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POSITION PAPER

on the measures proposed by the Government to prevent excessive remuneration in public-sector entities

Position of the "Construim Încredere" Civic Movement

The "Construim Încredere" Civic Movement supports the Government's measures to limit unjustified remuneration but considers that they address the effects rather than the root cause of the problem. Excessive remuneration is a consequence of non-transparent selection procedures and deficient corporate governance. The reform must be supplemented by rules governing merit-based appointments, independent audits, transparency, and the accountability of public-sector entity management.

1. Context and public relevance

On 31 July 2026, the Government published an intention paper based on an analysis of remuneration across 125 public authorities, institutions, and enterprises employing approximately 40,000 people. According to the data presented, 439 individuals received monthly net remuneration exceeding MDL 50,000, while 152 received more than MDL 80,000. At the same time, 85.8% of the employees included in the analysis earned less than MDL 20,000 net per month.

The excessive remuneration cases are highly concentrated. Of the 439 positions, 180 are located within the four independent regulatory authorities, 130 within state-owned enterprises, 51 within publicly owned companies, 47 within public institutions, and 31 within project implementation units. The National Bank of Moldova and MOLDATSA together account for 226 positions, representing more than half of the total.

A substantial part of the problem is therefore concentrated in entities where the Government cannot intervene through an administrative act. This shifts a significant part of the responsibility to Parliament and to the governing bodies of these institutions.

These data confirm that the problem is concentrated and must be addressed through a differentiated approach. Remuneration becomes excessive when it cannot be justified by the complexity of the position, the level of responsibility, performance, and integrity, or when it is determined directly or indirectly by the beneficiary without independent oversight.

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2. Measures supported by the Movement

- reviewing approximately 100 of the highest remuneration packages and suspending, for the duration of the review, the award of new bonuses for positions exceeding the equivalent of three average salaries in the national economy;
- publishing a single and comparable catalogue of positions, salary ranges, and all components of remuneration;
- periodically reporting financial and operational performance and correlating it with management remuneration;
- prohibiting administrators and executive officers from determining or approving their own remuneration;
- applying remuneration caps to the entire benefits package in order to prevent circumvention through bonuses, allowances, or indirect benefits;
- establishing objectives and performance indicators before the beginning of the assessment period;
- introducing mechanisms for withholding, deferring, and recovering unjustified bonuses;
- limiting the accumulation of mandates and additional payments granted to state representatives;
- applying risk-based controls, recovering unlawful payments, and holding accountable the persons who approved them.

These measures are consistent with Moldova's European orientation and with OECD principles: the state must be able to offer competitive remuneration for genuine expertise, but every payment must be transparent, proportionate, and verifiable through measurable results.

3. Gaps and risks that must be addressed

3.1. The fundamental problem is the selection and appointment of management, not only salary levels

The Government's package regulates how much is paid and how remuneration is awarded, but it does not address the decision underlying most corporate governance problems: who is appointed, by whom, on the basis of which criteria, and with what justification.

The announced measures do not regulate competitive selection procedures, competency profiles, the composition of selection committees, the publication of scores, the justification of appointments, or the right to appeal.

The Government proposes reducing boards to three members, eliminating them in smaller entities, and abolishing audit commissions. The fewer individuals responsible for oversight, the more important the competence and independence of those appointed become. A smaller board that is appointed through a non-transparent process does not guarantee better oversight.

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The OECD Guidelines on Corporate Governance of State-Owned Enterprises, revised in 2024, require transparent and merit-based nomination processes. Public officials may also be appointed to boards only on the basis of merit. The European Commission's report of 4 November 2025 similarly emphasises the need to strengthen institutional capacity and independent oversight.

Reforming the selection process must become a central component of the package: mandatory competitive procedures; competency profiles published in advance; selection committees in which a majority of members are independent from the founding authority; publication of scores and the reasons for the decision; a right of appeal; and strict limitations on interim appointments.

Paying a lower remuneration to a person selected through a non-transparent procedure does not resolve the governance problem. Meritocracy must begin at the appointment stage, not merely at the stage of assessing remuneration.

3.2. Reducing the size of boards does not guarantee their professionalisation

Limiting boards to no more than three members, or five in justified cases, may reduce costs but risks weakening the oversight capacity of large and strategically important enterprises.

Even a five-member board may be unable to provide financial, legal, and sector-specific expertise simultaneously, ensure meaningful representation by independent members, and maintain functional audit and remuneration committees.

Moreover, the exemption for "justified cases" remains undefined. In the absence of explicit statutory criteria, it may be applied arbitrarily precisely in the entities where the stakes are highest. The decisive criterion must be the complexity and risk profile of the entity, rather than a uniform numerical formula.

3.3. Eliminating boards in smaller entities may excessively concentrate the founding authority's powers

The Government provides that, in such cases, oversight will be exercised by the founding authority, with mandatory reporting and auditing. The intention behind this safeguard is appropriate, but the proposed solution is insufficiently detailed.

If the founding authority appoints the administrator, establishes the objectives, approves remuneration, and evaluates the results, the control system becomes vulnerable to administrative or political influence.

Eliminating a board is acceptable only if it is compensated for through mandatory independent audits, standardised public reporting, a clear separation of responsibilities, and effective external oversight. The external auditor must be selected through a competitive procedure and report to the founding authority and the public, rather than to the administrator.

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3.4. Abolishing audit commissions creates an oversight gap that must be addressed

The Government proposes abolishing audit commissions on the grounds that they have failed to provide effective oversight. This conclusion is justified, but the consequences of the measure are not neutral.

In entities below the applicable thresholds, where boards will also be eliminated, two levels of oversight will disappear simultaneously, leaving supervision entirely in the hands of the founding authority.

The abolition of audit commissions is justified only if accompanied by mandatory and publicly disclosed external audits, a functional audit committee where a board is retained, and an internal audit function reporting directly to the founding authority.

Otherwise, the measure will reduce bureaucracy but will also reduce the capacity to detect abuses.

The fact that an institutional mechanism functions poorly does not, in itself, justify its abolition. Before eliminating it, the authorities must assess whether it can be reformed and made more effective.

3.5. The analytical basis must be expanded

Although the salary data cover 125 entities, the assessment of whether remuneration is linked to performance is based on an analysis of only six management contracts.

The methodology used to select these contracts must be published, the sample must be expanded, and remuneration must be correlated with financial, operational, and public-service outcomes, including audit findings.

3.6. The concept of “excessive remuneration” requires an objective methodology

The threshold of three average salaries in the national economy used by the Government is a temporary trigger for review, not a definition of excessive remuneration. This distinction must be explicitly maintained in the relevant legislation.

A single threshold linked to the average salary cannot reflect the diversity of public-sector entities and must not become, in practice, the permanent standard for assessment.

The methodology must take into account the entity’s size, turnover, number of employees, commercial or monopoly status, risks managed, financial responsibility, scarcity of the required expertise, achieved results, and the ratio between management remuneration and the median salary within the entity.

3.7. The independence of regulatory authorities must be protected

Transparency and accountability requirements must also apply to autonomous authorities, but through mechanisms compatible with their statutory independence.

Remuneration must be supervised through legislation, auditing, and parliamentary oversight, without administrative interference that could undermine their decision-making autonomy or their ability to attract qualified professionals.

4. Alignment with European standards

Assessed against the criteria for European Union accession, the package constitutes a useful initial step towards transparency and linking remuneration to performance, but it does not amount to a completed reform.

The European Commission's 2025 Report on the Republic of Moldova states that legislation on corporate governance and company reporting is only partially aligned with the EU acquis and identifies the need to strengthen transparency, institutional capacity, and independent oversight.

SIGMA/OECD assessments of public administration have also identified serious weaknesses in the auditing of state-owned enterprises. In 2026, the Court of Accounts found that only 11 of 147 enterprises with state capital published their external audit reports, despite being legally required to do so.

In this context, progress will not be measured by the announcement of remuneration caps, but by the quality of the legislation, the independence of selection procedures, public access to data, the effective functioning of audits, and the consistent application of sanctions.

5. Demands of the "Construim Încredere" Civic Movement

1. Merit-based appointments as a priority of the reform package

Mandatory competitive procedures for administrators and board members; competency profiles published before the competition is launched; selection committees with a majority of members independent from the founding authority; professional criteria; publication of scores and the reasons for the decision; a right of appeal; clear incompatibility rules; and a prohibition on prolonged interim appointments.

Large and strategically important entities must include a meaningful proportion of independent board members protected from political influence.

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2. Review, recovery, and accountability

Publication of the results of the review of approximately 100 remuneration packages and retrospective verification of unjustified payments.

Reviews and investigations must be conducted, and where unlawful payments are established, the amounts must be recovered and the individuals who approved them must be held accountable.

3. A differentiated remuneration methodology

The criteria must be based on responsibility, the complexity and risks of the entity, the market for the relevant expertise, and verifiable results.

A clear distinction must be made between the temporary threshold that triggers a review and the permanent criteria used to assess remuneration.

4. Full transparency of remuneration

The remuneration of senior management and all benefits associated with the position must be published in a comparable format, within limits justified by personal data protection requirements.

5. External auditing and consolidated reporting

Mandatory independent external audits, including the publication of financial statements, the auditor's opinion, and a remediation plan; sanctions for failure to disclose information; and an annual consolidated report on the performance of state-owned enterprises submitted to Parliament and made available to the public.

6. Risk-based board composition and compensatory controls

The size of boards must be determined according to the complexity, risks, and importance of the entity, with legally defined criteria for exceptions.

Where boards or audit commissions are eliminated, an equivalent level of control must be ensured through mandatory external audits and an effective internal audit function.

7. Objectives established in advance and independently verified

A unified state ownership policy must be adopted to define the purpose, objectives, and responsibilities of the founding authority for each entity.

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Performance indicators must be approved and published before the assessment period and the reported results must be independently validated.

The mandates of administrators and board members must be assessed annually on the basis of indicators approved in advance, and the assessment results must be published.

8. An equivalent framework for independent authorities

Parliament must adopt transparency obligations, performance-reporting requirements, and rules requiring the justification of remuneration that are adapted to the legal status of independent authorities.

A substantial proportion of the positions covered by the proposed measures are concentrated in these authorities, while the Government cannot intervene in their operations through an administrative act.

We demand that each of these measures be subject to genuine public consultation for a period of at least 30 days and that the impact assessment, methodology, aggregated data, and proposals received be published, including the reasons why certain proposals are rejected.

Each measure must include implementation deadlines, responsible institutions, and performance indicators, together with regular public reporting.

We call on the Government and Parliament to transform the intention paper into a coherent reform of public-sector governance.

Every leu paid from public resources must be justified by competence, responsibility, and results, and every remuneration decision must be open to verification and challenge when it fails to serve the public interest.

Conclusion

The “Construim Încredere” Civic Movement supports firm action against unjustified remuneration but emphasises that the problem cannot be reduced to salary levels alone.

Public trust cannot be rebuilt solely by imposing caps. It requires merit-based appointments, objectives established in advance, independent oversight, auditing, transparency, and accountability.

A genuine reform does not merely limit high salaries. It creates a system in which public positions are filled on merit, performance is assessed objectively, and the use of public funds can be verified and justified at any time.

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