 4, paragraph 2, is not complied with in the Republic of Moldova.

3.3.3 Article 4.3

116. Article 4, paragraph 3 of the Charter articulates the general principle of subsidiarity. It establishes that “Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy”.

117. This principle has been incorporated in the legislation of the Republic of Moldova, namely in Article 3 of Law No. 435/2006, which refers to “the principle of subsidiarity, which implies the exercise of public responsibilities by the authorities that are closest to the citizens, except in cases where the intervention of higher-level authorities presents obvious advantages resulting from the volume and nature of the responsibilities and the need to ensure the effectiveness of public action”.

118. However, as it was already stated after the 2018 monitoring visit, this principle does not seem to be really implemented. The recentralisation of the competences on social services (RESTART reform) and the ongoing process of recentralisation of education doesn’t correspond to the essence of the subsidiarity principle. While the rapporteurs are well aware of the difficulties in implementing the National

Decentralisation Strategy and the Public Administration reform in this challenging time, they encourage Moldovan authorities to refer in their reform efforts, as a guidance, to the principle of subsidiarity, as enshrined in the Charter and in the legislation of the Republic of Moldova.

119. During the consultation procedure, CALM pointed out that, before the launching of the "RESTART" reform, CALM proposed the delegation of competences related to the provision of social services to the first-level local authorities, with the allocation of necessary and sufficient financial resources to exercise this competence, in accordance with the principle of subsidiarity, emphasising that social services are mostly provided at community level. This proposal was also due to the already existing experience of managing local centres providing social services to the elderly, disabled persons and children from socially vulnerable families, including social canteens, which were opened with the financial support of international donors and partially financed for a period by transfers from the Ministry of Finance. Many municipalities were unable to further finance these centres without additional financial support, but in particular they could not withstand the Covid-19 crisis.

120. Therefore, it appears to the rapporteurs that in practice Article 4, paragraph 3, is still not complied with in the Republic of Moldova.

3.3.4 Article 4.4

121. Article 4, paragraph 4, provides that "Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law". The law may certainly introduce limitations on the powers given to local authorities, but such limitations should be exceptional, based on objective reasons and interpreted narrowly. In addition, overlapping responsibilities can become a threat to local autonomy (Contemporary Commentary, §66-67).

122. Recommendation 436 (2019) invited the Moldovan authorities to "revise and clarify the system of local competences in order, *inter alia*, to avoid situations of overlap between local and central competences, and to allocate concomitant finances to local authorities". Since then, the situation has not changed. Many interlocutors pointed out that, in practice, the assignment of responsibilities is imprecise. In particular, the delimitation of the competences among the first and second-level authorities is unclear, as well as between subnational governments and central government entities or State-owned enterprises. Powers given to local authorities cannot be considered as full and exclusive, as they have to comply with too many regulations, not only by the government but also by other State bodies adopting regulations.

123. The delegation was informed by the State Chancellery that Moldovan government and parliament are working, in the framework of the Public Administration Reform Strategy of the Republic of Moldova for 2023-2030, to clearly delimitate the competences of local authorities. The rapporteurs encourage all the interlocutors to keep working together to revise and clarify the system of local competences.

124. During the consultation procedure CALM pointed out that the problem of delimitation of competences persists. Some effectively delegated competences have been "masked" as local authorities' own competences (protection of monuments of any type, libraries, social housing, fire and rescue services, etc.). In addition, there is no clarity regarding the list of delegated competences, and the process of centralizing some public services of local interest has taken place without mechanisms for consultation/participation of local communities (social assistance, medical care, etc.).

125. In the meantime, it appears to the rapporteurs that Article 4, paragraph 4, is not complied with in the Republic of Moldova.

3.3.5 Article 4.5

126. Article 4, paragraph 5, refers to delegated responsibilities, establishing that local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions. The delegation of powers between different levels of government is a long-standing tradition in many European States. Central government benefits from the territorial network formed by local and regional authorities: they are closer to citizens and offer local knowledge, they reflect local conditions and provide

economies of scale. Local bodies and services therefore discharge delegated functions on behalf of higher-level authorities, most commonly on behalf of the State (Contemporary Commentary, §71).

127. According to Article 6 of Law No. 435/2006, “(1) Competences belonging to central public authorities may be delegated to local public authorities of the first and second levels, respecting the criteria of effectiveness and economic rationality. (2) The delegation of powers may be carried out by Parliament, upon the proposal of the Government. (3) The delegation of powers may concern all local public authorities of the first and second levels (general delegation) or only some local public authorities. (4) The delegation of powers is necessarily accompanied by the provision of the necessary and sufficient financial resources for their implementation. (5) The delegation of powers may be unlimited in time determined in time. (6) The delegation of powers is effective only from the moment the necessary and sufficient financial and material resources have been transferred”.

128. No special concerns on this paragraph have been expressed by Recommendation 436 (2019). Both during the visit and in the written answers to the rapporteurs, no issues have been raised by the interlocutors on the delegation of competences.

129. During the consultation procedure, CALM highlighted that the lack of sufficient and often any financial resources for delegated functions has been a long-standing practice in the Republic of Moldova. This is particularly evident in areas such as military conscription, the preparation and organisation of elections, education (including the maintenance of school buildings and related investments), social care for vulnerable groups within communities, refugees and migration support, the population census, and others. The Rapporteurs will consider this aspect, as it relates to the principle of commensurate financial resources under Article 9.2 of the Charter.

130. Therefore, the rapporteurs consider that Article 4, paragraph 5, is respected in the Republic of Moldova.

3.3.6 Article 4.6

131. Article 4 para. 6 of the Charter provides that “local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly”.

132. Consultation is a key principle of the Charter. The Charter does not define or prescribe the forms of consultation or substantially regulate the consultation process. Since its basic function is to establish the general approach and framework for consultations, it may be concluded that the main process of consultation is dependent on three basic conditions: (a) local authorities should be able to obtain full information on decisions and policies that concern them directly, and this information should be available at the initial stage of the decision-making process; (b) local authorities should have the possibility of expressing their opinion on decisions and policies before these become legally binding documents; and (c) local authorities should have the time and ability to prepare recommendations or alternative drafts and submit them for consideration (Contemporary Commentary, §80).

133. In its Recommendation 436 (2019), the Congress expressed concerns regarding the lack of consultation mechanisms and of fruitful and transparent dialogue between the central government and the local authorities either on financial issues or on any other matter of interest to the latter, and it asked Moldovan authorities to “reinstate a fair consultation process with local authorities and a political dialogue, in order to come to an agreement on the planned measures that may affect the interests of local authorities”.

134. Specific mechanisms for institutional dialogue were eventually set up or revitalised following the adoption of the Government Decision No. 652/2022 on the amendment of Government Decision No. 608/2010 for the implementation of some provisions of Law No. 435/2006 on administrative decentralisation. The most important ones are the Joint Commission for Decentralisation (commonly called the “Parity Commission”) and several “working groups” for decentralisation. The Parity Commission is composed of representatives of central government and the local authorities. It works as an advisory body that examines and eventually validates policy documents regarding the reform of local public administration. The Parity Commission was revitalised, its first meeting being organised on 17 November 2022. Each working group is composed of at least one specialist from the State administration, who manages areas subject to the decentralisation process, and at least one representative of the local authorities, the State Chancellery and the Ministry of Finance. These working

groups are supposed to play an essential role in the basic structure of consultation and dialogue between the government and the local authorities.

135. With regard to the involvement and consultation of CALM in the decision-making process, the delegation was informed during the meeting with the State Chancellery that, in the process of approving draft normative acts, representatives of CALM are always included. Moreover, a CALM representative is regularly invited to take part in the weekly meeting of the general secretaries of the ministries. Parliament informed the delegation that the Committee on Public Administration and Regional Development consults CALM on all draft law directly concerning the local public authorities and invites their representatives to all the public hearings and public consultations. CALM representatives were also included in the composition of the Working Groups for the negotiations of the accession of the Republic of Moldova to the European Union, in accordance with the coordination mechanism of the accession process of the Republic of Moldova to the European Union and the way of organization and operation of the negotiation team within this process, approved by Government Decision No. 180/2024.

136. For its part, CALM agreed that dialogue with the government worked quite well up until the end of 2023, but it started depreciating in 2024-2025. On the one hand, CALM complained that they are usually consulted at a late stage in the decision making, when there is no longer a set of open alternatives. They would like to be consulted at an earlier stage, when the different alternatives and options are still open and available for discussion and negotiation. CALM also complained about the unstable functioning of the Parity Commission and Sectoral Working Groups: the Parity Commission is convened infrequently, with long intervals between meetings. Most of the sectoral working groups within the Parity Commission attached to ministries (9 in total) are not functioning, except for a few involving Ministry of Regional Development and Infrastructure, Finance, and Environment. However, according to CALM, even with these institutions can be sensed the reflections of the diminished political will at the highest levels.

137. According to CALM, on some topics, dialogue is absent, with no consultation or cooperation, which is particularly true for the local public administration reform process and amalgamation, marked by non-transparency and lack of involvement. It argues that the concept of public administration reform, including local administration, was developed by foreign consultants without the involvement and full consultation of local authorities and CALM. The Association pointed out that several reforms, such as RESTART on social assistance reform and the Education reform (reorganisation of district directorates), were either not consulted or the consultation was not meaningful, and the opinions of CALM were ignored.

138. During the consultation procedure, CALM further informed the rapporteurs about some developments that occurred after the monitoring visit. Another meeting of Parity Commission was convened in a constructive and cooperative manner, with a sufficiently broad spectrum of issues on the agenda. On the other hand, many issues were addressed in general terms, as forthcoming parliamentary elections and their constraints for concrete actions dominated the discussion. One of the issues discussed in a rather general manner was EU growth plan for Moldova (1.9 billion + 2.5 billion projects of relevant banks and donors). Even though CALM received assurances that local authorities would be supported within these programmes, it seemed to CALM that there were no funds within these programmes and no investment projects for local authorities, apart from the municipality of Chisinau. Given the scale of the financial package for the country and considering that up to 70% of the implementation of Acquis Communautaire falls under the responsibility of local authorities, CALM raised concerns about the allocation of pre-accession funding.

139. The rapporteurs would like to refer to the Contemporary commentary, clarifying that “the requirement that consultations be conducted in an “appropriate way” implies that they should be organised in a way that allows local authorities to formulate and present their own comments and proposals. This does not mean that national and regional authorities will accept those proposals, but it is a requirement that opinions and proposals from local governments be presented, discussed and taken into consideration before a final decision is taken” (Contemporary Commentary, §77).

140. The rapporteurs appreciate the progresses, and especially the agreement on draft amendments to institutionalise dialogue between central and local authorities. This initiative involved the Prime Minister’s Office, the State Chancellery, the Parliament, the CALM, and various mayors. The amendments aim to strengthen the normative framework, ensuring a structured consultation mechanism

(initiative no. 332 of 15.11.2024).³⁵ However, the draft law on institutional dialogue is yet to be examined by the parliament. The rapporteurs encourage all the actors to keep working together towards the institutionalisation of this important collaboration mechanism.

141. In the light of the above elements, the rapporteurs consider that Article 4, paragraph 6, is partially complied with in the Republic of Moldova.

3.4 Article 5 – Protection of local authority boundaries

Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

142. This article requires that local communities should be consulted in case of changes of local authorities' boundaries. It is therefore a mandatory procedural requirement that no change in local boundaries may be adopted without consultation, which must take place at a timely stage before a final decision on the matter is made. Consequently, a boundary change carried out without consulting the local community would be in breach of Article 5 (Contemporary Commentary, §90).

143. The procedure for changing local authorities' boundaries is established by Law on Administrative and Territorial Organisation of the Republic of Moldova No. 764-XV of 27 December 2001, as amended. According to Article 17: "(1) The formation, dissolution and change of the status of the administrative-territorial unit shall be carried out by the Parliament after consulting the citizens. (2) An independent administrative-territorial unit is formed if it has a population, as a rule, of at least 1500 inhabitants and has sufficient financial means to maintain the city hall apparatus and social sphere institutions. (3) In exceptional cases, Parliament may establish, by organic law, the formation of an independent administrative-territorial unit with a number of inhabitants lower than that provided for in paragraph (2), amending the respective annex to this law". Art. 18 provides: "(1) The modification of the borders of the administrative-territorial unit caused by the need to transfer localities from one administrative-territorial unit to another, as well as the transfer of the administrative centre, shall be carried out by the Parliament after consulting the citizens".

144. As noted above, the fragmentation of local authorities is one of the main issues addressed by the Public Administration Reform Strategy 2023-2030, approved by Government decision No. 126/2023. According to point 223, activity 1.1, the development, adoption and implementation of a coherent and well-organised voluntary amalgamation process at the first-level of local public administration is carried out between 2023 and 2026. Also, at the latest by the end of 2026, the results of the voluntary amalgamation process will be assessed and will be identified the most effective policies for further territorial consolidation of first-tier local government, including the option of applying a regulatory model. The Parliament adopted Law No. 225 of 31-07-2023 on the voluntary amalgamation of administrative-territorial units, as an instrument for first-level local authorities. In order to implement Law No 225/2023, the Government (by Government Decision No 925/2023) approved the Methodology for voluntary amalgamation of administrative territorial units.

145. During the meeting and in its written documents, the government pointed out that the application of it is entirely voluntary and takes place at the discretion of the local authorities and their inhabitants. For its part, CALM complained about the lack of consultation on the legal framework for amalgamation, and on the fact that the census has not been updated, determining a miscalculation in population, considering the relevant number of people leaving temporarily abroad.

146. During the consultation procedure, CALM reiterated its concerns regarding the way the population is calculated in the census. Furthermore, it emphasised that no amalgamation has been finalised to date. With elections scheduled for autumn 2025 and the expectations that a functional government will be in place from 2026, the experience of voluntary amalgamation would at best span one year, and this would be a limited timeframe to be able to draw meaningful conclusions for normative amalgamation.

147. The rapporteurs consider that, according to the normative framework, voluntary amalgamation is based on decisions of the respective local councils. Consultation of the inhabitants of all the local authorities involved is ensured. Article 8 of Law No 225/2023 refers to the fact that "First-level local

35. <https://www.parlament.md/material-details-md.nspx?param=df5082a1-c29a-4baa-9cbb-0a779f4e82a1>
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public administration authorities: a) ensures consultation of their population in the decision-making process regarding voluntary amalgamation, according to the provisions of Law No. 239/2008 on transparency in the decision-making process". Article 11 provides that "After the development and approval of the respective draft decision by the joint working group, the local public administration authorities of the participating ATUs shall ensure public consultation of the draft decisions on voluntary amalgamation, in accordance with art. 11 of Law No. 239/2008 on transparency in the decision-making process". The period of public consultations may not be less than 30 days, and only after the public consultations have been completed, the respective local councils shall examine the draft decision on voluntary amalgamation, together with the summary of the proposals and objections received during the public consultations and adopt the appropriate decision. The decision on voluntary amalgamation shall be adopted by a vote of two-thirds of the elected councillors.

148. Therefore, the rapporteurs consider that the requirements of Article 5 are satisfied in the Republic of Moldova.

3.5 Article 6 – Appropriate administrative structures and resources

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

1. Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
2. The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

3.5.1 Article 6.1

149. Article 6, paragraph 1 of the Charter covers the administrative organisation of the main local government's bodies. It provides that local authorities shall be able to determine their own internal administrative structure: the power to organise their own affairs is accordingly a part of the autonomy enjoyed by local entities. "Consequently, domestic local government legislation may lay down fundamental guidelines for the internal administrative organisation of local authorities but must leave local authorities room for discretion so that they can choose and set up their own organisational structure. The power to take decisions in this field will depend on different factors, such as the existence of directly elected mayors or mayors elected by the council" (Contemporary Commentary, §97).

150. In the Republic of Moldova, local authorities have the power to determine their own internal administrative structures, within the framework set by Law No. 436/2003 of 06.11.2003, which establishes a framework statute. According to the Law, "Based on this Framework Statute, the village (communal), town (municipal) council shall develop and approve the statute of the respective administrative-territorial unit". This is done on the basis of a proposal from the mayor. The mayor, as the executive head, also has moderate powers to introduce changes and adaptations in the executive apparatus of the local authority.

151. However, the limited human and financial resources impact on the possibility to freely determine their own organisation. CALM pointed out that Law No. 270/2018 on the unitary salary system in the budgetary sector restricts local authorities in municipalities with fewer than 5,000 inhabitants from having a deputy mayor position, as this position cannot be remunerated.

152. Accordingly, the rapporteurs consider that the requirements of Article 6, paragraph 1 are generally complied with in the Republic of Moldova.

3.5.2 Article 6.2

153. Article 6, paragraph 2, of the Charter refers to the conditions of service of local government employees: they shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence. The power to hire their own staff and set employee remuneration is a relevant factor highlighting the organisational and institutional autonomy of local governments (Contemporary Commentary, §104).

154. In the Republic of Moldova, the lack of adequate staff at local authorities' level is an important point of concern, already pointed out by Recommendation 436 (2019), which expressed concern that "local authorities are not autonomous in the management of their human resources; they cannot recruit high-quality staff or offer adequate training opportunities, salaries or career prospects". The Recommendation invited Moldovan authorities to "increase the managerial capacity of local authorities by giving them more freedom and flexibility in the management of their human resources, so that they can offer training opportunities and adapt and upgrade the remuneration of their own staff members, as well as their career prospects".

155. The lack of adequate human resources remains a key problem for Moldovan local government. This situation is the product of several intertwined factors, such as the demographic decline and the massive emigration of skilled population from the country. In addition, the conditions of service of local government employees do not permit the recruitment high-quality staff. In many local entities, especially in the smallest ones, the number of staff members is very low. Many local authorities do not have lawyers, architects or auditors, as would be required by some of the responsibilities put on the shoulders of local authorities by the law. Also, the "adequate training opportunities" are reduced. The delegation was informed that the number of places for local officials in the School of Administration is limited.

156. Recently, some reforms have been approved, aimed at improving salary autonomy. In December 2022, the Parliament adopted amendments to Law No. 436/2006 on Local Public Administration. These amendments granted first-level local public authorities the autonomy to increase salaries for local public administration employees by up to 40%, contingent upon their fiscal capacity. This measure aimed to enhance local financial autonomy and improve the attractiveness of public service positions. The award of this allowance is dependent on each local authority's financial resources, allowing them to adjust remuneration based on their specific fiscal situations. In December 2023, the Parliament adopted amendments to Law No. 270/2018 on the unitary salary system. Secretaries of local councils (together with elected officials: mayors and deputy mayors: see *infra*, under Article 7.2) were granted a 50% increase in their basic salaries. In May 2024, the Parliament adopted new amendments to Law No. 270/2018 on the unitary salary system, establishing that first-level local authorities can grant their executive public servants a monthly increase of up to 50% of their base salary. These allowances will be funded from the local authority's own revenues, based on an internal regulation approved by the local council's decision. These salary supplements apply only to executive public servants who do not already receive the monthly allowance provided under Law No. 436/2006 on Local Public Administration. These provisions aimed to eliminate inequalities created by previous legal provisions, which increased salaries for mayors, deputy mayors, and local council secretaries but not for executive public servants within municipalities.

157. During the consultation procedure, CALM pointed out that there is a restriction on the number of employees each local authorities may recruit, established by State Chancellery. Even if the local authority has financial means, it cannot employ more people with the status of "public employee", only on the simple private employment contract basis, with less favourable social conditions and lower status. In addition, CALM suggested that the salary raise formula could be improved, by linking it to the administrative capacity of local authorities. Furthermore, the extremely high inflation in the country (particularly in energy and communal services costs) has significantly offset the benefits of this increase. According to CALM, the increase in salaries have helped to some extent to fill in positions in larger urban areas, however many positions especially in small towns and rural areas remain vacant due to the continued shortage of human resources. It suggested considering introducing motivational packages for local government employees so that local authorities can attract personnel from outside the community.

158. The rapporteurs appreciate the progresses in the remuneration system, even more appreciable in a difficult economic situation for the entire country. However, they consider that there is still room for improving the conditions of office of local government employees, in terms of career and training opportunities, to attract high quality staff. In addition, they point out that the financial situation prevents many local authorities to apply the provisions on the increase of salaries.

159. Therefore, it appears to the rapporteurs that Article 6, paragraph 2, is partially complied with in the Republic of Moldova.

3.6 Article 7 – Conditions under which responsibilities at local level are exercised

Article 7 – Conditions under which responsibilities at local level are exercised

1. The conditions of office of local elected representatives shall provide for free exercise of their functions.
2. They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
3. Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

3.6.1 Article 7.1

160. Article 7, paragraph 1, seeks to ensure that citizens are free to serve as elected representatives and are not prevented from holding political office owing to financial or material considerations. Nobody should be deterred from standing for election at local level; once elected, local councillors should not be prevented from discharging their duties effectively (Contemporary Commentary, §107).

161. The practice of initiating criminal cases against mayors was an important point of concern at the time of the previous monitoring visit. Recommendation 436 (2019) invited the Republic of Moldova to “find a more appropriate balance between the fight against corruption and the requirements of local democracy, so that the bringing of criminal charges against local elected representatives does not disrupt local political life, and refrain from exercising any type of pressure against local elected representatives”.

162. During the monitoring visit, the delegation was informed that the practice continues, although the number of such cases has decreased compared to previous years. However, there are still instances where mayors are investigated for routine administrative decisions, discouraging local initiatives and affecting the smooth functioning of public administration. Soon after the visit, the rapporteurs were informed of the case of the Mayor of Balti Municipality, the second largest city in the country, whose suspension was requested by the Northern Directorate of the National Inspectorate for Technical Supervision, but it was later rejected by the Court.

163. During the consultation procedure, CALM highlighted the involvement of other control bodies, that are perceived as having replaced the “*dossar penale*”, such as the National Integrity Authority. In its view, the disproportionate application of the sanction of mandate deprivation to several mayors for minor causes and without prejudice has become a concern. There is a growing perception – according to CALM - that the National Integrity Authority has become a form of pressure on local authorities. CALM also noted that while the number of cases involving pressure and intimidations against mayors has decreased, this improvement results not from systemic factors but rather from the current government goodwill and that few systemic measures have been implemented to prevent such occurrences under future governments.

164. While legislative inconsistencies and unclear legal interpretations remain major obstacles to the free and efficient exercise of local elected officials’ duties, it appears that the issue of opening indiscriminate *dossar penale* (prosecution files) against local elected representatives as a means to exert political pressure (or eventually the use of independent authorities for the same purpose) is not a problem of a defective or perverse legal framework. Rather, it is a matter of mere practice, one that can only be countered by ensuring the independence of the guarantor institutions — from public prosecutors to independent authorities, and ultimately to the courts — according to the principles highlighted by the Venice Commission Rule of Law Checklist³⁶ and by the Congress in its report on the Rule of Law.³⁷ At the moment, as pointed out by the government,³⁸ “the justice system is undergoing reform, aimed at ensuring the integrity, effectiveness and independence of the system, avoiding political involvement in the initiation of investigations. The judicial reform began with the process of pre-vetting and vetting of judges and prosecutors, as well as with the reconstitution of governing forums (Supreme Court of

36. European Commission for Democracy through Law (Venice Commission), [Rule of law checklist](#), Strasbourg, 18 March 2016, CDL-AD(2016)007, section II.E.

37. [Local and Regional Authorities as Actors and Guarantors of the Rule of Law](#), CG(2024)46-20.

38. Report of the Government of the Republic of Moldova on the implementation of the actions in the Revised Roadmap on Local and Regional Democracy in the Republic of Moldova (signed on 15 April 2021) (reporting period: 2021-2024), p.41.

Justice, Superior Council of Magistrates, Superior Council of Prosecutors), based on persons of integrity.³⁹

165. In the light of the above elements, the rapporteurs consider that Article 7, paragraph 1 is generally respected in the Republic of Moldova.

3.6.2 Article 7.2

166. Article 7, paragraph 2, refers to an appropriate financial compensation for elected representatives. The aim of the paragraph, in connection to paragraph 1, is to ensure that local elected representatives receive “appropriate financial compensation” and to avoid the conditions of office preventing, limiting, or even excluding potential local candidates from standing for office because of financial considerations.

167. Recommendation (436) 2019 considered that “the remuneration of mayors is far from adequate or sufficient, which deters young and qualified people from engaging in local politics” and invited Moldovan authorities to “increase the salaries of mayors and district council presidents in order to offer a salary scale commensurate with the importance of their responsibilities”.

168. In the context of the raising the wages of local representatives, Law No. 175/2019 was adopted to amend Law No. 270/2018 on the unitary salary system, in order to increase the salary class and salary coefficient for mayors and vice-mayors (depending on the number of employees). For the members of the council, there is a compensation to each session attended, regulated by the council itself. Article 24.3 of Law No.768/2000 on the status of local elected officials establishes some compensatory payments, in the form of allowances, for the participation of councillors in council meetings, the amount of which is established by each authority, autonomously, depending on the financial capacities of the respective administrative-territorial unit, including other criteria established by them. Overall, according to the information provided to the Congress, by 2022, the remuneration of mayors, vice-mayors and secretaries of the local councils had been increased by 20%. This adjustment however should be viewed in a broader context, as before the raise, the average monthly salary of a mayor in the Republic of Moldova remained among the lowest in Europe⁴⁰.

169. Local representatives, especially mayors, consider that although recent salary increases represent a step forward, the inequity between different levels of public administration remains a major issue. The mayor holds multiple competencies and direct responsibilities, managing local development, infrastructure, public services, the local budget, social assistance, and community issues. Their decisions have an immediate impact on citizens, and their work requires daily and continuous involvement in the administration of the locality. In contrast, the district president has significantly fewer responsibilities, as most of the competencies of district councils have gradually been reduced or transferred to ministries. However, there is no balance between the level of responsibility and the salary received, as district presidents paradoxically earn more than mayors, despite having fewer duties. According to the interlocutors, this discrepancy further highlights the need for structural reform, eliminating the district level and redirecting financial resources to municipalities, where critical decisions that directly impact citizens are made.

170. During the consultation procedure CALM pointed out that compensations for local councillors remain overall inadequate and poorly motivate councillors to think about community affairs rather than about personal or biased interests. It also highlighted that the difference in remuneration between mayors and ministers is substantial as even in comparison with bigger municipalities, ministers and State secretaries earn 2-4 times more.

171. In the light of the above, the rapporteurs consider that Article 7, paragraph 2, is partially complied with in the Republic of Moldova.

39. On the judicial reform in the Republic of Moldova, see the opinions of Venice Commission, Draft law on amending some normative acts (Judiciary) CDL-AD(2022)019; Draft law on amending and supplementing the Constitution with respect to the Superior Council of Magistracy CDL-AD(2020)001. The EU assessment 2024 states (p.26) that "Strategic documents are in place and their implementation is satisfactory. Implementation of the 2022-2025 justice reform strategy and its action plan is ongoing": <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52024SC0698>

40. Congress, [Financial compensation of local and regional elected representatives in the exercise of their office](#), CG36(2019)10, p. 19.

3.6.3 Article 7.3

172. Article 7, paragraph 3, deals with compatibility between the holding of a representative position at local level and other activities, either public or private, establishing that the “functions” and “activities” that cannot be made compatible with holding a local position once the candidate has been elected shall be determined by statute or fundamental legal principles.

173. In the Republic of Moldova, the Law on Local Public Administration and the Law on the Conditions of Service of Local Representatives regulate what functions and activities are deemed to be incompatible with the holding of local elective office. The control over compliance with the legal regime of incompatibilities is in the hands of the National Integrity Authority.⁴¹ All the elected officials have to submit an asset declaration. All the declarations are collected and verified by the Authority. Local elected representatives, as any public officers, have to report to the National Integrity Authority if they have a conflict of interest. Most of the activity of the Authority deals with local representatives. People also turn to the Authority for advice. Other agencies may report, such as the Court of account, or financial inspector, members of the opposition, neighbours. Inspections may also be made *ex officio*. In case of violation, the Authority makes a decision: it can terminate the mandate and ban for the future. The decision can be appealed in courts, in this case, the elected official remains in charge until the final decision by the judiciary.

174. A point of concern expressed by local authorities is the disproportionate application of the sanction of mandate deprivation by the National Integrity Authority to several mayors for minor causes and without prejudice. CALM pointed out that the use of the National Integrity Agency can be considered a more subtle suspected pressure against mayors than criminal prosecution. In this regard, the rapporteurs fully acknowledge the vital importance of ensuring transparency and anti-corruption efforts at all levels of government in the Republic of Moldova. They also note that these efforts should align with the principles of the rule of law and local self-government.

175. The Authority considers itself as an independent body: the president is selected by the National Integrity Council according to a public competition, for a 5-year mandate, and he/she cannot be reappointed. The President of the Republic has the power to approve or reject the nomination. The inspectors are civil servants and are working according to a legal methodology. The Authority reports to the Parliament. The Council is composed of 9 members, including: a representative designated by the Parliament; a representative designated by the President of the Republic of Moldova; a representative designated by the Government; a representative designated by the Superior Council of Magistracy, a representative designated by the Superior Council of Prosecutors, a representative designated by the CALM and three representatives of civil society who are selected by the Ministry of Justice through a competition, based on a regulation approved by the Government.

176. During the consultation process, CALM pointed out that enforcement of the legislation falls under the competence of integrity inspectors and sanctioning mechanisms are not adequate to the existing legal system.

177. While they are aware of the importance of fighting corruption in the Republic of Moldova, the rapporteurs also take note of the concerns of local representatives regarding the potential risk of abuse by anti-corruption authorities. For this reason, they wish to reiterate as previously noted under Article 7.1, that while the legal framework seems consistent with the Charter, its effective application requires independent institutions and an overall respect for the Rule of Law, notably in light of the relevant Venice Commission’s opinions.

178. In the light of the above elements, the rapporteurs consider that the requirements of Article 7, paragraph 3 are generally complied with in the Republic of Moldova.

41. Law no. 132 of 17.06.2016 on the National Integrity Authority; Law no. 133 of 17.06.2016 on the declaration of assets and personal interests.

3.7 Article 8 – Administrative supervision of local authorities' activities

Article 8 – Administrative supervision of local authorities' activities

1. Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
2. Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.
3. Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

3.7.1 Article 8.1

179. Article 8 of the Charter deals with the “administrative” supervision of the activities of local authorities. According to the Contemporary Commentary §123, “it does not apply to any form of supervision or control exercised by the Ombudsman, by criminal prosecutors or by the legislature. The Explanatory Report limits the subject matter of this provision to the supervision that is carried out ‘by other levels of government’, that is to say, by central authorities or bodies (line ministries, Ministry of the Interior, etc.) or regional authorities”.

180. According to Article 8, paragraph 1, any administrative supervision of the activities of local authorities must be exercised according to such procedures and in such cases as are provided for by the constitution or by statute. The Charter establishes an important principle here in the area of inter-governmental supervision of local authorities: any form of such supervision must be provided for by the constitution or by statute, i.e., the Charter introduces the legality principle into the supervision of a local authority (Contemporary Commentary, §128).⁴²

181. In the Republic of Moldova, in line with the requirements of the Charter, the procedures and the cases for the exercise of administrative supervision over local authorities are determined by the law, especially Law No. 436/2006 on local public administration, Law No. 435/2006 on administrative decentralisation and other normative acts (see above).

182. Therefore, the rapporteurs consider that Article 8, paragraph 1 of the Charter is respected in the Republic of Moldova.

3.7.2 Article 8.2

183. According to Article 8, paragraph 2, of the Charter, the supervision of local authorities can only aim at ensuring compliance with the law and constitutional principles. Suspension of the expediency of measures taken by local authorities can be used only in case of delegated tasks.

184. Recommendation 436 (2019) expressed concern with respect to the fact that “the State intervenes in local affairs through a supervision of local authorities which seems to be very invasive, frequent and much more discretionary than the law would normally allow for”, and invited the Moldovan authorities to “ensure that supervision of the actions of local authorities is in proportion to the importance of the interests that it is intended to protect and is limited to ensuring legality while refraining from supervision over local authorities’ actions in their own areas of competence”.

185. In the Republic of Moldova, the State exercises significant administrative and financial oversight over local authorities, mainly through the State Chancellery and the Ministry of Finance. The government pointed out that a series of regulations were introduced to the activity of the territorial offices of the State Chancellery, so that all interested persons are able to view any local public administration act placed in the system at any stage of verification procedure.

186. The State Chancellery informed the delegation that in 2023 the Territorial Offices reviewed the legality of 251,217 acts. For 2024, the data is being systematised, but in the first semester of the year,

42. See also Recommendation CM/Rec(2019) 3 of the Committee of Ministers to member States on supervision of local authorities' activities (adopted by the Committee of Ministers on 4 April 2019 at the 1343rd meeting of the Ministers' Deputies).

131,485 acts were subjected to such a review. In this context, in accordance with Article 68.1 of Law No.436/2006 on local public administration, if it considers that an act issued by the local public administration authority is illegal, the Office notifies the issuing local authority of the illegality of the controlled act, requesting its total or partial modification or repeal. In 2023, 2042 notifications were sent to local authorities, while in the first half of 2024, the Offices notified 1335 acts. Compared to the number of acts issued by local public administration authorities, this represents 0.81% of the total number for 2023 and 1.01% in the first half of 2024. Out of the total number of notifications, in 2023, in 1440 cases (70.51% of the number of notifications), local authorities complied with the Offices' requirements. At the same time, in 2024, local authorities complied with the requirements submitted for 948 documents (71.01% of the number of notifications). The Offices notified the court, according to the provisions of Article 68.4 of Law no.436/2006 on local public administration in 512 cases in 2023 (0.20% of the total number of 251,217 documents), and, respectively, in 320 cases in 2024, which represents 0.24% of 131,485 documents).

187. All the interlocutors agreed on the fact that the situation has improved in recent years, and no claims of improper review of expediency were raised during the visit.

188. During the consultation procedure, CALM expressed concerns about expediency of measures, other than reviews of their legality, especially by the prosecutor's office. Even though it might be the case that checks on expediency have somewhat diminished, they are still present in some cases.

189. The rapporteurs point out that Article 8 of the Charter refers to the supervision of administrative acts, and does not cover other aspects, such as "where the laws in a given country favour the "judicialisation" of local life, or where local elected representatives are *de facto* threatened with the prospect of being prosecuted even on trivial charges. In this connection, the fight against corruption should be balanced against the need to ensure that local politicians are not unduly threatened by the prospect of arbitrary prosecutions" (Contemporary Commentary, §112). Those issues are dealt with by Article 7 of the Charter (see above).

190. Therefore, the rapporteurs consider that Article 8, paragraph 2, is generally complied with in the Republic of Moldova.

3.7.3 Article 8.3

191. Article 8, paragraph 3, deals with the way in which the supervision is exercised in practice, and requires compliance with the principle of proportionality. Under the principle of proportionality, the regional or State body should intervene only to the extent necessary, taking into account the relevance of the public interest at stake, or the seriousness of the legal violation allegedly committed by the local authority (Contemporary Commentary, §139).

192. As for the proportionality of supervision, the delegation was informed that the level of supervision is not uniform, as specialists in different Territorial Offices interpret the legislation differently, leading to varying reports and decisions across districts. In addition to the supervision of the State Chancellery, many other controls are exercised by prosecutors and the National Integrity Authority, making the burdening of the reporting unbearable for local authorities, especially considering their limited human resources and lack of legal experts.

193. During the consultation procedure, CALM reiterated the lack of consistency in the practice of administrative supervision, with different solutions being adopted in similar cases, as well as instances of interference in the activities of the local authorities. This would highlight the need to improve the mechanisms of administrative supervision.

194. Therefore, the rapporteurs consider that Article 8, paragraph 3, is partially complied with in the Republic of Moldova.

3.8 Article 9 – Financial resources

Article 9 – Financial resources of local authorities

1. Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
2. Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.
3. Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
4. The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
5. The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
6. Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.
7. As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.
8. For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

3.8.1 Article 9.1

195. Article 9, paragraph 1, of the Charter establishes two basic principles in the area of finance. First, local authorities should have their own financial resources. Second, they should be free to decide how to spend those resources.

196. Recommendation 436 (2019) expressed concern as to the fact that “local authorities’ financial autonomy is very limited and their finances are extremely poor both in terms of the proportion of own revenues in local budgets and of the share of local spending in total public sector expenditure. Local authorities clearly depend on State transfers and subsidies”. The Congress invited the Moldovan authorities to “allocate sufficient financial resources to local authorities, in line with the principle that the resources should be commensurate with the responsibilities”.

197. The fiscal policies approved for 2022 and 2023 introduced several measures to enhance local financial autonomy, which are presented above in this report. Among them, the percentage of the income tax that is allocated to local authorities was increased, and the road tax (or “vehicles tax”) has been fully transferred to first-tier local budgets, doubling the resources available for road maintenance. These measures reflect a concerted effort to consolidate local financial and patrimonial autonomy, addressing long-standing advocacy by CALM.

198. Several programmes designed to enable local authorities of the first-level to implement development projects, such as “European Village” (edition 2022-2023 and edition 2023), “European Village Express” (edition 2023), “Expansion of Public crèches” (editions 2023 and 2024) have been introduced. According to the data of the government, by 31 December 2024, within the European Village, 2022-2023 edition, 484 projects have been completed and paid; within the European Village Express, 2023 edition, 380 projects have been completed; within the European Village 2 programme 639 projects initiated out of 695 approved.

199. In this delicate domain, favourable developments can be seen, at least concerning the volume of available fiscal and other revenues. Although there has been a real increase in the cashflow available to local authorities due to several measures and reforms, the actual impact of those increments has been assessed as insufficient by local representatives. From its part, the government is well aware of the necessity to keep working to provide local authorities with adequate resources. In addition, as most of the financial resources come from earmarked grants (see *infra*, under Article 9, paragraph 7), local authorities cannot dispose freely of them as they must be used for specific purposes.

200. The rapporteurs are aware of the difficult economic situation of the country, which is relevant in terms of Article 9, paragraph 1 of the Charter, according to which the right to “adequate” resources is not absolute but has to be exercised “within national economic policy” (Contemporary Commentary, §141). They encourage all the actors to keep implementing Article 9 of the Charter.

201. Therefore, the rapporteurs consider that Article 9, paragraph 1 is partially respected in the Republic of Moldova.

3.8.2 Article 9.2

202. Another basic principle, established in Article 9, paragraph 2, requires that local authorities should have financial resources commensurate with the responsibilities assigned to them by law. This paragraph enshrines the so-called “principle of commensurability” of local authorities’ financial resources. This means that the resources available to local authorities should be sufficient and commensurate with their functions and tasks. To this purpose, any transfer of powers and tasks should be based on careful calculation of the actual service delivery costs to be met by local authorities. The costs of mandatory and delegated tasks might include several factors (such as the socioeconomic structure of residents) in order to produce more precise calculations and avoid arbitrary political decisions (Contemporary Commentary, §150).

203. Recommendation 436 (2019) expressed concern with respect to the fact that “In many cases, the law attributes new competences to local authorities without at the same time providing for new and adequate financial resources”, and, as noted above under Article 9.1, invited the Moldovan authorities to “allocate sufficient financial resources to local authorities, in line with the principle that the resources should be commensurate with the responsibilities”.

204. CALM considers that the financial resources of local authorities are not proportional to their responsibilities, and the financial situation is not satisfactory at the local level, due to limited resources and high dependence on central transfers.

205. As the State Chancellery recognised in the written answers to the rapporteurs, in general local authorities still face difficulties in managing financial resources, and this, according to the State Chancellery, is due to several factors:

- Limited financial resources: The financial resources of local authorities are usually insufficient to cover all responsibilities and needs of the community. Local budgets depend largely on transfers from the central level, and a large part of local revenues comes from taxes and fees collected, which are not always sufficient;
- Inequalities between localities: There is a significant discrepancy between localities in the Republic of Moldova in terms of available financial resources. Large cities, especially Chisinau, have access to much larger resources compared to villages and smaller localities, which creates inequalities in the ability to implement local projects;
- Dependence on transfers from the central budget: A large part of the financing of local authorities comes from transfers from the central level, which means that their financial autonomy is limited. This can lead to financial instability, especially in times of economic crisis or changes in fiscal policy at the national level;
- Developing alternative solutions: Some local authorities have managed to attract external funds or enter into partnerships with international or private organizations, which has allowed them to implement infrastructure and local development projects. However, this is not the case for all localities, and access to such funds is not always equitable.

206. The State Chancellery recognises that the financial resources of local authorities are rather limited, highly depend on state transfers and should be more proportional to their responsibilities.

207. As mentioned earlier, under Article 4.5, during the consultation procedure CALM highlighted the lack of sufficient and often complete absence of financial resources for delegated functions. It also stressed the unfair distribution of personal income tax and its profoundly negative impact on the capacity of some municipalities to pursue development and deliver public services. Currently, only 50% of the personal income tax remains in the local budget of the district-residence municipalities. This distribution formula does not accurately reflect the administrative and financial burdens borne by these local authorities. Under such conditions, it does not seem fair to impose increasingly greater responsibilities

on them (including the implementation of national reforms), without providing proportional financial resources.

208. Therefore, the rapporteurs consider that Article 9, paragraph 2 is not respected in the Republic of Moldova.

3.8.3 Article 9.3

209. Article 9, paragraph 3, requires that at least part of the financial resources of local authorities must derive from local taxes of which, within the limits of statute, they have the power to determine the rate. The Charter does not state that a local authority's own resources must contain a uniform proportion of local taxes, but it does make it mandatory for "at least" part to derive from local taxes and charges. This part should be large enough to ensure the greatest possible financial independence of local authorities.

210. Recommendation 436 (2019) expressed concern regarding the fact that "the local fiscal system is very weak. The lack of appropriate delimitation of municipal land from private or State property makes it impossible to evaluate the land units for tax purposes and causes a loss of potential local revenues", and invited Moldovan authorities to "increase the fiscal capacity of local authorities by enabling them to establish local taxes and to determine their rate, and by clarifying the delimitation of municipal lands to allow their re-evaluation for tax purposes".

211. In the Republic of Moldova, the share of own-source taxes in total local revenues is relatively low. Own revenues, which include local taxes, charges, and fees, constitute about 10.1% of municipal revenues. First-tier local authorities have the right to impose local taxes and charges and determine their rates, but this is regulated by national laws, that also establish various facilities and exemptions, which result in losses or missed revenues for local authorities. In addition, the extremely difficult economic and financial situation in the country overall significantly diminished any local resources available. Districts do not have the power to raise taxes.

212. The removal of ceilings on real estate and land taxes allows first-tier local authorities greater flexibility in revenue generation, but, according to all the interlocutors, they are extremely reluctant to use this power. During the visit, the delegation was informed that in the city of Cimişlia, taxes had not been increased since 2017, as people faced a heavy burden, and the local elected representatives do not want to impact on households.

213. In addition, as underlined in previous Congress monitoring and post-monitoring reports, land properties are not delimited in many parts of the country. Some steps have been taken in this direction, as a nationwide project has started for the delimitation of real estate property and the setting up of a modern and comprehensive national land register. Although the project is now under way, CALM pointed out that progress is very small and the pace very slow. In fact, the process of land delimitation has only been concluded in a very limited number of municipalities, according to the figures provided by the interlocutors. The result of this situation is that most local authorities have no real capacity to collect a true "local land tax". The two main problems reported in the post-monitoring activity are still in place: the land valuations are outdated, and many properties are not incorporated in a national land register; therefore, it is impossible to target those properties with a land tax.

214. During the consultation procedure, CALM reiterated the issues related to the delimitation, registration, and evaluation of lands, including the lack of progress in the delimitation of aquatic objects. The delays in this process have resulted in considerable income losses for local authorities, with no resolution currently in sight. Two years ago, CALM warned about these problems and proposed adjustments to the legal mechanism to promote and complete the delimitation process of public property.

215. The rapporteurs consider that Article 9, paragraph 3 is partially complied with in the Republic of Moldova.

3.8.4 Article 9.4

216. Article 9, paragraph 4, refers to the need for the resources available to local authorities to be of a sufficiently diversified and buoyant nature to enable them to keep up as far as practically possible with the actual changes (increases) in the costs for carrying out their tasks.

217. In the Republic of Moldova, the revenues of local authorities come, in its vast majority, from special purpose-transfer, which represent about 50% of the budgets of first-tier local authorities and about 90% of the budgets of the second tier. Although the reasons of this situation are complex, and the failure of local authorities to undertake the necessary measures to increase revenues from local taxes and fees should be evaluated taking into account the country's overall economic situation, the resources available to local authorities cannot be considered as sufficiently diversified to enable them to keep up with the actual increases in the costs for carrying out their tasks.

218. Therefore, the rapporteurs consider that Article 9, paragraph 4 is not fully respected in the Republic of Moldova.

3.8.5 Article 9.5

219. Article 9, paragraph 5 addresses the question of the financial situation of municipalities that are financially disadvantaged due to their being located in economically or geographically weak areas (transition, mountain or island regions), or simply because they are too small to obtain the amount of resources needed to perform their tasks.

220. The equalisation system for local authorities operates by several mechanisms: by diversifying the shares from personal income tax by types of local budgets (villages, communes, cities, towns (municipalities) district residence, municipalities, districts), ranging from 50 to 100%; by general purpose (balancing) transfers, calculated according to a different formula for first and second-tier of local authorities. For the first-tier local authorities, the indicators include fiscal capacity per inhabitant, determined according to the income obtained from the PIT, the population and the area of the administrative-territorial unit. The allocation of transfers is focused on the poorest local authorities and is carried out inversely proportional to the fiscal capacity per inhabitant (with a share of 60% in distribution) and directly proportional to the population (weighting 30%) and the area (weighting 10%). For districts, the allocation of transfers shall be made in proportion to the population and area.

221. According to the Ministry of Finances, the financial system is focused on preserving the financial envelope, is based on the principles of administrative decentralisation, considering territorial cohesion (solidarity) and is aimed at matching resources with local competences. During the monitoring visit, no special complaints have been addressed by the interlocutors to the formula, that was already considered consistent with the Charter by the previous Congress Recommendation 436 (2019).

222. During the consultation procedure, CALM pointed out that the part of the equalisation fund derived from CIT (currently set at 10%) is not fixed in statutory documents/in law and remains at the discretion of any government, being included in Annual budget law and subject to the government's goodwill to continue or discontinue this practice. CALM considers that this share should be stipulated in local finance law just like sharing of the PIT and all other taxes.

223. While acknowledging that the formula can always be further refined in consultation with local authorities' association, the rapporteurs consider that Article 9, paragraph 5 of the Charter is respected in the Republic of Moldova.

3.8.6 Article 9.6

224. Article 9, paragraph 6, of the Charter refers to a general principle of consultation, as enshrined at Article 4.6. In this case, consultation is required on the way in which redistributed resources are to be allocated to local authorities by other levels of government. Under Article 9.6, consultation is not merely a compulsory procedure that has to take place in a timely manner before a final decision is made. It must also cover the manner in which a decision is made and the criteria for doing so, not only the decision itself (Contemporary Commentary, §173).

225. Consulting local public authorities when adopting decisions that substantially affect them is a legal obligation enshrined in the legislation that governs the activity of local authorities, also on financial issues.

226. According to Recommendation 436 (2019), this article was not respected, as there were no fruitful and transparent consultation mechanisms on financial issues. Since then, the collaboration between the State and local authorities has improved, as pointed out *supra*, under Article 4.6. The

Working Group on Finance is among the sectoral working groups within the Parity Commission attached to ministries (9 in total) that are functioning, together with those involving the Ministry of Regional Development and Infrastructure and the Ministry of Environment. However, according to CALM, the instability of the collaboration mechanism and the recent diminished political will to consult local authorities also impacted on the dialogue on financial issues.

227. During the consultation procedure, CALM pointed out that, as with other consultations, those in the financial field remain largely at the discretion of individual national level decision-makers – in this case the Minister of Finance, who tends to change more frequently than other ministers. According to CALM, addressing these issues would benefit from the adoption by the parliament of a general consultation law covering all local affairs and involving all central level institutions.

228. In this respect, the rapporteurs note that efficient consultation of local authorities by other levels of government rests on two pillars: a well-defined national regulatory framework and an appropriate institutional setting. They underline that the right of local authorities to be consulted should be enshrined in national legislation (Contemporary commentary, §175).

229. In the light of the above elements, the rapporteurs consider that Article 9, paragraph 6 of the Charter is partially respected in the Republic of Moldova.

3.8.7 Article 9.7

230. Article 9, paragraph 7, of the Charter establishes that “As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction”.

231. In the Republic of Moldova, local authorities largely depend on State transfers and subsidies. The most important part of those transfers is earmarked for specific purposes, mainly for delegated tasks, and especially education.

Share in total transfers, %	2021	2022	2023	2024
- special	84,4	87,2	85,4	85,7
- general	15,6	12,8	14,6	14,3

Source: Ministry of Finance

232. During the monitoring visit, the delegation was informed that in small villages, such as the village of Troițcoe (997 residents in 2025) 65% of the budget comes from the earmarked State fund for kindergarten. As for the districts, during the meetings with the representatives of the district of Cimișlia, the delegation was informed that the greatest part of the budget comes from State transfer, with 80% of the budget marked for education. Another important part comes from a special earmarked fund for roads.

233. Therefore, the rapporteurs consider that Article 9, paragraph 7 is not fully respected in the Republic of Moldova.

3.8.8 Article 9.8

234. Article 9, paragraph 8, refers to the access to the national capital market for the purpose of borrowing for capital investment. Access to national capital markets is important for local authorities to finance investment projects necessary for the further development of the local area because in many cases the amount of their own “ordinary” resources is not sufficient to cover all the projects and plans decided on by local authorities to satisfy local needs. However, like other rights enshrined in the Charter, this is not absolute and must be reconciled with the general policy on public sector spending and debt. This is why the Charter says that the access must take place “within the limits of the law”. Moreover, as a result of the recent economic crisis, many countries have introduced austerity measures to deal effectively with public deficits, so access to the national capital market should be analysed in the context of national fiscal policy and the governance of public debt (Contemporary Commentary, §182-183).

235. Moldovan local authorities have the possibility to borrow long-term loans to finance investment projects. Law No. 397/2003 on Local Public Finance allows local authorities to borrow for capital purposes both domestically and abroad, as well as to grant guarantees on loans to municipal companies. The decision to assume long-term debt is subject to prior coordination with the Ministry of Finance in accordance with Law no. 419/2006 on public sector debt, central government guarantees and on-lending and Government Decision No. 1136/2007 regarding certain measures of enforcement of Law No. 419/2006. The Ministry's approval is mandatory and is issued based on criteria designed to ensure: the capacity to meet debt repayment obligations; the alignment of financial terms with the local debt management strategy; the compliance of projects planned to be financed from borrowed funds with the annual and multiannual development programmes; compliance with the borrowing limits established under Law No. 397/2003 on Local Public Finances.

236. According to provisions of Law No. 419, the Ministry of Finance monitors the situation of public-sector debt. All public-sector entities (including local authorities) must therefore send the information necessary to monitor the contracting, disbursement and repayment of public-sector debt to the Ministry of Finance, on a quarterly basis. The Ministry of Finance then presents the government and parliament with a quarterly and an annual report on the situation of public-sector debt. Reports are published on the website of the Ministry of Finance.

237. At the same time, the legislation sets limits on local indebtedness. According to Article 15 of Law No. 397/2003 on Local Public Finances, annual debt service payments - including principal, interest, and related costs - must not exceed 20% of total annual revenues for local budgets, excluding special-purpose transfers. For the municipal budgets of Balti and Chisinau, this limit is set at 30%.

238. During the monitoring visit, no special issues have been raised about the borrowing. The Ministry of Finance pointed out that the indebtedness of local administrative units remains at a manageable level and does not represent a risk to the local public finances. It considers that the Ministry of Finance's borrowing approval process ensures a closer monitoring of the debt sustainability of local administrative units, by preventing the accumulation of excessive debt that might lead to pressure on municipal budgets.

239. During the consultation procedure, CALM pointed out that a key challenge lies in the low participation of local authorities in borrowing, whether overall or within lending market, due to various factors. To date, there have been no confirmed cases of issuing lending instruments (such as bonds) and only a limited number of municipalities (at best around 10%) have engaged in borrowing. Mostly long-term borrowing is predominant. CALM considers these indicators concerning in the context of multiple crises and significant financial difficulties.

240. While acknowledging these challenges, the rapporteurs consider that Article 9, paragraph 8 of the Charter is respected in the Republic of Moldova.

3.9 Article 10 – Local authorities' right to associate

Article 10 – Local authorities' right to associate

1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

3.9.1 Article 10.1

241. Article 10 of the Charter covers the possibility of co-operation between local authorities and their right to associate, at both national and international level.

242. Article 10, paragraph 1, refers to types of cooperation aimed at carrying out tasks of common interest. Under Article 10.1, local authorities firstly have a general right to co-operate with one another in order to deliver local services or discharge their responsibilities. Inter-municipal cooperation (or cooperation at other levels of local government) is a fundamental tool for local authorities in terms of

delivering services, in view of the fact that many of them are too small or too weak (financially speaking) to deliver all the services they are supposed to or to carry out any meaningful local strategy or policy. This general entitlement to cooperate with other local entities is supplemented by a more specific right, namely the right to “form consortia”, i.e. to create separate organisations. Although the Charter only mentions “consortia”, the specific right to create joint institutional structures, separate from the participating local authorities, may take various forms (Contemporary Commentary, §187-194).

243. In the Republic of Moldova, the right of local authorities to associate among themselves and to form common platforms and structures for the joint provision of local services is fully recognised in the domestic legal system. The legal basis for intermunicipal co-operation is Law No. 436/2006 on Local Public Administration. Article 14 regulates the powers of local councils and stipulates that local authorities can, within the conditions set by law, “form an association with other local public authorities, including from abroad, to conduct works, and to provide services of public interest, to promote the interest of local public authorities, as well as to co-operate with businesses and NGOs from the country and abroad to implement action and works of common interest”. Article 5 of Law No. 435/2006, on administrative decentralisation, also provides that local authorities can co-operate in the implementation of their competences, by setting up joint services and works. In this sense, the towns/cities usually establish joint municipal enterprises or joint stock companies, where all participating municipalities are founders.

244. Intermunicipal (intercommunity) cooperation is an objective assumed and regulated both at the level of the PAR Strategy, approved by Government Decision No. 126/2023, and regulated by Law No. 17/2023 on intercommunity development associations and Government Decision No. 609/2023 for the implementation of the provisions of Law No. 17/2023 on intercommunity development associations. The activity of intercommunity development associations is directed towards the joint implementation of development projects of local or regional interest or in order to jointly provide/provide public services in various fields: water and sewage, municipal management, development of infrastructure related to the service provided.

245. The delegation was informed by the government that 4 intercommunity development associations are registered and operating, such as the intercommunity Development Association “Narnova Basin” which includes the administrative-territorial units in the Narnova River Basin. Other examples are from the Hincesti district (communes: Miresti, Cateleni, Bujor, Nemteni, Obileni, Ivanovca, Onesti, Cotul-Morii, Leuseni;) from the Nisporeni district (city of Nisporeni and communes: Balanesti, Ciutesti, Calimanesti, Seliste, Varzaresti, Vinatori, Siscani, Marinici;) and the intercommunity development associations from the Ialoveni, Cahul and Ungheni districts that include the corresponding first-level administrative-territorial units.

246. Therefore, the rapporteurs consider that Article 10, paragraph 1 of the Charter is respected in the Republic of Moldova.

3.9.2 Article 10.2

247. In this paragraph the Charter clearly recognises and sets out another right of local authorities: that to belong to (a) a national association for the protection and promotion of their common interests; and (b) an international association of local authorities.

248. The “associations” referred to in paragraph 2 are different from those mentioned in paragraph 1. Those mentioned in Article 10.1 are set up for the delivery of local services, plans or projects and are instruments for discharging duties and responsibilities. Conversely, those referred to in Article 10.2 are instruments for the promotion of common interests. These associations play a fundamental role in representing and defending the rights, powers and interests of local authorities and they carry out many activities on behalf of them all (not only in favour of their members) (Contemporary Commentary, §198).

249. In the Republic of Moldova, local authorities are entitled to set up associations for the protection and promotion of their common interest, and to join or withdraw from existing associations. Moldovan local authorities are also free to join international associations of local authorities. In the country there is one comprehensive association of local authorities, the *Congresul autoritatilor locale si regionale din Moldova* (CALM).⁴³

43. <https://www.calm.md/en/>

250. Based on the principle of voluntary membership, the CALM was founded in 2010 and its members currently include about 700 local authorities of first and second-tier, out of the current 898 entities. The CALM is far and above the most important national association that defends and represents the interests of local authorities. It is supposed to act as a local intermediary in dialogue with the government and lobbies in favour of local interests. Apart from its purely representative tasks, the CALM carries out different activities of common interest and provides assistance and help to local governments, such as legal and fiscal advice, technical support and capacity building.

251. Districts also have a separate association, but during the meeting with the representatives of the district of Cimişlia, the delegation was told that this association is not active.

252. Therefore, the rapporteurs consider that Article 10, paragraph 2 of the Charter is respected in the Republic of Moldova.

3.9.3 Article 10.3

253. Article 10, paragraph 3, addresses the cooperation of local authorities with their counterparts in other States. The right to engage in cross-border cooperation is also protected.

254. In the Republic of Moldova, the possibility for local authorities to co-operate with their counterparts in other States is recognised by Article 14.1 of Law No. 436/2006 on Local Public Administration, which enables co-operation with municipalities abroad: local councils can establish co-operation projects, including cross-border ones and town twinnings with other towns abroad. In practice, there are many projects and activities involving cross-border co-operation, especially in the framework of cross-border co-operation programmes supported by the EU (Moldova, Ukraine, Romania).

255. The delegation was informed of interregional and cross-border cooperation referring to the Interreg NEXT Romania-Republic of Moldova Programme 2021-2027, the Interreg NEXT Black Sea Basin Programme 2021-2027, the Interreg Danube Region Programme 2021-2027, as well as various twinnings with local authorities from Romania and, to a lesser extent, from Ukraine. During the meetings with the representatives of the district of Cimişlia, the delegation was informed that they have a partnership with six municipalities from Romania, which are founding some projects according to the needs of the district.

256. During the consultation process, CALM noted that Moldovan municipalities receive relatively modest funding, primarily for soft interventions, with only a few of them benefiting from Interreg programmes. According to CALM, participation remains challenging for local authorities from partner countries due to various factors, including the requirements for pre-financing and co-financing, stringent application and management procedures, and the need for multiple partner countries to be involved.

257. In the light of the above-elements, the rapporteurs consider that Article 10, paragraph 3 of the Charter is respected in the Republic of Moldova.

3.10 Article 11 – Legal protection of local self-government

Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

258. Article 11 of the Charter refers to an effective judicial remedy to ensure respect for local self-government. It stresses the requirement that local authorities should have the right to invoke and to defend in the courts the principles of local self-government, especially in the context of lawsuits in which their rights and powers are challenged or curtailed, or when those rights are endangered by the higher (central or regional) levels of government. “Recourse to a judicial remedy” means access by a local authority to either a properly constituted court of law or an equivalent, independent, statutory body (Contemporary Commentary, §20).

259. The analysis of the legal protection of local self-government in the Republic of Moldova should consider two different aspects: regular access to ordinary courts and access to the Constitutional Court to defend the principle of local self-government.

260. Concerning the first aspect, Moldovan local authorities do enjoy *locus standi* to go to courts in order to defend their rights, property or interests, just as any other legal person may. Therefore, towns, villages, municipalities and districts can have access to the regular courts, where they can defend their interests and rights. In this matter, the delegation did not hear any complaints from local leaders and representatives.

261. The Constitutional Court is regulated by Article 134-140 of the Constitution, which describes the Constitutional Court as the “sole authority of constitutional jurisdiction in the Republic of Moldova”. Among other functions, it exercises the review of constitutionality of laws and decisions of the parliament, presidential decrees and decisions and ordinances of the government.

262. Since 2016, Moldovan local authorities are authorised to appeal to the Constitutional Court, according to Article 25 of the Law on the Constitutional Court of the Republic of Moldova.⁴⁴ The councils of the first and second level administrative-territorial units, the People’s Assembly of Găgăuzia (Gagauz-Yeri) may do so in cases of exercising the constitutional review of laws, regulations and decisions of the Parliament, decrees of the President of the Republic of Moldova, decisions, ordinances and provisions of the Government, as well as the international treaties that the Republic of Moldova is a party to, which do not comply with Article 109 and, respectively, Article 111 of the Constitution of the Republic of Moldova.

263. Thus, the Constitutional Court can check whether the laws and regulations governing local authorities contravene the principle of local autonomy enshrined in the Constitution. Although the appeals by administrative territorial units are rare, the Court developed a rich case law on the principle of local self-government, also referring to the Charter in interpreting Articles 109 and 111 of the Constitution (see above).

264. Therefore, the rapporteurs consider that Article 11 is respected in the Republic of Moldova.

4. OTHER MATTERS RELATED TO THE FUNCTIONING OF LOCAL AND REGIONAL SELF-GOVERNMENT

265. Russia’s war of aggression against Ukraine has had a significant impact on local authorities in the Republic of Moldova, as the country has become a refuge for a large number of Ukrainians fleeing the conflict. The Republic of Moldova was one of the first countries affected by the influx of refugees from Ukraine.

266. This has forced local authorities to quickly adapt to the new conditions, managing the massive arrival of refugees, organising accommodation centres and ensuring the access to essential services, such as education, health and social assistance. In this context, a number of challenges have emerged, including the lack of financial and logistical resources, the need to coordinate the activities between central and local government, and the management of various cultural and logistical aspects. Localities hosting large numbers of refugees faced higher demand for housing, water, electricity, public transportation, and medical services. In general, all interlocutors agree that through effective measures and international partnerships, local authorities managed to significantly manage the refugee flow.

267. The delegation was informed that, at the central level, several measures were taken to support local authorities:

- a. Coordination with international organisations: the Government of the Republic of Moldova has cooperated with UN agencies, the EU, and international NGOs to channel humanitarian aid and funding to local authorities;
- b. Financial and logistical support: some localities have received emergency funds to manage the refugee crisis, but financial resources remain insufficient;
- c. Simplified procedures for refugee integration: central authorities have facilitated refugees’ access to education, healthcare, and the labor market, indirectly assisting local administrations in handling the crisis;
- d. Consultation mechanisms and exchange of best practices: dialogue platforms have been established between the government, local authorities, and international partners to coordinate support measures.

44. [Legea cu privire la Curtea Constituțională nr. 317-XIII din 13.12.1994](#), art. 25 lett.j).

268. In this context, several challenges in the relationships between the State and local authorities emerged. One of the main challenges was the lack of resources to effectively respond to the needs of a growing population. Even though significant progresses have been made in equipping institutions, continued long-term support for refugees and vulnerable local populations requires additional investment. These needs are also described in official reports, such as the one of the Office of the People's Advocate on monitoring refugee rights.⁴⁵

269. Coordination between central and local authorities was sometimes difficult due to differences in administrative capacity and internal procedures. Constant communication was necessary to ensure the rapid and efficient implementation of support measures, and government reports highlight the importance of this coordination for the success of the measures adopted. The challenge of social integration of refugees in a society with already limited resources was a major issue. Integration initiatives were essential for preventing tensions between host communities and refugees, such as joint social inclusion and recreation activities, and investments made in educational and health infrastructure to support both refugees and vulnerable local populations.

270. During the consultation procedure, CALM noted that coordination and support measures for refugees from the central level were introduced with some delay, coming into practice mainly at the stage when most of refugees had left Moldova for other countries. While this delay can be partly explained by the country's limited prior experience with refugees, local authorities were basically left to manage the additional administrative and financial issues associated with the crises on their own.

5. CONCLUSIONS

271. Since Congress Recommendation 436 (2019), the Republic of Moldova has started the process of implementing its key recommendations, particularly within the framework of post-monitoring dialogue with the Congress. It has done this notwithstanding many challenges and crises including the Covid-19 pandemic, the war in Ukraine, the refugee crisis, energy blackmail and disinformation campaigns. The current government is committed to reforming local public administration, which represents an important pillar in the accession process to the EU. Well-functioning local government is necessary for the process of European integration, given the fundamental role of local authorities in implementing EU policies and legislation and in maximising the impact of EU funding programmes.

272. The Republic of Moldova ratified the Charter in 1997. Since then, it has made significant efforts to comply with its requirements. This includes recognition of the principle of local self-government in the Constitution and in relevant legislation, the fact that the Charter is considered a binding and operational set of rules, enforced by the case law of the Constitutional Court, and by the introduction, in 2016, of a direct complaint procedure for local authorities to the Constitutional Court.

273. Despite the clear improvements achieved in the field of local democracy since the declaration of independence in 1991, Congress Recommendation 436 (2019) presented an overall negative assessment, pointing out that in the Republic of Moldova, local authorities, especially in rural areas, had limited administrative capacity to fulfil their functions. This was coupled with limited managerial capacity, a weak financing system, pervasive and excessive supervision, lack of capable and qualified staff, poor remuneration of mayors and employees, conditions of office of local elected representatives which did not allow for free exercise of their functions, and a lack of productive and honest dialogue between the State and local authorities.

274. Since then, several key recommendations have been implemented.

275. While the delegation did not hear during the 2018 monitoring visit about the existence of any systematic governmental plan to address the territorial fragmentation, the current government is committed to territorial reforms aimed at overcoming this issue. Territorial reform is one of the key points of the Public Administration Reform Strategy for 2023-2030.

276. The collaboration and political dialogue between the central government and local authorities has improved, and the Parity Commission has been revitalised, although there is still potential to further enhance the regularity and comprehensiveness of the consultation process. Several working groups

45. <https://ombudsman.md/rapoarte/drepturile-omului/tematice/>

have been established and are active, such as those involving the Ministries of Regional Development and Infrastructure, Finance, and Environment. CALM representatives have been included in the composition of the Working Groups for the negotiations of the accession of the Republic of Moldova to the European Union. CALM is an important and respected actor, whose capacity to mobilise effectively and present serious arguments cannot be disregarded by the government.

277. The conditions of office of elected officials, including their financial compensation, have improved. The practice of bringing criminal charges against local elected representatives has been reduced and the remuneration of mayors and deputy mayors has increased.

278. The administrative supervision of local authorities is now exercised in a more balanced and proportional manner.

279. Some measures aimed at enhancing fiscal decentralisation have been adopted, especially the equalisation adjustment, the share of personal income tax, the transfer of the full road tax, and the removal of the cap on land tax. Local authorities have access to more extensive funding for investments in infrastructure from the local investment fund, through programmes such as the “European village”.

280. While many reforms are in progress, rapporteurs would like to point out some aspects which deserve special attention.

281. Territorial reform represents a crucial challenge for the Republic of Moldova. Demographic decline, emigration, especially of young and skilled people, the depopulation of the countryside, and an aging population in the villages and towns, represent major challenges. The disparity between big cities and others in delivering services is widening, in a country that remains predominantly rural. At the same time, territorial reform remains a very sensitive issue. The government is taking a cautious approach by focusing on voluntary amalgamation and the pooling of services. Many local authorities are not enthusiastic about amalgamation and some proposals and outcomes remain to be decided. The role of the second-tier (districts) authorities is uncertain, especially following the RESTART reform, which implied the recentralisation of competences with respect to social services.

282. The other issues at stake are closely related to one another, including the revision of the division of competences between the layers of government and the improvement of the financial situation of local authorities. These raise the question of the capacity to implement reforms. As highlighted by several interlocutors, more competences and greater financial resources also require more capacities, and more skilled and motivated staff and more efforts from politicians.

283. Against this backdrop, some recommendations are still to be implemented. The competences of local authorities in some fields remain unclear, and their division is not in line with the principle of subsidiarity. Local authorities do not enjoy full discretion to exercise their actions with regard to any matter which is neither excluded from their competences nor assigned to any other authority, due to the many constraints and limitations. Staff remuneration remains low. As the ability to increase salaries depends on the availability of financial resources, only a few local authorities have been able to do so. As already pointed out in Recommendation 436 (2019), the financial resources of local authorities are not adequate. The financial autonomy of local authorities is still very limited, and their finances are extremely poor, both in terms of the proportion of own revenues in local budgets and of the share of local spending in total public sector expenditure. Local authorities clearly depend on State transfers and subsidies. The issue of land ownership is still a problem as the lack of appropriate delimitation of municipal land makes it impossible to evaluate land units for tax purposes and results in a potential loss of local revenues. Although cooperation between government and local authorities has improved, there is still a lack of formal rules on the consultation of local authorities, which depends mainly on the political will of the government. The rapporteurs highlight the value of further strengthening the regularity and continuity of the improved consultation process, particularly in light of the implementation of the Public Administration Reform Strategy.

284. New issues have also arisen, affecting both local democracy and local self-government. Electoral democracy is experiencing, including at local level, the consequences of ongoing information warfare, misinformation and foreign interference.⁴⁶ These attacks are even more intense in the Republic of Moldova, for geopolitical reasons. The interconnection between local self-government and the rule of law is also becoming increasingly evident. The experience of the Republic of Moldova demonstrates

46. Congress, [Foreign interference in electoral processes at local and regional levels](#), CG(2025)48-10. 48/53

that effective local self-government is not possible without independent institutions (including prosecutors, the judiciary, anticorruption or integrity authorities) and the protection of the rule of law.⁴⁷

285. The rapporteurs are aware of the multiple challenges facing the Republic of Moldova and recognise the improvements in comparison to the previous report. They encourage the government to continue progressing along the path of reforms, in consultation and cooperation with CALM.

286. Specifically, the rapporteurs suggest continuing the implementation of the reform agenda, aimed at achieving more effective decentralisation and addressing territorial fragmentation to enhance the capacity of local authorities to carry out their competences. The rapporteurs recognise that the number and size of local authorities is a particularly sensitive issue in the Republic of Moldova, as is the case in many member States. They highlight that the provision of local services necessary for the community and the principle of subsidiarity are at the core of the decentralisation and local self-government according to the Charter. They also note that the existence of local communities with their own traditions and identities is an important aspect of local democracy.

287. It is essential to strengthen the normative framework of the consultation of local authorities, by introducing legislation aimed at ensuring a structured and institutionalised consultation mechanism.

288. Furthermore, the system of local competences (including delegated competences) should be revised and clarified to avoid overlap between local and central competences, and to uphold the principle of subsidiarity.

289. The rapporteurs also recommend granting local authorities more discretion in adapting the exercise of their tasks to local conditions and increasing their managerial capacity, by providing more freedom and flexibility in managing human resources, enabling local authorities to recruit high-quality staff.

290. Local authorities should be allocated sufficient and commensurate financial resources, in accordance with the principle that resources should align with functions. The fiscal capacity of local authorities should also be increased, including by completing the delimitation of municipal lands to allow their re-evaluation for tax purposes.

291. Finally, the rapporteurs strongly encourage the Republic of Moldova to sign and ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207) in the near future.

47. Congress, [Local and Regional Authorities as Actors and Guarantors of the Rule of Law](#), CG(2024)46-20.

APPENDIX – Programme of the Congress monitoring to the Republic of Moldova

**MONITORING OF THE APPLICATION OF THE EUROPEAN CHARTER OF
LOCAL SELF-GOVERNMENT IN THE REPUBLIC OF MOLDOVA**

**Chişinău, Cimişlia, Troiţcoe
(4-6 March 2025)**

PROGRAMME

Congress delegation

Rapporteurs:

Ms Gudrun MOSLER-TÖRNSTRÖM

Rapporteur on local democracy
Chamber of local authorities (SOC/G/PD)⁴⁸
Member of the Monitoring Committee of the Congress
Municipal Councillor of Puch bei Hallein
Austria

Mr Urs JANETT

Rapporteur on regional democracy
Chamber of regions (ILDG)
Member of the Social Inclusion Committee of the
Congress
President of the State Council of the Canton of Üri
Switzerland

Congress secretariat:

Ms Svitlana PEREVERTEN

Secretary to the Monitoring Committee

Expert:

Prof. Tania GROPPi

Vice-Chair of the Group of Independents Experts on the
European Charter of Local Self-Government

Interpreters:

Mr Serge BUFTEAC
Ms Elena DOLGHII

The working language of the meetings was English. Interpretation from and into Romanian was provided.

48. EPP/CCE: European People's Party Group in the Congress
SOC/G/PD: Group of Socialist, Greens and Progressive Democrats
ILDG: Independent and Liberal Democrat Group
ECR: European Conservatives and Reformists Group
NR: Members not belonging to a political group of the Congress
50/53

Tuesday 4 March 2025
Chişinău

COUNCIL OF EUROPE OFFICE IN CHIŞINĂU

- **Mr Falk LANGE**, Head of the Office

JOINT MEETING WITH THE NATIONAL DELEGATION, THE CONGRESS OF LOCAL AUTHORITIES FROM MOLDOVA (CALM) AND EXPERTS

- **National delegation of the Republic of Moldova to the Congress**
 - **Ms Maria GALIT**, Deputy Head of delegation, Mayor of Sarata Veche, Falesti
 - **Ms Valentina CASIAN**, Mayor of Straseni
 - **Mr. Alexandru OSADCI**, Secretary of delegation
- **The Congress of local authorities from Moldova (CALM)**
 - **Ms Tatiana BADAN**, CALM President, Mayor of Selemet, Cimislia
 - **Mr Alexandr PETKOV**, CALM Vice-President, Mayor of Balti
 - **Ms Violeta CRUDU**, CALM Vice-President, Mayor of Cruzesti
 - **Ms Valentina BUZU**, CALM Vice-President, Mayor of Peresecina, Orhei
 - **Mr Marcel BOBEICO**, CALM Vice-President, Mayor of Gangura, Ialoveni
 - **Mr Leonid BOAGHI**, CALM Vice-President, Mayor of Sireti, Straseni
 - **Mr Ion DOLGANIUC**, CALM Vice-President, Mayor of Colibasi, Cahul
 - **Mr Vladislav COCIU**, CALM Vice-President, Mayor of Stefan-Voda
 - **Mr Victor GORI**, CALM Vice-President, Mayor of Botnaresti, Anenii Noi
 - **Mr Igor CRISTAL**, CALM expert on cadaster and land management
 - **Ms Ana MORARU**, CALM expert on communication
- **Independent experts**
 - **Mr Viorel RUSU**
 - **Ms Catalina SCORTESCU**

STATE CHANCELLERY (GOVERNMENT OF THE REPUBLIC OF MOLDOVA)

- **Mr Andrei STRAH**, Deputy Secretary General of the Government of the Republic of Moldova
- **Ms Diana CHIRIAC**, Prime Minister's Adviser on Local Public Administration
- **Mr Stefan VECHIU**, Third Secretary, Council of Europe and human rights Division, Ministry of Foreign Affairs
- **Ms Victoria CUJBA**, Head of the Local Public Administration and Coordination of Territorial Offices Department, State Chancellery
- **Ms Daniela SORAHMETOV**, Main Adviser of the Local Public Administration and Coordination of Territorial Offices Department, State Chancellery
- **Mr Vladislav SIRBU**, Deputy Head of the Local Public Administration and Coordination of Territorial Offices Department, State Chancellery

OMBUDSMAN (PEOPLE'S ADVOCATE)

- **Mr Ceslav PANICO**, Ombudsman

**Wednesday, 5 March 2025
Chişinău**

PARLIAMENT

- **Mr Radu MARIAN**, Chair of the parliamentary committee on the economy, the budget and finances
- **Ms Larisa VOLOH**, Chair of the parliamentary committee on public administration and regional development

MINISTRY OF FINANCE

- **Ms Victoria BELOUS**, Minister of Finance
- **Ms Maia SAVVA**, State Secretary
- **Ms Natalia SCLEARUC**, Head of the General Directorate for Policies and Budgetary Synthesis

COURT OF ACCOUNTS

- **Mr Sergiu ŞTRIBU**, Member of the Court of Accounts
- **Ms Nadejda IONIŢĂ**, Head of General Audit Department IV: Local Public Authorities Budgets and Corporate Sector
- **Ms Violeta BALAN**, Head of External Relations, European Integration and Communication

CONSTITUTIONAL COURT

- **Ms Liuba ŞOVA**, Constitutional judge
- **Ms Viorica PUICA**, Constitutional judge
- **Mr Serghei ŢURCAN**, Constitutional judge
- **Mr Vladimir ŢURCAN**, Constitutional judge
- **Mr Nicolae ROŞCA**, Constitutional judge
- **Mr Teodor PAPUC**, Deputy Secretary General
- **Ms Maria STRULEA**, Head of the Research and Analysis Division

**Thursday 6 March 2025
Cimişlia, Troiţcoe**

CITY OF CIMIŞLIA

- **Mr Sergiu ANDRONACHI**, Mayor
- **Mr Sergiu SUHAN**, Vice-Mayor

DISTRICT OF CIMIŞLIA

- **Mr Andrian TALMACI**, President of the District Council

TROIŢCOE

- **Mr Serghei KVASNITKI**, Mayor

NATIONAL INTEGRITY AUTHORITY

- **Mr Lilian CHIŞCA**, President
- **Ms Ala TIMOFTICA**, Head of Integrity Inspectorate

- **Ms Viorica NICOARA**, Head of Directorate for Evaluation, Prevention and Policy Implementation
- **Ms Maria ONEA**, Senior Consultant, Directorate for Evaluation, Prevention and Policy Implementation