

Political party funding in Moldova. Retrospective 2023: Growing dependence on state budget appropriations and unreported expenditures

Today, Promo-LEX presented its report on “Political party funding in Moldova. Retrospective 2023”. The document contains civic monitoring findings on the funding of political parties through the lens of their 2023 activities. The event brought together representatives of state institutions, such as the Parliament, CEC, the State Tax Service, the National Anti-corruption Centre, the Constitutional Court and the Court of Accounts, representatives of political parties and CSOs, as well as development partners.

According to the report, 2023 was marked by the entry into force of new legal provisions pertaining to political party funding. The most important changes concerned the prohibition for political parties to organize charitable (philanthropic) or sponsorship activities; the lowering of the cash donations ceiling to one average salary per economy; and the elimination of the limit of 3 average salaries per economy for donations made by citizens with income earned abroad, etc.

For the first time in Moldova, a political party has been outlawed after the Constitutional Court declared the Shor party unconstitutional, which led to its removal from the state register of political parties.

The monitoring revealed that the resources and efforts of investigative authorities have been activated in an unprecedented manner for Moldova to check the financing of

political parties and preelection campaigns. Thus, a number of criminal cases were started against political parties for submitting fake financial reports, as well as for knowingly accepting funding from an organized crime group.

Political party income reporting

Promo-LEX found that the SSI “Control Financiar” information system, which is the main tool used for financial reporting, had operated with faults. This had a negative impact on the submission of financial reports, in the prescribed timelines and format, both for first quarter and annual reporting.

For 2023, 75% political parties submitted annual financial reports. Respectively, 92% submitted reports for the first quarter and 87% – for the second quarter. The reporting deadlines are July 15 for the first quarter, January 15 for the second quarter and March 31 for annual reports.

In the reporting period, only 34 out of the 61 registered political parties reported revenues totaling MDL 54.9 million. Another 22 parties reported “zero” income. The highest revenues were reported by PAS (41%), PSRM (18%), PSDE (9%), PCRM (7%), PN and PPPDA (6% each).

Once again, we found an increase in political party dependence on public funding sources – 84%, which is 2 p.p. more than in 2022. Income originating from state budget appropriations was reported by 23 political parties, totaling MDL 45.7 million. The largest share went to PAS (41%), PSRM (22%), PSDE (11%), PN and PPPDA (7% each). In the case of 10 parties, this was the only source of income. For comparison, in the European Union, the ratio of public and private sources in party revenues is 65% to 35% (in the newer democracies in Eastern Europe) and 55% to 45% (in consolidated democracies).

“The Republic of Moldova has far exceeded the EU average. This is a worrying trend in a context where most political parties seem to make no effort to attract financial support from

citizens. We believe that political parties need to work more to involve and politically empower citizens, which will also help diversify the sources of funding for party activities. In this regard, the possibility should be considered to revise how state budget funds are provided depending on the amount of income obtained by parties from private sources”, said Mariana Focşa, finance analyst, Promo-LEX.

Income obtained from financial donations was reported by 18 parties, totaling MDL 4.8 million. According to the declared sources of income, 90% donations originated from salaries, 5% – from pensions, 3% – from unemployed people, and 1% – from scholarships and social benefits. In this context, only 19% of the total donations made by individuals exceeded the amount of 3 average monthly salaries per economy, to be verified by CEC.

Promo-LEX estimations of unreported expenditures by political parties

Promo-LEX identified several categories of expenditures in which the Association’s estimates are different – in some cases significantly – from the information reported to CEC. As a reminder, in the civic monitoring process, Promo-LEX estimates the parties’ expenditures on political promotion activities and compares them to those reported to CEC.

In 2023, the Association observed more than 2,500 political promotion activities organized by 24 parties, as well as 38 political activities carried out by the ex-PSPS/Ilan Shor’s Team. These included the distribution of political information materials, parties’ statutory activities and national travels. Most were reported for PAS, PSRM, ex-PPŞ/Ilan Shor’s Team and PR and CUB.

Thus, Promo-LEX estimated unreported expenditures of at least MDL 20.3 million by 24 parties and the formation lacking a legal status, ex-PPŞ/Ilan Shor’s Team. Of these, almost MDL 17

million (82%) were estimated for the ex-PPŞ and its affiliates – ŞANSĂ and PR. Most estimated expenses were made for political promotion events (46%), press and promotional materials (20%) and the renting/maintenance of premises (18%).

During the event, Promo-LEX made several recommendations to state institutions and political parties.

“A specific recommendation to the Parliament concerns the retrospective legal and impact assessment of the new legal framework relevant to the funding of political parties and preelection campaigns. Our advice is to regulate political and electoral funding by third parties. The Central Electoral Commission is advised to systematically publish information on started proceedings as a result of its political party funding supervision and control activities with a view to increasing transparency, as well as to extend the criteria for checking donations made to political parties beyond those exceeding 3 average salaries per economy”, said Mihaela Duca-Angelici, head of the analysis and research team, Promo-LEX.

The report on “Political party funding in Moldova: Retrospective 2023” is available [here](#).

During 26 July 2016 – 31 March 2025, Promo-LEX Association is implementing the Democracy, Transparency and Accountability program funded by the United States Agency for International Development (USAID). As part of this project, the Association aims to monitor the funding of political parties, in particular, by observing and estimating the costs of their activities, as well as party finances as reported to CEC as the mandated authority.

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