

## LEGISLATIVE AND FINANCIAL MECHANISMS DIRECTED TO OWNERS' ASSOCIATIONS IN THE REPUBLIC OF MOLDOVA<sup>1</sup>

**Mariana Doga-Mirzac**

Doctor of Economic Sciences, Associate Professor

State University of Moldova

ORCID: <https://orcid.org/0000-0003-0217-7398>

**Andrei Mulic**

Candidate of Economic Sciences, Associate Professor

State University of Moldova

ORCID: <https://orcid.org/0000-0001-6207-1216>

**Summary.** The financial security of owners' associations is essential for the well-being of residents and the stability of communities. By leveraging available support programs, these organizations can significantly reduce expenses and benefit from financial protection. At the same time, the active involvement of local authorities in ensuring an adequate legislative framework and strong institutional support is crucial. Through collaboration, we can strengthen citizens' financial security and contribute to the development of sustainable communities. Citizens are one of the fundamental pillars of the rule of law, shaping its internal and external processes and determining its development trajectory. Ensuring citizens' financial and legislative security through public institutions helps sustain the state's economic, financial, and social processes while providing long term stability and security.

**Keywords:** legislation, programs, owners' associations, financial insurance, state institution.

**Relevance of the issue.** The emphasis on the importance of financial and legislation assistance for consolidation resilience is certainly timely, as it underlines how crucial resilience is, both for the Republic of Moldova and for the European Union.

The legal framework was developed taking into account simplified and transparent applicability for condominium owners' associations. These features offer both citizens and communities, the individuals or organizations that manage them, as well as public institutions to strengthen administrative capacity and advisory offers.

**Analysis of recent research and publications.** The financial assistance is structured around in certain distinct priorities, of which an important focus is provided: strengthening the administrative capacity and the advisory offer, which can be crucial elements that will improve institutional efficiency and promote good governance.

The priorities form in structure of financial assistance are:

- Consolidation administrative capacity;
- Consolidation internal security and the defense sector;
- Ensuring energy security;
- Supporting reforms; Investments in infrastructure and international markets;
- Facilitating economic development and connectivity.

In strengthening this priority, the public institution Public Services Agency developed the "Practical Guide for the Service Applicants" (state registration of the association of condominium owners).

The state institution also provides advisory support to individuals and legal entities from the Republic of Moldova oriented towards to the Associations of Condominium Owners registration procedure. Improving the quality of services provided and increasing the satisfaction of beneficiaries of public services are the result of the activity of informing citizens about the general conditions, terms of state registration and other relevant aspects that contributed to this.

<sup>1</sup> The work was developed in the context of the implementation of the project 'Strengthening socio-economic and legal mechanisms to ensure the well-being and security of citizens' (CONSEJ 01.05.02).



In the article "Administration and management of owners' associations in the Republic of Moldova" authors Albu D. and Albu C. mention that "The development of technical and thermal rehabilitation programs for apartment buildings, with their financial support from public and private funds, has as its main purpose the rehabilitation of the housing stock and the completion of the process of forming and registering homeowners' associations" [9]. In his research the author Frentiu G. analyzes "the condition of existence of common property for granting legal personality to an owners' association in the light of the provisions included in the Law, starting from a solution of the judicial practice, reaching to the conclusion that the establishment of an association can not take place unless there is a common property of all members of the association" [11]. In the article, Theoretical and practical aspects regarding the legal nature of the condominium and the condominium co-owners' association, there are analyzed two legal categories relative new in our national legislation – condominium and co-owners association. There are defined the notions of this legal categories and their legal statute [12]. Radu A. in the article is intended, first of all, people who already manages housing, or has as aim to manage the apartment building. Secondly, this paper presents interest for everyone because we all want to have a decent, comfortable, provided with all utilities and, not least, to have to live safe [13]. The management of residential property is supervised by the institutional system and represents a structural link within the system. Analysis by Zuzu A. of the owners' associations in Chisinau municipality according to statistical data represents the most active and complex system, highlighting the aspects and characteristics that hinder the activity process [14]. Certain aspects of the activities of condominium associations and issues related to the creation and functioning of co-owner associations of residential blocks and their administration system according to the legislative framework have been analyzed in the works of local researchers: Cutulab O., Rusu N., as well as foreign researchers such as: Chekhovska I., Veshnevskaya A., Lutsyk O., Emelkina I.

**The purpose of the research.** The research part directed towards financial offers from state institutions intended for condominium owners' associations (APCs) remains, for the most part, insufficiently explored. This area is of particular interest, as in the current context, citizens' financial possibilities are limited, and they cannot afford to fully cover essential expenses related to the maintenance, renovation or modernization of buildings. Therefore, the identification and analysis of financial support mechanisms offered by the

state to ACO becomes an important research direction, contributing both to strengthening the capacities of these structures and to improving the living conditions of the population.

**Research methodology.** Obtaining the results proposed and presented in the article directs the authors to research possibilities of support by the public authorities of the citizens and it was possible through the use of research methods, such as: the analysis method, the method of synthesis of the selected information, the comparative method, the logical method.

The data included in the research carried out allowed us to present official information based on local legislation, of the Ministry of Economic Development and Digitization, reports of the City of Chisinau, the National Center for Sustainable Energy, the Institute for Development and Social Initiatives "Viitorul", publications and analytical materials.

**Research results.** One of the fundamental pillars in the activity and development of Associations of Condominium Owners (ACO) is the legislative framework and relevant institutions that provide legal informational support and guidance to administrators in this field.

"This association model is accepted", Rusu N. mentions, "since it represents an autonomous entity, which removes third parties from the ownership structure. In this way, by organizing the owners into a single association, the collaboration and active involvement of the owners in the administration and management of the condominium is encouraged, ensuring better protection of their rights and interests" [10].

The legislation aimed at Associations of Condominium Owners is oriented towards their activity as transparent and simplified as possible. It offers the opportunity to connect between citizens of communities or/ and the individuals or the organizations that manage them, and on the other vision the public institutions to strengthen the administrative capacity and the advisory offer.

According to Law no. 196/2018 of 20.07.2018 regarding the establishment, organization and operation of owners' associations and the management of condominiums, adopted by the Romanian Parliament in 2018, explains and provides more explicit information on the concept of owners association being a form of autonomous and non-profit association of owners in a condominium, with the aim of administration, operation, maintenance, repair, rehabilitation and modernization the common property. The owner's association also maintaining the builds in good condition, respecting the rights and assuming the obligations by all the owners.

According to Law no. 187 of 14.07.2022 regarding the condominium, Associations of Condominium

Owners are legal entities under private law organized under the legal form of association for the purpose of managing the condominium, with only the owners of the condominium as members.

The Art.34 p. (1) explains that the general meeting of condominium owners is the supreme governing of the association and it consists of all the owners in the condominium.

The purpose of the proposals offered by the authors to the legislation consists in the improvement and transparency of the financial activity supervision system by performing the audit for the assessment (evaluation) of the correctness of the economic-financial acts (documents) in the given period, but not more than three years. The three-year period coincides with the appointment by the general meeting of the association of the administrator (manager) for three years.

In the proposals included in the law, it is proposed that in Law no. 187 of 14.07.2022, Art. 67 External audit of the association paragraph (1) is omitted and replaced by another clause amended with new wording as follows:

✓ If the association has not been audited in the last 3 financial years is obliged to carry out an audit, or of certain areas of activity at the request of the general meeting, to the Council (if any) or to the censor.

✓ Also can be subject to audit, areas of activity by contract at any time by any three initiating owners within the association.

✓ The initiator owners of the audit directly cover the audit company (organization) remuneration and expenses related to the audit service.

The need for this amendment to Art. 67 paragraph (1) of Law no. 187 of 14.07.2022 emerges from the fact that the period of activity of the ACO is not subject to the mandatory financial audit. This situation raises confusion and unfounded suspicions, dissatisfaction of the owners / tenants in the condominium regarding the correctness of the administration and efficient management of the economic-financial activity to the association.

The administrator/manager and the accountant of the association usually oppose the external audit referring to the annual report. The control carried out by the censor (the commission of censors, if any) ignoring the fact that this is (represents) an document from the association.

The external audit requires covering expenses within the association formed by the offer of audit services. In case the association has not concluded a contract with a company that provides accounting and auditing services.

In the case of Art 47, paragraph (1) of Law no. 187/2022, if one or more censors are not appointed the Association as an entity remains without control. The powers of the censor or

the committee of censors are not exercised in accordance with paragraph (5) Art. 47 of the Law. In these conditions, the mandatory external audit becomes the only functional action the verification of the correctness of the financial and economic documents of the ACO.

The association can plan when developing the ACO budget, once every three years, taking into consideration the coverage of the expenses regarding the performance of the external economic-financial audit. In case of carrying out the mandatory external audit once every three years, the general meeting for the final decision may refuse to return the audit expenses to the initiating owners (provisions of Art. 67 paragraph (1)). The mentioned proposals will perfect the legislation regarding the correctness of the management of the ACO economic and financial activity, as well as the owners, as well as improving social effects aimed at increasing financial security and ensuring the well-being of the population of the Republic of Moldova.

Considering and operating improvement additions/changes, to Law no. 187 of 17.08.2022 regarding the condominium will improve the legislation and improve the administration of the financial-economic activity of the ACO.

At the same time, the administrator of the association has the right to request and obtain the necessary documents free of charge for the proper management of the condominium, in accordance with the Condominium Law No. 187/2022, Article 24(3) of the Republic of Moldova.

These rights include:

➤ *Access to the technical documents of the property* – administrator may request technical documentation, including construction projects and technical expertise;

➤ *Access to cadastral documents* – administrator may request cadastral information and property documents to properly manage common assets;

➤ *Access to authorizations and approvals* – the administrator may request construction permits, operating permits or other documents necessary for repair and maintenance work on the building;

➤ *The right to represent the association* – the administrator may submit official requests on behalf of the ACO to state institutions to obtain the necessary documents;

➤ *The obligation of state institutions to provide documents* – according to the Law, the authorities are obliged to issue the documents requested by the administrator, because he acts in the interest of the co-owners.

This law will contribute to improving the quality of life and raising the standard of living of the population being the structural elements of the

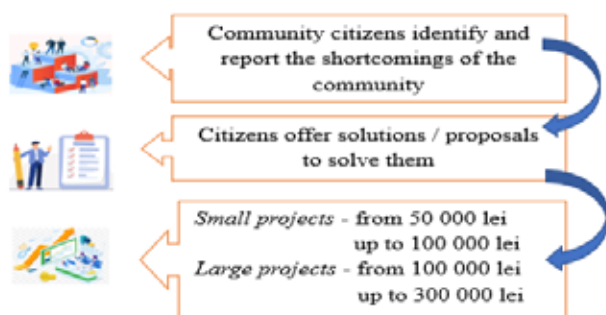
state's current priorities in the context of balancing with European Union standards.

Currently, with the help of public institutions, various programs are offered and managed aimed at citizens, most of them providing training, consultation, funding and mentoring to enable community members to apply to these programs as follows:

*Civil Budget Program* – offered by the municipality of the Chisinau, intended for citizens who are active and interested in getting involved in the development, modernization and development of the city/locality. Annually from the municipal budget according to the decisions (as an example, decision no. 14/23 of 13.08.2020) the amount of 3 mil. lei is allocated for the implementation of projects of local interest.

An important point included in the elaborated Regulation is the provision of co-financing. So for the initiatives submitted by persons, co-financing will be from – 1% and for legal entities – 20%. The initiatives proposed by citizens are classified into two categories: large projects, in the amount of 100–300 thousand lei and small projects, in the amount of 50–100 thousand lei.

We will present that information in figure form to give visibility and attractiveness to this project:



**Figure 1 – Civil Budget program offer to community members/citizens**

\* exchange rate on the date of 13.09.2025, 1EUR = 19,49 MDL (lei)

Source: systematized by the author based on [7]

The offers of proposals (ideas) submitted to be financed cover the following areas: urban infrastructure, urban mobility, cultural and social infrastructure, smart cities / sustainable green cities, innovations and research, energy efficiency, IT applications for renewable energy, local democracy, education, youth and sports, etc.

Participatory budgeting, in explaining the concept within the mentioned program aims to transform the citizen-authority relationship, by offering a platform through which citizens would participate more actively in the process of administering a locality. This tool contributes to increasing the participation

and quality of local democracy, promotes pluralism of opinion and public discussion, it stimulates the inclusion of excluded voices and under-represented groups [1].

An example being the initiation in the year 2019 (18 month period) by IDIS "Viitorul" in partnership with AGORA from the Czech Republic within the the municipalities: of the city of Ialoveni, Straseneni and the village of Budesti (Chisinau municipality) implementation of the project "Participatory budgeting – an effective tool for citizen participation in Moldova". This project was financially supported by the Ministry of Foreign Affairs of the Czech Republic through the "Transition" program.

In the period 2023–2024 the project "More transparent and inclusive budgeting in Moldova: allowed the involvement of active citizens and young people from three localities in the formation of the budget and the transfer of experience to other Moldovan municipalities". The general objective of the project constitutes it stimulating the involvement of citizens in the decisions that are taken in the management of local community resources.

*Program FEERM*. By Government Decision no. 251 of 10.04.2024 the Financing Program was approved "The fund for energy efficiency in the residential sector of the Republic of Moldova" (FEERM) for promoting and facilitating the efficient use of energy by consumers, with a result to reduce the population's expenses for energy resources and the financial security of citizens [3, p.4].

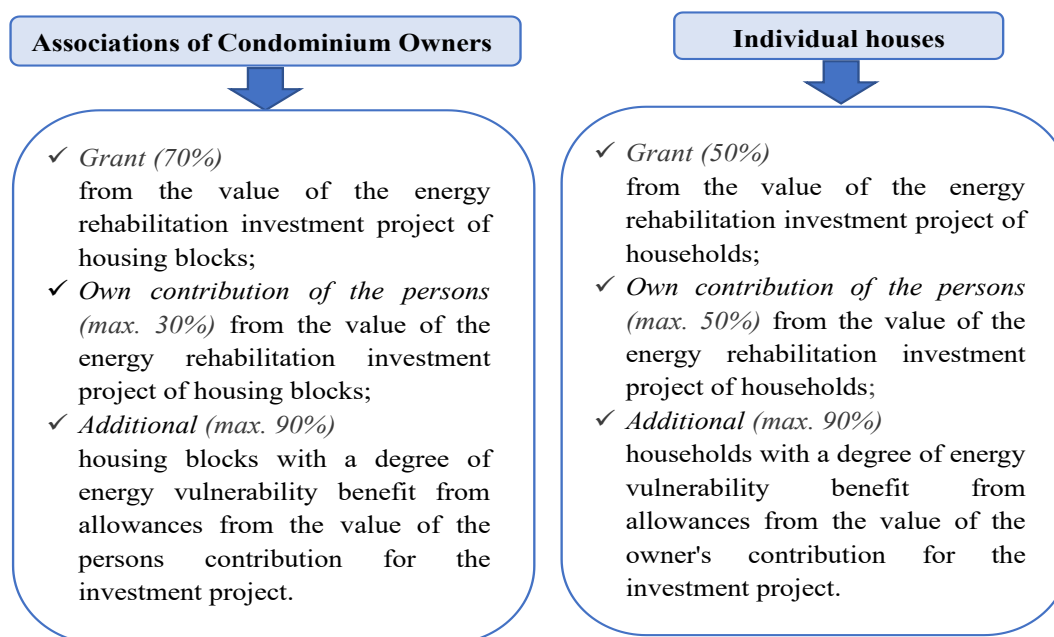
The beneficiaries of this program will have the opportunity to obtain the following financial incentives (Figure 2).

The financing product "Energy efficiency of housing blocks" for the period 2024–2027 is intended to provide financial support (from the financial means of the Program) in the said sector, to finance certain measures aimed at energy efficiency in residential buildings, towards ACO and individual houses.

The product budget is established based on the provisions of the Program and constitutes (including administration expenses up to 10% according to the Statute) 1007775 thousand lei, of which: 716185 thousand lei for Grants: 168508 thousand lei for granting Allocations, and 123081 thousand lei the contribution of beneficiaries [5, p.2].

The public institution the National Center for Sustainable Energy (CNED) offers the opportunity to Residents Associations to benefit from free technical assistance in the development of energy audits which will form the basis of energy rehabilitation projects of housing blocks.

The selected residents associations will benefit an energy audit of the building with the subsequent



**Figure 2 – Financial offers within the FEERM program**

Source: Generalized by the author based on [8]

opportunity to obtain up to 70% grant funding from FEERM for the implementation of building energy rehabilitation projects, and 30% of the total costs will be borne by the (community) of tenants.

Targeted vouchers in the form of financial support from the EcoVoucher program for the replacement, within a home, of electrical household equipment or electronic with some more efficient in terms of energy.

The objective of this program is to support the vulnerable population to provide the opportunity to reduce expenses within the planned budgets. The beneficiaries will have the opportunity to obtain vouchers that can cover up to 70% of the cost of electrical appliances [4, p.2].

*Green Economy Financing Program (funded by BERD)*

Through this program, persons or associations of home owners, as well as individual persons who own or live in a building or apartment in which they intend to implement an eligible investment have the possibility to benefit from loans for green technologies.

Eligible persons have the opportunity to invest in mitigation technologies and services and adaptation to climate change, such as isolation of buildings, energy efficient windows, photovoltaic energy generation and storage systems, etc. [6].

*School Program for Block Administrator*, initiated by the members of the Municipal Council within the Municipal Center for Adult Learning and Education in Chisinau.

The course includes four modules: Legislation and legal rules, General meeting and administration

council, Funding and attracting projects, The space near the block and safety. This course will allow community citizens to transparently and efficiently manage owners associations, as well as the possibility of their establishment, registration, operation and liquidation.

Also four modules offers ability to understand and apply legislation oriented towards this activity and specific accounting used in owners associations.

All program offers from public authorities are directly related and they are found in the priorities and visions of the National Security Strategy approved by Decision no. 391 of 15.12.2023 by the Government of the Republic of Moldova, being:

(1) *promoting a vibrant civil society and fully involved, and*

(2) *stimulating a strong partnership between state institutions, non-governmental and private sectors.*

**Conclusions.** The offer of the spectrum of programs from the state institutions are directed to create and propose financial instruments in the form of grants or allowances being financial incentives that are directed to active citizens of the communities, or the beneficiaries within it. These programs being a possible vision within public policies, including local level policies and will allow every citizen to contribute and to direct the financial support to the community it represents. The consultative and financial support mechanism from state institutions allows the population to be informed and guide on program offers that provide financial insurance of citizens at locality.

Financial insurance of citizens through programs directed at condominium owners' associations offers opportunities to explore and select sustainable economic support mechanisms at the community level. Some directions for further development that will allow us to improve the quality of life of the population and at the same time safety, accompanied by research directions such as:

✓ Creating an integrated and simplified regulatory framework for public-private co-financing, which will contribute to the development of legislation on the partnership between local public authorities and homeowners'

associations in order to access and select offers (programs, projects) aimed at building rehabilitation, energy efficiency and infrastructure modernization;

✓ Evaluation of the financial solvency of homeowners' associations, necessary for commercial banks and/or credit institutions aimed at granting collective loans;

✓ Stimulating the training of financial skills of association members by developing and promoting financial education and community management programs for members of association executive committees (administrators and board members) and for tenants.

### References:

1. Information bulletin of the project "Participatory budgeting – an effective tool for citizen participation in Moldova", Importance of participatory budgeting, IDIS "Viitorul", 19 p. Available at: [https://bugetareparticipativa.viitorul.org/wp-content/uploads/2019/11/Buletin-informativ-ch-\\_6-noiembrie.pdf](https://bugetareparticipativa.viitorul.org/wp-content/uploads/2019/11/Buletin-informativ-ch-_6-noiembrie.pdf) (accessed 30 July 2025).
2. Dragalin I. Economic stability: central pillar of national security, 6 p. Available at: <https://pisa.md/wp-content/uploads/2024/06/Stabilitatea-economica-pilon-central-al-securitatii-nationale.pdf> (accessed 25 August 2025).
3. The operational manual, the fund for energy efficiency in the residential sector, the financing product – energy efficiency of housing blocks, the Council of the Public Institution, the National Center for Sustainable Energy, minutes no. 6 of 26.07. 2024, 58 p. Available at: [https://cned.gov.md/sites/document/attachments/manual\\_operational\\_produce\\_blocuri\\_final.pdf](https://cned.gov.md/sites/document/attachments/manual_operational_produce_blocuri_final.pdf) (accessed 25 August 2025).
4. Operational Manual Voucher Program for Household Appliances, IP CNED Council Decision no. 7 of 9.08.2024, IP CNPED, 39 p. Available at: [https://cned.gov.md/files/document/attachments/manualul\\_operational\\_program\\_voucher\\_final.pdf](https://cned.gov.md/files/document/attachments/manualul_operational_program_voucher_final.pdf) (accessed 25 July 2025).
5. Financing product (2024) of the IP CNED Council, 12.06.2024, 17 p. Available at: [https://gov.md/sites/default/files/document/attachments/produsul\\_de\\_finantare\\_blocuri\\_locative.pdf](https://gov.md/sites/default/files/document/attachments/produsul_de_finantare_blocuri_locative.pdf) (accessed 25 July 2025).
6. Green Economy Financing Facility in Moldova, helps enterprises and households in Moldova to invest in high-performance technologies. Available at: <https://ebrdgeff.com/moldova/ro/eligible-projects/> (accessed 15 August 2025).
7. The start of the Chisinau Civil Budget Program. Available at: [http://www.chisinau.md/ro/lansarea-programului-privind-buget-civil-chisinau-editia-2024-20292\\_275810.html](http://www.chisinau.md/ro/lansarea-programului-privind-buget-civil-chisinau-editia-2024-20292_275810.html) (accessed 16 August 2025).
8. Fund for Energy Efficiency in the Residential Sector of Moldova, Public Institution National Center for Sustainable Energy. Available at: <https://cned.gov.md/ro/feerm> (accessed 15 August 2025).
9. Albu D., Albu D-C. (2023) Administrarea si gestiunea blocurilor cu apartamente in Republica Moldova. In: *Patrimoniul arhitectural: aspecte tehnice, economice si juridice*, Ed. 3, 22 iunie 2023, Chisinau, MS Logo, Edita a 3-a, pp. 140–156. Available at: [https://ibn.idsi.md/sites/default/files/imag\\_file/140-156.pdf](https://ibn.idsi.md/sites/default/files/imag_file/140-156.pdf) (accessed 10 June 2025).
10. Rusu N. (2023) Rolul si importanta asociatiei de proprietari din condominiu: analiza cadrului legal si aspecte de administrare eficienta. In: *Analele Stiintifice ale Universitatii de Stat din Moldova: Stiinte juridice. Stiinte sociale*, 16 septembrie 2023, Chisinau, Republica Moldova, Centrul Editorial-Poligrafic al Universitatii de Stat din Moldova, SJ, SS, pp. 105–107. Available at: [https://ibn.idsi.md/sites/default/files/imaag\\_file/105-107\\_28.pdf](https://ibn.idsi.md/sites/default/files/imaag_file/105-107_28.pdf) (accessed 10 June 2025).
11. Frentiu, G. Common property–condition sine qua non for establishing an association of owners, *Journal Dreptul*, no. (09), pp. 128–133. Available at: <https://www.ceeol.com/search/journal-detail?id=1530> (accessed 10 June 2025).
12. Melniciuc O. (2010) Aspecte teoretice si practice cu privire la natura juridica a condominiului si a asociatiei de coproprietari in condominiu. In: *Revista Nationala de Drept*, nr. 4 (115), pp. 49–50. Available at: [https://ibn.idsi.md/vizualizare\\_articol/18436](https://ibn.idsi.md/vizualizare_articol/18436) (accessed 10 June 2025).
13. Radu A. (2015) Managementul administrarii imobilelor (managementul condominiu-lor). In: *Aspecte ale dezvoltarii potentialului economico-managerial in contextul asigurarii securitatii nationale*, 6–7 iulie 2015, Balti, pp. 158–162. Available at: [https://ibn.idsi.md/sites/default/files/imag/158-162\\_23.pdf](https://ibn.idsi.md/sites/default/files/imag/158-162_23.pdf) (accessed 15 August 2025).
14. Zuza A. (2021) Gestionarea si analiza fondului locativ din municipiul Chisinau. In: *Conferinta tehnico-stiintifica*, 23–25 martie 2021, Chisinau, Republica Moldova, Tehnica-UTM, Vol.2, pp. 91–94.

## ЗАКОНОДАВЧЕ ТА ФІНАНСОВЕ ЗАБЕЗПЕЧЕННЯ ДІЯЛЬНОСТІ ОБ'ЄДНАНЬ ВЛАСНИКІВ У РЕСПУБЛІЦІ МОЛДОВА

**Дога-Мірзак Маріана**

доктор економічних наук, доцент  
Державний університет Молдови

**Мулік Андрій**

кандидат економічних наук, доцент  
Державний університет Молдови

Фінансова безпека об'єднань власників житла є важливою для добробуту мешканців та стабільності громад. Використовуючи доступні програми підтримки, ці організації можуть значно скоротити витрати та отримати фінансовий захист. Водночас, активна участь місцевих органів влади у забезпеченні належної законодавчої бази та потужної інституційної підтримки є надзвичайно важливою. Завдяки співпраці ми можемо зміцнити фінансову безпеку громадян та сприяти розвитку сталих громад. Методологія, використана в цій статті, зосереджена на дослідженні того, як органи державної влади можуть підтримувати громадян. Це було досягнуто за допомогою таких методів дослідження, як аналіз, синтез вибраної інформації, порівняння та логічне мислення. Громадяни є одним із фундаментальних стовпів верховенства права, формуючи його внутрішні та зовнішні процеси та визначаючи траєкторію його розвитку. Забезпечення фінансової та законодавчої безпеки громадян через державні інституції допомагає підтримувати економічні, фінансові та соціальні процеси держави, забезпечуючи водночас довгострокову стабільність та безпеку. Частина дослідження, спрямована на фінансові пропозиції державних установ для об'єднань власників, залишається здебільшого недостатньо дослідженою в Р. Молдова. Ця сфера становить особливий інтерес, оскільки в сучасних умовах фінансові можливості громадян обмежені, і вони не можуть дозволити собі повністю покривати необхідні витрати, пов'язані з утриманням, реконструкцією чи модернізацією будівель. Дослідження в цій галузі дозволили б провести порівняльний аналіз методів фінансової підтримки, зокрема через законодавчо-нормативну частину, що застосовується до об'єднань власників житла, особливо в країнах ЄС. Оцінка соціально-економічного впливу програм, спрямованих на населення, а також визначення механізмів зміцнення фінансової стійкості на рівні громади, дозволять нам виявити перешкоди, проблеми та прогалини на рівні застосування та законодавства.

**Ключові слова:** законодавство, програми, об'єднання власників, фінансове страхування, державна установа.

*Стаття надійшла: 06.07.2025*

*Стаття прийнята: 10.08.2025*

*Стаття опублікована: 25.08.2025*