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CHISINAU Transport Development Initiative

CHISINAU PUBLIC TRANSPORT SUSTAINABLE DEVELOPMENT INITIATIVE



ADJUSTING LEGISLATION ON THE COMPETENCES OF LOCAL PUBLIC AUTHORITIES IN ORGANIZING ROAD PASSENGER TRANSPORT

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Acronyms and Abbreviations

ANTA – National Auto Transport Agency

BNS – National Bureau of Statistics

CMC – Chisinau Municipal Council

DGECT – General Directorate of Economy, Commerce, and Tourism of the Chisinau Municipality

DGMU – General Directorate of Urban Mobility of Chisinau Municipality

DCPSAP – Directorate of Commerce, Services, and Public Catering

HG – Government Decision

MDED – Ministry of Economic Development and Digitalization

MIDR – Ministry of Infrastructure and Regional Development

PMC – Chisinau City Hall

PMUD – Sustainable Urban Mobility Plan

PUG – General Urban Plan

EU – European Union

EC – European Commission

1.1 Justification for Policy Brief No. 4

Building on the ambitious EU-Moldova Association Agreement, ratified by Law no. 112/2014, the European Council in 2022 recognized the European perspective of the Republic of Moldova and granted it the status of EU candidate country.

The EU is one of the most highly urbanized regions in the world, with a significant number of cities and municipalities serving as major centers of economic and social activity. In terms of urban planning and quality of urban life, European cities are often regarded by the rest of the world as attractive places to visit, live, study, work, and conduct business, with mobility and transport being key factors. Numerous European cities are global leaders in transport innovation, sustainable urban mobility planning, and the implementation of ambitious climate and road safety objectives.¹

As a result, mobility is a vital aspect of social inclusion and a key determinant of human well-being, especially for disadvantaged groups. This is one of the main challenges faced by the municipality of Chișinău.

Urban mobility affects numerous citizens of the Republic of Moldova, as they are sensitive to both travel time and transportation costs. Managing urban mobility is a challenge for the Chișinău Municipal Council (PMC) as well.

In addition to inevitable financial constraints, planners and policymakers face numerous, often competing, demands: maintaining a high quality of life while creating an attractive environment for businesses, restricting traffic in sensitive areas without limiting the necessary movement of goods and people.²

The challenges faced by urban mobility in Chișinău are complex and diverse, reflecting both the local context and general trends in urban transport. Public transport in the municipality of Chișinău is a crucial aspect of urban life, serving as the primary means of transportation for the residents of the capital of the Republic of Moldova. With a growing population and increasingly complex urban dynamics, public transport plays a central role in ensuring mobility, access to services, and connectivity between various areas of the city.

The public transport system in Chișinău, including both local/municipal transport and public transportation that transits or has the city as its final destination—such as buses/coaches serving North-South or West-East routes and international traffic—often proves inefficient and requires significant improvements in management, development, coverage, frequency, and comfort.

In this regard, it is important to note that regulatory authorities, local councils, and mayors play a key role in managing and developing public transport, as well as in establishing policies and regulations related to road infrastructure. They are responsible for ensuring the efficient and safe operation of the public transport system.

Faced with these challenges, the regulatory authorities in Chișinău must strike a balance between the mobility needs of citizens and the necessity of reducing congestion and pollution.

Thus, the Municipal Council and the General Mayor must ensure that public transport is accessible, safe, and efficient while promoting sustainability and innovation. This requires a strategic and coordinated approach, key competencies, predetermined tasks, active community involvement, and collaboration with national and European authorities to provide a public transport system that meets the needs of a growing city and complies with European mobility and sustainability standards.

¹ Comunicare a Comisiei către Parlamentul European, Consiliu, Comitetul economic și social european și Comitetul regiunilor. Noul cadru al UE pentru mobilitatea urbană. <https://eur-lex.europa.eu/legal-content/RO/TXT/HTML/?uri=CELEX%3A52021DC0811>

² Comisia Europeană (2013): Planning for People: Guidelines – Developing and implementing a sustainable urban mobility plan. <https://op.europa.eu/webpub/eca/special-reports/urban-mobility-6-2020/ro/index.html>

A first step is the implementation of international best practices, which will contribute to improving the transport system in the municipality of Chişinău, as well as clearly regulating the competencies of Chişinău's regulatory authorities.

The specific tasks outlined by the contracting authority during progress meetings on March 18, 2024, and April 4, 2024, were as follows:

Analysis of the legislative and regulatory framework related to the study theme:

Analysis and proposals for amending the Road Transport Code no. 150/2014.

- Analyze the experience accumulated in the transport sector within the country and how identified challenges have been addressed in other states in the region by adopting European best practices;
- Identify the need for revision and suggest urgent modifications to improve legislation and regulations in the field of public transport;
- Draft proposed normative acts.

1.2 Structure of Report

This Report is organized into four chapters, as follows:

- *Chapter 1:* Introduction, which includes a brief description of the main tasks and features of the mission, and an introduction to the study topic;
- *Chapter 2:* Collected data related to proposals for amending the Road Transport Code no. 150/2014, other normative acts, and international regulations. Analysis of European best practices;
- *Chapter 3:* Conclusions and recommendations;
- *Chapter 4:* Draft legislative amendments in accordance with Law no. 100/2017 on normative acts, including a comparative table on the current situation of the General Directorate of Urban Mobility (DGMU) regarding its competencies vs. those of the Lublin Road and Public Transport Administration (ZDiTM Lublin) in the field of public transport management.
Bibliography for Section II.

1.3 Data Collected Regarding Proposed Amendments to the Road Transport Code No. 150/2014, Other Normative Acts, International Regulations. Analysis of Best Practices

Regulatory Framework in the Republic of Moldova

According to the latest amendments made by Law no. 423/2023 for the amendment of certain normative acts (adjusting the legislation in the field of road transport),³ to the Road Transport Code no. 150/2014, in force since 06.03.2024⁴, several aspects related to the relationship with local authorities have been regulated in the national legislation pertaining to the field, clearly defining the rights and obligations of public bodies and institutions responsible for the organization and control of road transport and related activities. The collaboration between local and central authorities in managing and supervising road transport has been strengthened, contributing to the development and implementation of national policies and strategies in this area. Additionally, local

³ https://www.legis.md/cautare/getResults?doc_id=141675&lang=ro

⁴ https://www.legis.md/cautare/getResults?doc_id=141691&lang=ro#

authorities have been empowered to regulate road transport at the local level, including by establishing their own regulations in accordance with national provisions.

Thus, these provisions attempt to decentralize the responsibilities regarding the administration of road transport, giving local authorities a significant role in this process while maintaining central coordination and supervision to ensure uniformity and efficiency at the national level. This involves verifying compliance with national regulations, ensuring adherence to standards and procedures set at the central level. Given that, through the new provisions of the Code, local public authorities have been involved in various processes related to road transport—such as participation in the Advisory Council, which they were not part of before, or reviewing proposals to modify the inter-regional and district road transport programs—the supervision is aimed at ensuring that local authorities exercise their new responsibilities in a manner that contributes to the overall objectives set at the national level.

In this context, we highlight the following provisions of the Road Transport Code no. 150/2014, which regulate the competencies of local public administration authorities and are the subject of study in this chapter. These are to be supplemented or amended:

Article 12. – (1) *In order to perform the functions provided in this code, local public administration authorities of the first and second levels, as applicable, shall create, in accordance with current legislation, committees for the organization of road transport for passengers through regular services and shall approve their operational regulations in accordance with this code and other normative acts. **The adoption of decisions regarding the organization of road transport for passengers through regular services may be assigned to these committees according to their operational regulations, or these decisions may require approval by the local public administration authorities, depending on the responsibilities delegated to the committees by those authorities.***

Article 14. – (1) *Local and municipal councils, in the context of organizing road transport services for a fee in local/municipal traffic:*

- a) draft, approve, and amend local/municipal road transport programs according to the population's transport needs;*
- b) have the right to impose temporary restrictions on changes to local/municipal road transport programs;*
- c) approve the fees for regular passenger road transport services in local/municipal traffic according to their own approved methodology;*
- d) have the right to establish subsidies from the local and/or municipal budget, as applicable, for providing regular passenger road transport services in local/municipal traffic;*
- e) have the right to provide transport facilities for certain categories of people within the respective administrative-territorial unit, while also ensuring sources of compensation for lost revenues;*
- f) authorize, when applicable, the activity of regular passenger road transport in local/municipal traffic and monitor its execution;***
- g) within a locality, determine the routes for interregional and district lines that pass through or originate in the locality and the public stops where passengers are permitted to board/alight for these routes;***
- h) approve proposals to modify the interregional road transport program and district road transport programs;***
- i) may revoke the authorizations issued for regular passenger road transport in local/municipal traffic, in accordance with Law no. 235/2006 on the basic principles of regulating entrepreneurial activity;***
- j) develop and approve urban mobility plans.*

*(2) **In order to efficiently organize passenger road transport through regular services in local/municipal traffic, local and municipal councils may delegate the executive authorities the competencies established in para. (1) subpara. f), h), and i).***

Article 34. – (1) *Road transport programs define, for each route, the bus stations and public stops used for departures and stops in transit, except for the local/municipal road transport program, which includes the names of streets and/or the names of public stops.*

(2) *The placement/location within a locality of public stops intended for passenger boarding/alighting is determined by the executive authority of the local public administration or, if the road section is administered by another authority, by the road administrator.*

(3) *The arrangement, road signage, and maintenance of public stops designated for boarding/alighting passengers are ensured by the local public administration authorities or by the road administrator, as applicable.*

(4) *Access to public stops for road transport operators assigned routes or runs is free and non-discriminatory, in accordance with the travel schedules.*

(5) *The decision of the executive authority of the local public administration regarding the placement of a new public stop is approved after consultation with the road administrator and the police responsible for traffic safety, and is communicated to the Agency by notification within 10 days of issuance. The notification shall necessarily indicate the date from which the stop can be used.*

Article 49. Road transport operators/companies engaged in road transport operations have the following obligations:

s) *when providing regular services in interregional and district traffic, ensure the boarding/alighting of persons in localities with bus stations only on the bus station premises and/or at public stops within the locality, established by the executive authority of the local public administration, according to the travel schedule, observing the provisions of this code, and, in localities without bus stations, only at public stops included in the travel schedule;*

u) *adhere to the routes established by the executive authority of the local public administration when passing through the locality in transit or towards the passenger boarding/alighting points.*

Article 86. – (1) *The activity of a bus station is conducted by state or private enterprises authorized by the Agency.*

(7) *When bus station capacity is exceeded, the central specialized body requests local councils to establish public stops for terminal points and/or transit stops.*

Through the study of the provisions above, it can be identified that there is a clear overlap between the competencies of the executive authority of local public administration and those of the local/municipal council. This could lead to a series of administrative risks and issues during implementation, potentially affecting the efficiency and effectiveness of public service management, including the transport system.

The identified risks include:

inefficiency: Without clearly defined responsibilities, overlapping functions and tasks may arise, leading to inefficiency, redundant processes, and wasted resources;

lack of accountability: When competencies are not clearly delineated, responsibility for decisions and actions can become ambiguous, affecting transparency and public trust;

Inconsistent policy implementation: Conflicting competencies can lead to uneven implementation of policies, especially in complex areas such as public transport;

delayed responses to urgent problems: In emergencies or when quick actions are needed, conflicting competencies may lead to delays, as decisions must go through multiple levels of approval and coordination between different authorities, slowing the implementation of effective solutions;

deterioration of public services: Over time, if the conflict of competencies persists, the quality of public services, including transport, may suffer, leading to decreased citizen satisfaction and a lower quality of life in the city.

To minimize these risks, it is crucial to have close collaboration and a well-defined legislative framework that clearly outlines the competencies of each authority.

Subsequently, considering that the goal of this project is to improve the efficiency of public transport in the municipality of Chişinău, we highlight that the Chişinău Municipal Council (CMC) is currently the deliberative body of the local public authority, responsible for making strategic decisions regarding public transport and road infrastructure. CMC has the competence to adopt decisions related to the organization of public transport, setting fares, and approving development plans for transport networks. Additionally, CMC approves budgets and ensures the allocation of necessary resources for the efficient functioning of the public transport system. Through its decisions, CMC directly influences the quality of transport services provided to citizens.

On the other hand, the Mayor of Chişinău is the executive authority responsible for implementing CMC decisions and managing daily activities related to public transport. The Mayor oversees the General Directorate of Urban Mobility (DGMU), which is the main entity responsible for administering public transport in the municipality of Chişinău. This directorate coordinates activities related to the maintenance and development of road infrastructure, as well as the management of the public transport network. The Mayor's role is to ensure the effective implementation of public transport policies and regulations, while coordinating the efforts of various departments and entities to ensure an efficient and safe transport system.

In this context, the general regulatory framework includes various normative acts that govern the competencies of local public administration authorities in the field of public transport. The following normative acts have been examined:

1. Law no. 1402/2002 on communal public services;
2. Law no. 436/2006 on local public administration, which regulates:
Article 29. Basic responsibilities of the Mayor:
(1) Based on the areas of activity of the first-level local public administration authorities established in Article 4, paragraph (1) of the Law on Administrative Decentralization, the Mayor exercises the following basic responsibilities in the administered territory:
(l) Ensures road and pedestrian traffic safety by organizing transport circulation, maintaining roads, bridges, and installing traffic signs within the administered territory;
3. Law no. 1194/1997 on transport;
4. Law no. 136/2016 on the status of the municipality of Chişinău, which regulates:
*Article 15. Responsibilities of the General Mayor:**(1) The General Mayor exercises the following basic responsibilities:*
 1. *In the field of executive activity management:*
(d) Proposes to the municipal council the organizational scheme and conditions for providing communal public services and takes measures to ensure the proper functioning of these services;
 2. *In the field of municipal asset management:*
(c) Ensures road and pedestrian traffic safety by organizing transport circulation, maintaining roads, bridges, and installing traffic signs within the administered territory.

International Regulations on the Competencies of Local Public Administration Authorities. Analysis of Best Practices

The Association Agreement between the Republic of Moldova, on one hand, and the European Union and the European Atomic Energy Community and their Member States, on the other hand, ratified by Law no. 112/2014, in **Chapter 15 on Transport**, regulates through various provisions aimed at supporting the development and modernization of transport in the Republic of

Moldova. This includes defining administrative responsibilities, which represent a key element in achieving the shared commitment to modernization and European integration..⁵

In connection with the Association Agreement between the Republic of Moldova and the EU, and the *acquis communautaire* that is to be transposed, the Republic of Moldova is set to transpose Regulation (EC) No. 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road, which repeals Council Regulations (EEC) No. 1191/69 and No. 1107/70.⁶, which establishes the framework for public passenger rail and road transport services. It also complements the competencies of authorities within the framework of transport services, detailing how competent authorities can manage and assign public transport services in line with general economic interest objectives.

The Regulation incorporates the principles of subsidiarity and proportionality, allowing local authorities the flexibility to organize public transport services based on specific local needs, while also setting clear standards and rules to ensure a fair and efficient approach.

According to the aforementioned EU Regulation, the main competencies and responsibilities of the competent authorities in public passenger transport include:

- imposing and contracting public service obligations;
- compensating transport operators for costs incurred while fulfilling public service obligations;
- awarding public service contracts;
- monitoring and evaluating services, with the authorities responsible for overseeing the provision of public transport services and assessing whether operators comply with the terms of public service contracts and the obligations imposed;
- establishing emergency conditions, whereby authorities have the right to take emergency measures to ensure service continuity in the event of major disruptions, including temporarily awarding contracts without the usual bidding/tender procedure.

These competencies provide authorities with a broad framework for intervention and regulation, allowing them to ensure that public transport services are available, accessible, of high quality, and meet the economic and social needs of the public.

In this analysis, it is noteworthy that, on the rail transport component, Regulation (EC) No. 1370/2007 was transposed through Government Decision no. 47/2023, which approved the Regulation on public passenger rail transport services.⁷

Regarding the road transport component, although it is not explicitly stated whether the future normative acts planned by the Government of the Republic of Moldova for 2024 will fully transpose Regulation (EC) No. 1370/2007, it is important to highlight that, according to the Government's Action Plan for 2024, approved by Government Decision no. 887/2023,⁸ and the National Action Plan for the Accession of the Republic of Moldova to the European Union for 2024-2027, approved by Government Decision no. 829/2023⁹, for 2024, the Government, through the central public administration authority—the Ministry of Infrastructure and Regional Development (MIDR)—plans to develop and approve a new Regulation on Road Passenger and Luggage Transport, as well as the Mobility Strategy 2030, with the support of the EU Delegation in the Republic of Moldova.

On a regional level, it is important to mention that in several publications, local authorities are highlighted as being the most significant actors in the development and integration of public

⁵ https://www.legis.md/cautare/getResults?doc_id=83489&lang=ro

⁶ <https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32007R1370>

⁷ https://www.legis.md/cautare/getResults?doc_id=135556&lang=ro

⁸ https://www.legis.md/cautare/getResults?doc_id=141017&lang=ro

⁹ https://www.legis.md/cautare/getResults?doc_id=141820&lang=ro

transport as a key component of urban mobility. Any legislation should, therefore, respect and strengthen the role of local authorities in this process. This ensures that public transport solutions are tailored to the specific needs of the regions, while aligning with broader national and European mobility objectives, local and regional public authorities' ability to manage mobility in their area, and not just through setting prices/fares.¹⁰

On the other hand, the administration of urban regions around the world is characterized by both a diversity of formats and the complexity of these arrangements (the more we delve into details, the more complexity we uncover). Here, we explore key dimensions of the diversity and complexity of urban region governance arrangements.

Thus, we note that there are urban areas where the local executive authority (the mayor) has the capacity to exercise extended powers to promote rapid changes, including in the area of transport¹¹, this could also be applicable to the municipality of Chişinău, where authorizing regular road transport services for passengers in local/municipal traffic, establishing the routes that transit the given locality, as well as determining the public stops where boarding/alighting is permitted for these routes, including the revocation of issued authorizations for passenger road transport services, do not fall under the regulatory authority (the council).

If we examine the regulations of other countries related to the subject of study to identify best practices in managing public transport, taking the example of Romania, we find that in Romania, the principles, rules, and institutional framework governing the process of administrative decentralization—including the management of local road infrastructure and public passenger transport—are regulated by Law No. 215/2001 on local public administration, republished in 2006.¹²

Thus, according to Article 36 of the aforementioned law, *the local council has the initiative and decides, in accordance with the law, on all matters of local interest, except for those that are assigned by law to the competence of other local or central public authorities. The local council exercises the following categories of responsibilities:*

- a) Responsibilities regarding the organization and operation of the mayor's specialized apparatus, institutions and public services of local interest, and commercial companies and autonomous administrations of local interest;*
- b) Responsibilities regarding the socio-economic and environmental development of the commune, city, or municipality;*
- c) Responsibilities regarding the management of the public and private domain of the commune, city, or municipality;*
- d) Responsibilities regarding the management of services provided to citizens (community public utility services: water supply, natural gas, sewage, sanitation, thermal energy, public lighting, and local public transport, as applicable).***

Essentially, if we compare it with the municipality of Chişinău, we can certainly observe that the model of Chişinău is similar to that of municipalities/cities in Romania (a country with a legislative and organizational structure similar to that of the Republic of Moldova), where the local/municipal council adopts a series of decisions that complement the regulatory framework in the field of public transport.

¹⁰ <https://cms.uitp.org/wp/wp-content/uploads/2024/02/UITP-EU-Political-priorities.pdf>

¹¹ <https://cms.uitp.org/wp/wp-content/uploads/2022/07/Report-TranspAuthorities-JUNE2022-web.pdf>

¹² <https://legislatie.just.ro/Public/DetaliiDocument/214333>

For example, in Germany, mayors play essential roles in city administration and in implementing the decisions of municipal councils. Although their powers are limited by the municipal council, mayors can exercise significant authority in managing crises and ensuring the continuity of essential services. In emergency situations, mayors can take swift measures to adapt public transport schedules to meet the immediate needs of the community. This highlights a common structure across various European governance models where local councils set policies, and mayors, while constrained by council decisions, are empowered to act decisively in implementing these policies, particularly in critical situations.¹³ This is due to Germany's federal structure, which grants more autonomy to local authorities and allows mayors to take quick and decisive actions in critical moments. However, under normal circumstances, municipal councils in Germany hold the primary power in adopting and implementing public transport policies.

In Poland, according to the Polish Local Government Act of 1990¹⁴, Ensuring public transport within the territory of a municipality is the municipality's own responsibility.

The organizer of public transport is, in fact, its executive body; in large cities in Poland, this is the mayor¹⁵

Here is a summary of the roles and competencies of the mayor in Poland regarding public transport and the relationship with the local council:

- The mayor in Poland acts as the chief executive of local administration, responsible for implementing the decisions of the local council and managing the daily operations of the local administration, including public transport.
- The mayor has administrative authority, including the appointment of officials and the management of the local administration's budget, including allocations for public transport.
- The local council holds legislative authority, responsible for passing resolutions and approving budgets.
- Although the local council makes general political decisions, the mayor has significant influence over the implementation of these policies, including contracting public transport services, setting routes and schedules, and ensuring compliance with safety and environmental regulations.

In summary, in Poland, the mayor has significant executive powers and plays a key role in the implementation of public transport policies, while the local council holds legislative authority and oversight functions. The mayor's powers are balanced by the legislative role of the local council, ensuring a system of checks and balances in local governance.

1.4 Conclusions and recommendations

Conclusions:

The analysis of Road Transport Code no. 150/2014, as well as other related normative acts, revealed tensions between the competencies assigned to the executive authority and those of the regulatory authority. Specifically, some competencies that should be managed by the executive authority are overlapping or contradicted by provisions for the regulatory authority. This overlap can lead to inefficiency and confusion in the implementation of transport policies and the management of public transport services.

¹³ Legea privind transportul de pasageri (PBefG) <https://www.gesetze-im-internet.de/pbefg/BJNR002410961.html>

¹⁴ <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19900160095/U/D19900095Lj.pdf>

¹⁵ https://www.researchgate.net/publication/347848579_Administration_of_Urban_Public_Transport_in_the_Largest_Polish_Cities

Recommendations:

1. Revision and modification of Road Transport Code no. 150/2014: It is essential to clarify and better separate the competencies between the executive and regulatory authorities. This should include a re-evaluation of related normative acts that influence the mayor's and local/municipal council's competencies, such as Law no. 436/2006 on local public administration and Law no. 136/2016 on the status of Chişinău municipality.
2. Adaptation of legislation following the Polish model: In Poland, the roles of the mayor and the local council are clearly defined and efficient, providing a potential model. There, the mayor has broader competencies in managing public transport, contributing to effective local administration and coherent transport policy implementation.
3. Implementation of a more structured consultation and collaboration framework: This should be established between executive and regulatory authorities to ensure that all parties are aligned and contribute effectively to the development and implementation of transport policies.

By implementing these recommendations, public transport administration can be improved, and legislation can be adapted to meet the current and future needs of the road transport sector, taking into account the EU aspirations of the Republic of Moldova. These changes will help create a clearer and more efficient legislative framework, benefiting citizens and improving the quality of public transport services.

1.5 Draft Legislative Amendments in accordance with Law no. 100/2017 on Normative Acts

In line with the contractual provisions, the draft amendments to the current normative framework, in accordance with Law no. 100/2017 on Normative Acts, are presented below:

1. Draft Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport), Comparative Table and Explanatory Note;
2. Regulatory Impact Analysis (if applicable—impact analysis is conducted for draft normative acts that affect entrepreneurial activities).

The modification of the normative framework addressed by the project is to be carried out in several stages, as follows:

1. Examination of the Regulatory Impact Analysis and the draft by the Working Group of the State Commission for the Regulation of Entrepreneurial Activities / Government;
2. Approval by the Government of the Government Decision approving the Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport);
3. Adoption by the Parliament of the Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport).

The promotion of the project falls under the competence of the Ministry of _____, which will ensure the synthesis of proposed amendments, including those from the Chişinău Municipal Council (PMC).

Annex 1: Draft Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport), Comparative Table, and Explanatory Note



GOVERNMENT OF THE REPUBLIC OF MOLDOVA

DECISION No. _____

of _____ 2024 Chișinău

regarding the approval of the draft Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport)

The Government DECIDES:

The draft Law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport) is approved and presented to Parliament for consideration.

Prime Minister _____

Countersigned by:

Minister of Infrastructure and Regional Development _____

PARLAMENTUL REPUBLICII MOLDOVA

LAW

for amending certain normative acts

(adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport)

The Parliament adopts this organic law.

Article I. – The Road Transport Code no. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568), with subsequent amendments, is amended as follows:

1. Article 12 (1) is amended by adding, after the words "other normative acts," the text: ", except for local public administration authorities that have established in their organizational structure general directorates, departments, or services responsible for organizing road passenger transport."

2. **Article 14** will read as follows:
"Article 14. – (1) Local and municipal councils, in the context of the need to organize paid road transport in local/municipal traffic:
 - a) develop, approve, and modify local/municipal road transport programs in accordance with the population's transportation needs;
 - b) have the right to impose temporary restrictions on changes to local/municipal road transport programs;
 - c) approve tariffs for regular road passenger transport services in local/municipal traffic in accordance with their own approved methodology;
 - d) have the right to establish subsidies from the local and/or municipal budget, as applicable, for providing regular road passenger transport services in local/municipal traffic;
 - e) have the right to grant transportation facilities to certain categories of persons within the administrative-territorial unit, ensuring compensation for lost revenue;
 - f) develop and approve urban mobility plans.(2) For the efficient organization of road passenger transport services in local/municipal traffic, local and municipal councils may delegate the competencies set out in paragraph (1) letters a) and b) to the appropriate executive authorities."

3. **Article 14¹** is introduced, with the following content:
"Article 14¹. – Mayors / general mayors, in the context of ensuring the proper functioning of paid road transport in local/municipal traffic and ensuring road and pedestrian safety through the organization of transport traffic in the respective administrative-territorial unit:
 - a) authorize road passenger transport activities through regular services in local/municipal traffic, as applicable, and monitor their operation;
 - b) establish the itinerary of inter-district and district routes that transit or have the respective locality as the route's terminus, as well as public stations where boarding/disembarking for these routes is permitted within the territory of the administrative-territorial unit;
 - c) endorse proposals for modifying inter-district road transport programs and district road transport programs;
 - d) revoke authorizations issued for road passenger transport activities through regular services in local/municipal traffic, in accordance with the provisions of Law no. 235/2006 on the basic principles of regulating entrepreneurial activity."

 4. Article 15 (c) will read as follows: "c) in case of violations, to order within the limits of its competencies the revocation of authorizations issued for road passenger transport activities through regular services."

Article II. – Law no. 436/2006 on Local Public Administration (Official Gazette of the Republic of Moldova, 2007, no. 32-35, art. 116), with subsequent amendments, is amended as follows:

1. In Article 29 (1) (l), after the words "organization of transport traffic," the text is completed with "local/municipal road traffic, by establishing the itinerary of inter-district and district routes that transit or have the respective locality as the terminus, by establishing public stations where boarding/disembarking for these routes is permitted, by endorsing proposals for modifying inter-district road transport programs and district road transport programs."

Article III. – Law no. 136/2016 on the Status of Chişinău Municipality (Official Gazette of the Republic of Moldova, 2016, no. 306-313, art. 645), with subsequent amendments, is amended as follows:

1. In Article 15 (1) (4) (c), after the words "organization of transport traffic," the text is completed with "local/municipal road traffic, by establishing the itinerary of inter-district and district routes that transit or have the respective locality as the terminus, by establishing public stations where boarding/disembarking for these routes is permitted, by endorsing proposals for modifying inter-district road transport programs and district road transport programs."

Article IV. – This law enters into force on the date of its publication in the Official Gazette of the Republic of Moldova.

PRESIDENT OF THE PARLIAMENT

COMPARATIVE

TABLE

for the draft Government decision regarding the approval of the draft law for amending certain normative acts (adjusting legislation regarding the competencies of local public authorities in organizing road passenger transport)

| Nr. d/o | Current Provision Content | Proposed Amendment Content | Provision After Amendment |
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| Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, No. 247-248, Art. 568)) | | | |
| No. | Content of the Current Norm | Proposed Amendment | Content of the Norm after Amendment |
| 1 | Art. 12 – (1) Local public authorities of level one and level two, as the case may be, shall establish commissions for the organization of road transport of passengers through regular services and approve their regulations. Adoption of decisions related to the organization of regular passenger transport may be entrusted to these commissions or require approval from local public authorities depending on the powers delegated to them. | After “other normative acts,” the text is supplemented with “, except for local public authorities that have established general directorates, departments, or services responsible for organizing road passenger transport.” | Art. 12 (1) Local public authorities of level one and level two, as the case may be, shall establish commissions for the organization of road transport of passengers through regular services and approve their regulations, except for local public authorities that have established general directorates, departments, or services responsible for organizing road passenger transport. Adoption of decisions related to the organization of regular passenger transport may be entrusted to these commissions or require approval from local public authorities depending on the powers delegated to them. |
| 2 | Art. 14 (1) Local and municipal councils, in the context of the need to organize paid road transport in local/municipal traffic: a) develop, approve, and modify local/municipal road transport programs in line with the population’s transportation needs; b) have the right to impose temporary restrictions on modifying local/municipal road transport programs; | Article 14 will read as follows: "Art. 14. – (1) Local and municipal councils, in the context of the need to organize paid road transport in local/municipal traffic: a) develop, approve, and modify local/municipal road transport programs according to the | Article 14¹. – Mayors / general mayors, in the context of ensuring the proper functioning of paid road transport in local/municipal traffic, as well as road and pedestrian traffic safety through the organization of transport circulation within the respective administrative-territorial unit: a) authorize the activity of road passenger transport through regular services in |

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| <p>c) approve fares for regular paid road transport services for passengers in local/municipal traffic, based on their approved methodology;</p> <p>d) have the right to establish subsidies, provided from the local and/or municipal budget, as applicable, for the provision of regular road transport services for passengers in local/municipal traffic;</p> <p>e) have the right to provide, within the respective administrative-territorial unit, transportation facilities for specific categories of people, ensuring sources of compensation for lost revenue;</p> <p>f) authorize and monitor the activity of passenger road transport services by regular services in local/municipal traffic, as applicable;</p> <p>g) within a locality, determine the routes of inter-district and district lines that pass through or terminate in the locality, as well as public stations where passengers may embark/disembark for these routes;</p> <p>h) approve proposals to modify the inter-district and district road transport programs;</p> <p>i) withdraw authorizations issued for the activity of passenger road transport services by regular services in local/municipal traffic, in accordance with the provisions of Law No. 235/2006 on the fundamental principles of business regulation;</p> <p>j) develop and approve urban mobility plans.</p> <p>(2) For the efficient organization of passenger road transport services by regular services in</p> | <p>transportation needs of the population;</p> <p>b) have the right to impose temporary restrictions on modifying local/municipal road transport programs;</p> <p>c) approve fares for regular paid road transport services for passengers in local/municipal traffic based on their own approved methodology;</p> <p>d) have the right to establish subsidies, provided from the local and/or municipal budget, as applicable, for the provision of regular passenger road transport services in local/municipal traffic;</p> <p>e) have the right to provide, within the respective administrative-territorial unit, transportation facilities for specific categories of people, ensuring sources of compensation for lost revenue;</p> <p>f) develop and approve urban mobility plans.</p> <p>(2) To efficiently organize passenger road transport services by regular services in local/municipal traffic, local and municipal councils may delegate to the appropriate executive</p> | <p>local/municipal traffic, as needed, and monitor its execution;</p> <p>b) within the administrative-territorial unit, establish the routes for interregional and district routes that transit or have the given locality as a route terminus, as well as public stations where passenger boarding/disembarking is permitted for these routes;</p> <p>c) endorse proposals for modifications to interregional road transport programs and district road transport programs;</p> <p>d) order the withdrawal of authorizations issued for the activity of road passenger transport through regular services in local/municipal traffic, in accordance with the provisions of Law No. 235/2006 regarding the basic principles of regulating entrepreneurial activity.</p> |
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| | local/municipal traffic, local and municipal councils may delegate to the executive authorities the powers established in para. (1) points f), h), and i). | authorities the powers established in para. (1) points a) and b)." | |
| 3 | <p>Article 15. – Local public administration authorities, in relation to road transport operators providing paid road transport services in local, municipal, or district traffic, have the following competencies:</p> <p>a) to convene meetings with road transport operators to establish necessary measures for resolving arising issues, in accordance with applicable legislation;</p> <p>b) to periodically monitor the provision of paid road passenger transport services in local, municipal, and district traffic, as appropriate;</p> <p>c) in cases of violations, to order within their competencies the withdrawal of authorizations issued for the activity of road passenger transport through regular services;</p> <p>d) to request, with justification, the competent authorities to cancel the registration, authorization, or notification regime.</p> | <p>Amended Article 15, letter c): "c) in cases of violations, to order within their competencies the withdrawal of authorizations issued for the activity of road passenger transport through regular services."</p> | <p>Article 15. – Local public administration authorities, in their interactions with road transport operators providing paid road transport services in local, municipal, or district traffic, have the following competencies:</p> <p>a) to convene meetings with road transport operators to establish necessary measures for resolving issues in accordance with current legislation;</p> <p>b) to periodically monitor the provision of paid passenger road transport services in local, municipal, and district traffic, as appropriate;</p> <p>c) in cases of violations, to order within their competencies the withdrawal of authorizations issued for the activity of road passenger transport through regular services;</p> <p>d) to request, with justification, that competent authorities cancel the registration, authorization, or notification regime.</p> |
| <p>Law on Local Public Administration no. 436/2006 (Official Gazette of the Republic of Moldova, 2007, no. 32-35, art. 116)</p> | | | |

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| 4 | <p>Article 29. Core Duties of the Mayor (1) Based on the areas of activity assigned to first-level local public administration authorities as stipulated in Article 4, paragraph (1) of the Law on Administrative Decentralization, the mayor exercises the following core duties within the administered territory: l) ensures the safety of road and pedestrian traffic through the organization of transport circulation, maintenance of roads and bridges, and installation of traffic signs within the administered area.</p> | <p>At Article 29, paragraph (1), letter l), the following text is added after "organization of transport circulation": "local/municipal road transport, by establishing the itineraries of interregional and regional routes that pass through or have the locality as the route endpoint, by determining the public stations where passengers may board or disembark for these routes, and by approving proposals to modify the interregional road transport program and the regional road transport programs."</p> | <p>Article 29: Basic Responsibilities of the Mayor (1) Based on the areas of activity of the local public administration authorities at the first level, as established in Article 4, paragraph (1) of the Administrative Decentralization Law, the mayor exercises the following basic responsibilities within the administered territory: l) Ensures the safety of road and pedestrian traffic by organizing the movement of local/municipal road transport, establishing the routes for interregional and district roads that transit or have the locality as their terminus, setting public stations where passenger boarding and disembarkation are permitted for these routes, approving proposals to modify the interregional transport program and district road transport programs, as well as maintaining roads, bridges, and installing road signs within the administered territory.</p> |
| <p>Law on the Status of Chişinău Municipality no. 136/2016 (Official Gazette of the Republic of Moldova, 2016, no. 306-313, art. 645)</p> | | | |
| 5 | <p>Article 15: Responsibilities of the General Mayor (1) The general mayor exercises the following basic responsibilities: 4) In the area of municipal asset management: a) Oversees the inventory and administration of public and private assets of the municipality, within the scope of their authority; b) Ensures organization and supervises, in accordance with the law, activities in markets,</p> | <p>In Article 15, paragraph (1), point 4), letter c), the phrase "organizing the movement of transport" is supplemented with the text "local/municipal road transport, establishing the itineraries for interregional and district routes that transit or terminate in the locality, establishing public stations where</p> | <p>Article 15: Responsibilities of the General Mayor (1) The general mayor exercises the following core responsibilities: 4) In the field of municipal asset management: a) Is responsible for the inventory and administration of the public and private assets of the municipality, within the limits of their authority; b) Ensures organization and supervision, in</p> |

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| | <p>fairs, parks, green spaces, recreational areas, and takes prompt measures for their proper functioning;</p> <p>c) Ensures the safety of road and pedestrian traffic by organizing the movement of local/municipal road transport, establishing routes for interregional and district roads that transit or have the locality as their terminus, setting public stations where passenger boarding and disembarkation are permitted for these routes, approving proposals for modifications to interregional and district road transport programs.</p> | <p>passengers can board/disembark for these routes, and approving proposals to modify the interregional transport program and district road transport programs.”</p> | <p>accordance with the law, of activities in fairs, markets, livestock fairs, parks, green spaces, recreational areas, and takes prompt action for their proper functioning;</p> <p>c) Ensures road and pedestrian traffic safety by organizing the movement of local/municipal road transport, determining the routes of interregional and district lines that transit or have the locality as their terminus, establishing public stations where boarding and disembarking of passengers is permitted for these routes, and approving proposals for modifying interregional and district transport programs.</p> |
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| <p>INFORMATION NOTE</p> <p>on the draft law for the amendment of certain normative acts</p> <p>(adjusting the legislation regarding the competencies of local public authorities in organizing road passenger transport)</p> |
| <p>1. Name of the Author and, if applicable, Participants in the Drafting of the Project</p> <p>The draft law for the amendment of certain normative acts (adjusting the legislation regarding the competencies of local public authorities in organizing road passenger transport) was prepared by the Ministry of _____.</p> |
| <p>2. Conditions Necessitating the Drafting of the Normative Act and the Intended Objectives</p> <p>The draft law for the amendment of certain normative acts (adjusting the legislation regarding the competencies of local public authorities in organizing road passenger transport) is a synthesis of the analysis of the specialized regulatory framework in road transport, in conjunction with the organization and functioning of public administration authorities in administrative-territorial units. This is aimed at clearly defining the competencies of the involved authorities.</p> <p>Recent amendments under Law No. 423/2023, which revised various normative acts, including the Road Transport Code No. 150/2014 effective from 06.03.2024, clarified roles and obligations of public bodies responsible for organizing and overseeing road transport and related activities. These amendments emphasize collaboration between local and central authorities in managing and supervising road transport, contributing to the development and implementation of national policies and strategies. Local authorities have been given the power to regulate local road transport, including the ability to establish their own regulations in line with national provisions.</p> <p>Essentially, these new provisions aim to decentralize responsibilities in road transport administration, giving local authorities a significant role, while maintaining central coordination and oversight to ensure uniformity and efficiency at a national level.</p> <p>In implementing these provisions, however, a conflict has emerged between the competencies of local public administration's executive authority and those of the local/municipal council. This discrepancy may lead to administrative challenges that could impact the effectiveness and efficiency of public services management, including transport systems.</p> <p>For example, following recent amendments to the Road Transport Code No. 150/2014, local public administration authorities now have the right to issue and withdraw authorizations for regular passenger road transport activities within their territory, in accordance with the Law No. 235/2006 on the Basic Principles of Entrepreneurial Activity Regulation. However, the same act still contains provisions under Article 15 that remain in force, which regulate the exercise of these competencies.</p> <p>An evaluation of the road transport domain at the local public administration level has highlighted several procedural and administrative risks, specifically:</p> <ol style="list-style-type: none"> a) <i>inefficiency</i> - If responsibilities are not clearly delineated, overlapping functions and tasks may lead to inefficiency, resulting in redundant processes and wasted resources. b) <i>lack of Accountability</i> - When competencies are not clearly defined, accountability for decisions and actions may become ambiguous, impacting transparency and public trust. c) <i>inconsistent Policy Implementation</i> - Conflicting competencies may lead to inconsistent policy implementation, especially in complex areas like public transport. For instance, the mayor may seek to implement certain transport strategies, while the local/municipal council may take a different approach. d) <i>delayed Responses to Urgent Issues</i> - In emergencies or situations requiring rapid action, conflicting competencies may cause delays as decisions must go through multiple approval |

levels and coordination between various authorities, slowing down the implementation of effective solutions.

e) *degradation of Public Services* - Over time, if competency conflicts persist, the quality of public services, including transport, may suffer, potentially reducing citizen satisfaction and quality of life.

Currently, local and municipal councils are deliberative bodies of local public authorities, responsible for making strategic decisions on public transport and infrastructure. They adopt decisions on public transport organization, set fares, and approve transport network development plans. Additionally, they approve budgets and ensure the allocation of resources for the efficient operation of public transport systems.

On the other hand, mayors/general mayors are the executive authorities responsible for implementing the decisions of local/municipal councils, including managing daily public transport activities. However, their competencies under the current legislation do not allow them to exercise broader powers to quickly promote changes.

Thus, executive authorities like mayors play a crucial role in local public administration, but their competencies differ from those of deliberative authorities. Decisions on route planning, public stations, and regional transport program approval should be distinct from the regulatory process of local/municipal councils. Such major decisions affecting the community should go through a transparent and participatory process, which is ensured through the deliberations of local/municipal councils, and a clear separation of executive and deliberative functions prevents power concentration and ensures democratic balance in local governance.

Therefore, local/municipal councils should focus on assessing the economic and social impact of regulatory decisions, while mayors/general mayors should concentrate on the practical and operational implementation of these decisions.

In conclusion, a close collaboration and a well-defined legislative framework are essential to minimize the identified risks and clarify the competencies of each component of local public administration authorities.

Furthermore, given the recent amendments to the Road Transport Code No. 150/2014, whereby local public administration authorities of the first and second level, as applicable, will establish committees for organizing regular passenger road transport and approve their regulations, this project aims to provide clarity regarding local public authorities with organizational structures that already include general directorates, departments, or services responsible for organizing passenger road transport. In cases like Chişinău or Bălţi, setting up such specialized committees could lead to overlapping competencies with responsible subdivisions.

3. Description of the Compatibility Degree for Projects Aiming to Harmonize National Legislation with European Union Legislation

The project does not aim to harmonize national legislation with that of the European Union.

However, the development of this project took into account best practices from several countries within the European Union.

4. Main Provisions of the Project and Highlighting New Elements

The draft law for amending certain normative acts (adjusting the legislation regarding the competencies of local public authorities in organizing road passenger transport) establishes the following:

1. It is proposed to amend Article 12, paragraph (1) of the Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, Nos. 247-248, Art. 568). After the words "*other normative acts,*" the following text will be added: "*, except for local public administration authorities that have within their organizational structure general directorates, departments, or services responsible for organizing passenger road transport.*"

2. It is proposed to replace Article 14 of the Road Transport Code No. 150/2014 with a new version, ensuring a clear distinction of competencies. Accordingly, under the proposed amendments, *local and municipal councils will be responsible for:*
- a) developing, approving, and amending local/municipal road transport programs according to the population's transportation needs;*
 - b) imposing temporary restrictions on the modification of local/municipal road transport programs;*
 - c) approving fares for regular passenger road transport services in local/municipal traffic according to their own approved methodology;*
 - d) setting subsidies, granted from the local and/or municipal budget, as appropriate, for regular passenger road transport services in local/municipal traffic;*
 - e) providing transportation facilities within the respective administrative-territorial unit for specific categories of people, while also ensuring compensation for lost revenue;*
 - f) developing and approving urban mobility plans.*

Additionally, to efficiently organize regular passenger road transport in local/municipal traffic, local and municipal councils may delegate the competencies set out in paragraph (1), letters a) and b), to the corresponding executive authorities.

3. It is proposed to add Article 141 to the Road Transport Code No. 150/2014, as follows:

“Article 141. Mayors/general mayors, in the context of ensuring the proper functioning of fee-based passenger road transport in local/municipal traffic and traffic safety, will:

- a) authorize and monitor the operation of regular passenger road transport services in local/municipal traffic;*
- b) within the administrative-territorial unit, determine the itineraries of interregional and district routes that pass through or terminate in the locality, as well as public stations where boarding/disembarking for these routes is permitted;*
- c) endorse proposals to modify the interregional road transport program and district road transport programs;*
- d) withdraw authorizations for regular passenger road transport services in local/municipal traffic, as per the provisions of Law No. 235/2006 on the Basic Principles of Entrepreneurial Activity Regulation.”*

4. It is proposed to amend Article 15, letter c) of the Road Transport Code No. 150/2014 with the following text:

“Local public administration authorities, in their relations with road transport operators providing fee-based road transport services in local, municipal, or district traffic, have the following competencies: c) In cases of violations, they may, within the limits of their competencies, withdraw authorizations for regular passenger road transport services.”

5. It is proposed to amend Article 29, paragraph (1), letter l) of Law No. 436/2006 regarding local public administration, to include *after "organization of road transport traffic" the text “in local/municipal traffic, by establishing itineraries of interregional and district routes that pass through or terminate in the locality, by establishing public stations where boarding/disembarking is permitted for these routes, by endorsing proposals to modify the interregional and district road transport programs.”*
6. It is proposed to amend Article 15, paragraph (1), point 4), letter c) of Law No. 136/2016 on the status of the municipality of Chişinău, to include *after "organization of road transport traffic" the text “in local/municipal traffic, by establishing itineraries of interregional and district routes that pass through or terminate in the locality, by establishing public stations where boarding/disembarking is permitted for these routes, by endorsing proposals to modify the interregional and district road transport programs.”*

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| <p>Furthermore, as an exception to the provisions of Article 56, paragraph (1) of Law No. 100/2017 on normative acts, it is proposed that this law will enter into force on the date of its publication in the Official Gazette of the Republic of Moldova.</p> |
| <p>5. Economic Justification</p> |
| <p>The adoption of this draft normative act will not result in increased budgetary expenditures.</p> |
| <p>6. Mode of Incorporation into the Existing Regulatory Framework</p> |
| <p>The implementation of the provisions of the project does not require the drafting of additional normative acts.</p> |
| <p>7. Approval and Public Consultation of the Project</p> |
| <p>The project is to be consulted and approved by the relevant authorities, specifically:</p> <ul style="list-style-type: none"> • State Chancellery; • Ministry of Economic Development and Digitalization; • Ministry of Justice; • National Anticorruption Center. <p>To comply with the provisions of Law No. 239/2008 on transparency in the decision-making process, the project will be posted on the official website of the Ministry _____ (under the "Transparency" section, "Decision Transparency" directory) and on the government portal www.particip.gov.md.</p> |
| <p>8. Findings of the Anti-Corruption Expertise</p> |
| <p>The project will undergo anti-corruption expertise in accordance with the provisions of Article 35 of Law No. 100/2017 on normative acts, and the results will be reflected in the Summary of Objections and Proposals for the project.</p> |
| <p>9. Findings of the Compatibility Expertise</p> |
| <p>The project does not aim to harmonize national legislation with European Union legislation.</p> |
| <p>10. Findings of the Legal Expertise</p> |
| <p>The project will undergo legal expertise in accordance with the provisions of Article 37 of Law No. 100/2017 on normative acts, and the results will be reflected in the Summary of Objections and Proposals for the project.</p> |
| <p>11. Findings of Other Expert Analyses</p> |
| <p>The draft law for amending certain normative acts (adjusting legislation on the competencies of local public authorities in the organization of road transport of persons) contains regulatory provisions impacting entrepreneurial activities, as outlined in Law No. 235/2006 on the basic principles of entrepreneurial activity regulation. Consequently, an Impact Analysis for the draft law has been conducted in accordance with the requirements of the Impact Analysis Methodology for the development of normative acts, approved by Government Decision No. 23/2019.</p> <p>In line with Law No. 100/2017 on normative acts and Government Decision No. 23/2019 on approving the Methodology for impact analysis in the development of normative acts, the Regulatory Impact Analysis of the project, along with the project itself, will be reviewed by the Working Group of the State Commission for Entrepreneurial Activity Regulation.</p> |
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Annex 2: Impact Assessment on the Draft Law for Amending Certain Normative Acts (Adjusting the Legislation Regarding the Competencies of Local Public Authorities in the Organization of Road Transport for Passengers)

Impact Assessment

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| Title of the Impact Assessment (may contain the title of the proposed normative act): | Impact Assessment on the Draft Law for Amending Certain Normative Acts (Adjusting the Legislation Regarding the Competencies of Local Public Authorities in the Organization of Road Transport for Passengers) |
| Date: | |
| Public Administration Authority (author): | |
| Subdivision: | |
| Responsible person and contact details: | |
| Sections of the Impact Assessment | |
| 1. Problem Definition | |
| a) Clearly and concisely identify the problem(s) to be addressed | |
| <p>Regulatory authorities, local councils, and mayors play a key role in the management and development of local/municipal public transport, as well as transport transiting the administrative territorial unit, by setting policies and regulations related to road infrastructure, authorizing services, approving tariffs, establishing subsidies, controlling and supervising, including interventions in emergencies. Thus, they are responsible for ensuring the efficient and safe operation of the public transport system.</p> <p>Following an evaluation of the road transport sector, particularly after the latest amendments introduced by Law No. 423/2023 for amending certain normative acts (adjusting legislation in the field of road transport) to the Road Transport Code No. 150/2014, effective from 06.03.2024, several issues have been identified that prevent the harmonious development of the field. Specifically, these refer to:</p> <ul style="list-style-type: none"> - discrepancies in the competencies of local public administration authorities involved in the management of road passenger transport services through regular services, and the concentration of certain competencies solely on the regulatory authority of the local public administration, which, if implemented, could lead to a series of risks and administrative issues that could impact the efficiency and effectiveness of public services management, including the transport system; - if responsibilities are not clearly defined, there may be an overlap of functions and tasks, leading to inefficiency, with processes potentially becoming redundant and resources wasted; - granting local public authorities the right to issue and withdraw authorizations for road passenger transport activities through regular services in local/municipal/district traffic, within the administered territory, in accordance with Law No. 235/2006 on the basic principles of regulating entrepreneurial activity, while in the same normative act, the Road Transport Code No. 150/2014, Article 15 remains in effect, stating that authorizations are withdrawn by the National Road Transport Agency concerning road transport operators providing passenger transport services for a fee in local, municipal, or district traffic; - when competencies are not clearly delineated, responsibility for decisions and actions can become ambiguous, affecting transparency and public trust; - in emergencies or when rapid actions are needed, conflicting competencies can lead to delayed responses, as decisions must pass through multiple levels of approval and coordination among different authorities, slowing the implementation of effective solutions; | |

- in the long term, if competency conflicts persist, the quality of public services, including transportation, may suffer, leading to reduced citizen satisfaction and a decline in quality of life within an administrative territorial unit.

b) Describe the problem, the affected entities, and those contributing to it, justifying the need for change in the current and future situation based on collected and examined evidence and data.

According to the recent amendments introduced by Law No. 423/2023 for the amendment of certain normative acts (adjusting legislation in the field of road transport) to the Road Transport Code No. 150/2014, effective from 06.03.2024, several aspects related to the relationship with local authorities have been regulated in national legislation. The rights and obligations of public bodies and institutions responsible for organizing and controlling road transport and related activities have been clearly defined, along with the collaboration between local and central authorities in managing and supervising road transport, contributing to the development and implementation of national policies and strategies in this field. Moreover, local authorities have been granted the power to regulate road transport at the local level, including establishing their regulations in accordance with national provisions.

Essentially, with these new provisions, the legislator aims to decentralize responsibilities regarding road transport administration, granting local authorities a significant role in this process while maintaining central coordination and supervision to ensure uniformity and efficiency nationwide.

Thus, as stipulated in the Road Transport Code No. 150/2014, road transport administration is exercised through public administration and the management of road transport operators, companies providing related activities, as well as professional associations, representative employers' organizations, and trade unions in the sector, following the principles of:

- Promoting fair competition among road transport operators;
- Ensuring equal and non-discriminatory access of road transport operators to the transport services market;
- Guaranteeing the rights and interests of road transport service consumers;
- Solving economic, social, and environmental issues within localities;
- Efficient administration of assets belonging to road transport systems owned by administrative-territorial units;
- Efficient use of public funds in managing or operating road transport in local traffic;
- Ensuring safe and comfortable travel, including risk insurance for transported goods and people;
- Financial independence of road transport operators;
- Supporting local economic development through modern transport infrastructure;
- Meeting the transport needs of the population and economic agents in the administrative-territorial units through quality services;
- Ensuring equal and unrestricted access for people to purchase travel tickets for regular road transport services;
- Consulting professional associations and representative employers' organizations of road transport operators, as well as road transport service consumers, to set policies and development strategies for road transport and related activities;
- Implementing information technologies in organizing and controlling road transport and/or related activities to optimize management in the field and minimize human factor involvement.

Public administration in road transport is carried out by specialized central public administration authorities, local public administration authorities, and other authorities empowered by law, within their competencies.

Within this context, related to the project, Local and Municipal Councils, within the need to organize paid road transport in local/municipal traffic, have the following competencies:

- Develop, approve, and modify local/municipal road transport programs according to the population's transport needs;

- b) Have the right to impose temporary restrictions on modifying local/municipal road transport programs;
- c) Approve tariffs for regular road passenger transport services in local/municipal traffic according to their approved methodology;
- d) Have the right to establish subsidies from the local and/or municipal budget, if applicable, for regular passenger transport services in local/municipal traffic;
- e) Have the right to grant transportation facilities to specific categories of people within the respective administrative-territorial unit, ensuring compensation for lost revenue;
- f) Authorize and monitor regular passenger transport services in local/municipal traffic;
- g) Determine inter-county and county route itineraries that transit or terminate in the locality, and designate public stations for passenger boarding and disembarking;
- h) Approve proposals to modify inter-county and county road transport programs;
- i) Withdraw authorizations for regular passenger transport services in local/municipal traffic according to Law No. 235/2006 on the basic principles of regulating entrepreneurial activity;
- j) Develop and approve urban mobility plans.

Moreover, the legislator has stated that to efficiently organize regular passenger transport in local/municipal traffic, local and municipal councils may delegate the relevant executive authorities the competencies established in letters f), h), and i).

Local public administration authorities, concerning road transport operators providing paid road transport services in local, municipal, or county traffic, have the following competencies:

- a) Convene meetings with road transport operators to establish necessary measures for addressing arising issues in accordance with current legislation;
- b) Periodically monitor the provision of paid passenger transport services in local, municipal, and county traffic within their competencies;
- c) Report to the Agency for the withdrawal of granted authorizations in case of identified violations;
- d) Request motivated cancellations of registration, authorization, or notification regimes from competent bodies.

Analyzing the competencies of local public administration authorities (local/municipal councils and executive authority) highlights overlapping or even contradictory responsibilities regarding the planning, funding, and operation of public transport systems. This has led to conflicts and misunderstandings among various local authorities, impacting the efficiency and coherence of administrative decisions.

Looking at the regulations of other countries related to the project, to identify best practices in public transport management, the case of Romania is notable. In Romania, the principles, rules, and institutional framework regulating the process of administrative decentralization, including the management of local road infrastructure and public passenger transport, are regulated by Law No. 215/2001 on local public administration, republished in 2006.

Thus, according to Article 36 of the aforementioned Law, *the Local Council has the initiative and decides, within the framework of the law, on all matters of local interest, except those which are legally assigned to other local or central public administration authorities. The Local Council exercises the following categories of responsibilities:*

- a) responsibilities regarding the organization and functioning of the mayor's specialized apparatus, as well as local public institutions and services, and local interest commercial companies and autonomous administrations;*
- b) responsibilities related to the economic, social, and environmental development of the commune, town, or municipality;*
- c) responsibilities related to the administration of the public and private domains of the commune, town, or municipality;*

d) responsibilities concerning the management of services provided to citizens (community utility services: water supply, natural gas, sewerage, sanitation, thermal energy, public lighting, and local public transport, as applicable).

In essence, comparing the competencies of local public administration authorities in Moldova to those in Romanian municipalities/cities, we can confidently state that Moldova's local government model is similar to that of Romania, where local/municipal councils adopt various decisions supplementing the normative framework in public transport.

For example, in Germany, mayors play crucial roles in city administration and implementing municipal council decisions. Although their powers are limited by the municipal council, mayors can exercise significant authority in crisis management and ensuring continuity of essential services. In emergencies, mayors can quickly adjust public transport programs to meet the immediate needs of the community. This is due to Germany's federal structure, which grants more autonomy to local authorities, allowing mayors to make rapid, decisive moves during critical moments. However, municipal councils in Germany usually hold the main power in adopting and implementing public transport policies.

In Poland, under the 1990 Local Government Law, public transport provision in municipalities is the responsibility of the municipality. The executive body, usually the mayor, organizes transport in major Polish cities.

In summary, in Poland, the mayor has significant executive powers and plays a key role in implementing public transport policies, while the local council has legislative authority and oversight functions. The mayor's powers are balanced by the legislative role of the local council, ensuring a system of checks and balances in local governance.

c) Clearly state the causes that led to the emergence of the problem.

The causes and emergence of the problem have been described in section b) of part 1, "Problem Definition."

d) Describe how the problem has evolved and how it will evolve without intervention.

The analysis of the identified problems and their causes shows that some of these issues have always existed, but they were partially addressed with the approval of recent amendments introduced by Law No. 423/2023 for the modification of certain normative acts (adjusting legislation in the field of road transport) to the Road Transport Code No. 150/2014, effective from 06.03.2024. In other cases, the problems arose from subsequent interventions or changes in the current situation in the field of road transport, creating a discrepancy between the competencies of local public administration authorities.

Thus, the problem of discrepancies in the competencies of local authorities in managing public transport has evolved gradually as the structure of local public administration has become more complex and diversified. Initially, local authorities had relatively well-defined competencies, and collaboration between the different administrative levels was simpler due to a less sophisticated legal framework. Over time, as society developed and community needs became more diverse, additional laws and regulations were adopted, complicating the structure of local authority competencies.

This complexity generated ambiguities and overlaps in the competencies related to public transport management. In many cases, local executive authorities and local/municipal councils began to have similar or even contradictory responsibilities regarding the planning, financing, and operation of public transport systems. This led to conflicts and misunderstandings among various local authorities, affecting the efficiency and coherence of administrative decisions.

Without clear and concerted intervention to resolve these discrepancies, the situation is likely to worsen. Conflicts between executive authorities and local/municipal councils will continue to intensify, leading to further fragmentation of efforts to manage public transport. The lack of efficient coordination will cause delays in implementing infrastructure projects and modernizing transport systems, negatively impacting the quality of services provided to citizens. Furthermore, processes

related to public transport will be constantly delayed due to a lack of clarity in competencies, resulting in significant bureaucratic and administrative delays.

Ultimately, without intervention to clarify and harmonize competencies, public trust in local authorities' ability to efficiently manage public transport will continue to decline. Citizens will become increasingly dissatisfied with the quality of transport services, which may lead to reduced engagement in the local democratic process and a general negative perception of local public administration. This situation highlights the importance of structural reform and a proactive approach to ensuring efficient and effective public transport management.

e) Describe the current legal framework applicable to the analyzed relationships and identify the shortcomings of the existing normative provisions, as well as the policies and regulations that condition state intervention.

All the presented issues require, in particular, amendments to the following documents:

1. Road Transport Code No. 150/2014, which regulates:

Article 12 (1): *For the exercise of the functions provided in this code, local public administration authorities of the first and second levels, as appropriate, will create, in accordance with the legislation in force, commissions for the organization of road passenger transport through regular services and will approve their operating regulations in accordance with the provisions of this code and other normative acts. **The adoption of decisions regarding the organization of road passenger transport through regular services can be entrusted to the respective commissions in accordance with their operating regulations, or these decisions may require approval by the local public administration authorities, depending on the competencies delegated to the commissions by the respective authorities.***

Article 14 (1): *Local and municipal councils, in the context of the need to organize paid road transport in local/municipal traffic, are responsible for:*

- a) Developing, approving, and modifying local/municipal road transport programs in accordance with the population's transport needs;*
- b) Instituting temporary restrictions on modifying local/municipal road transport programs;*
- c) Approving tariffs for regular road passenger transport services in local/municipal traffic according to their approved methodology;*
- d) Establishing subsidies from the local and/or municipal budget, if applicable, for regular passenger transport services in local/municipal traffic;*
- e) Granting transportation facilities for specific categories of people within the respective administrative-territorial unit, ensuring compensation for lost revenue;*
- f) Authorizing and monitoring regular passenger transport services in local/municipal traffic;***
- g) Determining inter-county and county route itineraries that transit or terminate in the locality, and designating public stations for passenger boarding and disembarking;***
- h) Approving proposals to modify inter-county and county road transport programs;***
- i) Withdrawing authorizations for regular passenger transport services in local/municipal traffic according to Law No. 235/2006 on the basic principles of regulating entrepreneurial activity;***
- j) Developing and approving urban mobility plans.*

Article 34 – (1) *Road transport programs establish, for each route, the bus stations and public stops used for departures and transit stops, except for local/municipal road transport programs, which include the names of streets and/or public stops.*

(2) *The location/placement of public stops designated for passenger embarkation and disembarkation within a locality is determined by the executive authority of the local public administration or, if the road sector is managed by another authority, by the road administrator.*

(3) *The arrangement, road signage, and maintenance of public stops designated for passenger embarkation and disembarkation are ensured by the local public administration authorities or the road administrator, as applicable.*

(4) Access to public stops for road transport operators assigned routes or runs is free and non-discriminatory, according to the circulation schedules.

(5) The decision by the executive authority of the local public administration concerning the placement of a new public stop is approved following consultation with the road administrator and police authorities responsible for traffic safety. It is communicated to the Agency, through notification, within 10 days from the issuance. The notification must specify the exact date from which the stop can be used.

Article 49 – Road transport operators/enterprises conducting road transport operations have the following obligations:

s) When performing regular services in inter-district and district traffic, to ensure the embarkation/disembarkation of passengers in localities with bus stations only within the bus station territory and/or at public stops within the locality, established by the executive authority of the local public administration, according to the traffic schedule and respecting the provisions of this code. In localities without bus stations, embarkation/disembarkation must occur only at public stops included in the traffic schedule;

u) To respect the itineraries set by the executive authority of the local public administration when traveling through the locality or towards passenger embarkation/disembarkation points.

2. Law No. 436/2006 on local public administration, which regulates:

- o **Article 29. Basic Duties of the Mayor**
(1) Based on the areas of activity of the local public administration authorities at the first level, as established by Article 4, paragraph (1) of the Law on Administrative Decentralization, the mayor exercises the following basic duties within the administered territory:

d) Ensures road and pedestrian traffic safety by organizing transportation flow, maintaining roads and bridges, and installing traffic signs within the administered territory.

- o Law No. 136/2016 regarding the status of the municipality of Chişinău, which regulates the following:

Article 15. Duties of the General Mayor
(1) The general mayor exercises the following basic duties:

In the area of executive activity management:
d) Proposes to the municipal council the organizational framework and conditions for providing public communal services and takes measures to ensure the proper functioning of these services.

4) In the area of municipal property administration:
c) ensures road and pedestrian traffic safety by organizing transportation flow, maintaining roads and bridges, and installing traffic signs within the administered territory.

If other normative acts that need to be amended are identified during the finalization of the project, the list will be updated accordingly.

2. Setting Objectives

a) State the objectives (these must be directly related to the problem and its causes, and should be quantifiable, measurable, time-bound, and realistic):

- clearly define the competencies of the authorities involved in the regulation of road passenger transport through regular services.
- clearly delineate that, within the administrative-territorial unit, the executive authority establishes the itinerary of inter-county and county routes that transit or terminate in the locality, as well as public stations where boarding/disembarking is permitted for these routes.

- simplify the conditions for approving proposed changes to the inter-county road transport program and county road transport programs.
- enhance efficiency and ensure compliance in the process of authorizing and withdrawing authorizations.

3. Identification of Options

a) Summarize the "do nothing" option, which implies lack of intervention.

The "do nothing" option is described in part 1, "Problem Definition."

b) Outline the main provisions of the project, explaining how they target the causes of the problem, with an indication of the innovations and the entire spectrum of solutions/rights/obligations intended to be approved.

To achieve the proposed objectives, the following interventions are proposed:

1. To amend Article 12 (1) of the Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568), by adding the text "*except for local public administration authorities that have in their organizational structure general directions, departments, or services responsible for organizing road passenger transport.*"
2. To amend Article 14 of the Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568), in a new version, to ensure a clear distinction of competencies. Accordingly, under the proposed amendments, *local and municipal councils, in the context of the need to organize paid road transport in local/municipal traffic, shall be responsible for:*
 - a) *Developing, approving, and modifying local/municipal road transport programs in accordance with the population's transport needs.*
 - b) *Instituting temporary restrictions on modifying local/municipal road transport programs.*
 - c) *Approving tariffs for regular road passenger transport services in local/municipal traffic according to their approved methodology.*
 - d) *Establishing subsidies, provided from the local and/or municipal budget, as the case may be, for the provision of regular passenger road transport services in local/municipal traffic.*
 - e) *Providing, within the respective administrative-territorial unit, transport facilities for specific categories of people, while ensuring compensation sources for lost income.*
 - f) *Developing and approving urban mobility plans.*

Additionally, for efficient organization of passenger road transport through regular services in local/municipal traffic, local and municipal councils may delegate the competencies established in para. (1) letters a) and b) to the corresponding executive authorities.

3. To amend the Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568) by adding Article 14¹ as follows:

"Art. 141. - Mayors/General Mayors, in the context of ensuring the proper functioning of paid road transport in local/municipal traffic, road, and pedestrian traffic safety by organizing transportation within the respective administrative-territorial unit:

 - a) *Authorize and monitor the activity of passenger road transport through regular services in local/municipal traffic, as the case may be.*
 - b) *Establish the itinerary of inter-county and county routes that transit or terminate in the locality, as well as public stations where boarding/disembarking is permitted for these routes, within the administrative-territorial unit.*
 - c) *Approve proposed changes to the inter-county road transport program and county road transport programs.*
 - d) *Withdraw authorizations for the activity of road passenger transport through regular services in local/municipal traffic, according to Law No. 235/2006 on the basic principles of regulating entrepreneurial activity."*
4. To amend Article 15 letter c) of the Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568) with the following text:

"Local public administration authorities, in relations with road transport operators that provide paid road transport services in local, municipal, or county traffic, shall have the following competencies: c) in case of violations, to order within their competencies the withdrawal of authorizations for the activity of passenger road transport through regular services."

5. To amend Article 29 (1) letter l) of Law No. 436/2006 on local public administration (Official Gazette of the Republic of Moldova, 2007, no. 32-35, art. 116), by adding after the words "transportation organization" the text *"local/municipal road transport, by establishing the itinerary of inter-county and county routes that transit or terminate in the locality, by establishing public stations where boarding/disembarking is permitted for these routes, by approving proposals to modify the inter-county road transport program and county road transport programs."*
6. To amend Article 15 (1) point 4) letter c) of Law No. 136/2016 on the status of Chisinau Municipality (Official Gazette of the Republic of Moldova, 2016, no. 306-313, art. 645), by adding after the words "transport organization" the text *"local/municipal road transport, by establishing the itinerary of inter-county and county routes that transit or terminate in the locality, by establishing public stations where boarding/disembarking is permitted for these routes, by approving proposals to modify the inter-county road transport program and county road transport programs."*

If other normative acts that need to be amended are identified during the finalization of the project, the list will be updated accordingly.

c) Briefly describe the alternative options analyzed or explain why they were not considered.

No alternative options have been identified, as the types of deficiencies in the normative acts mentioned can only be addressed by amending these normative acts.

4. Impact Analysis of the Options

a) Outline the negative and positive effects of the current state and their future evolution, which will form the basis for calculating the impact of the recommended option.

The analysis of the issues identified in section d) of part 1, "Problem Definition," shows that there are several inconsistencies and barriers in the field that prevent the development of the field and the provision of quality services that would meet the final consumer's requirements. Consequently, the following negative aspects conditioned by maintaining the current situation can be mentioned:

- contradictions between the competencies of the executive authority of local public administration and the competencies of the local/municipal council, which could lead to several risks and administrative issues, affecting the efficiency and effectiveness of public service management, including the transport system.
- lack of clarity in the delineation of competencies can lead to different interpretations of the law, generating conflicts between executive and regulatory authorities.
- executive authorities and local councils may make different or even opposing decisions regarding public transport services management, creating confusion and inefficiency.
- conflicts can cause significant delays in the implementation of public policies, negatively affecting the quality of services provided to citizens.
- communication deficits between different levels of public administration can lead to misunderstandings and inadequate planning of the transport system.
- political differences between executive authorities and local councils can negatively influence the decision-making process, with administrative priorities being dictated by political interests rather than the real needs of the community.
- conflicts of interest among various political actors can emerge, potentially blocking or delaying important decisions for the community.

These aspects underline the need for clear and coherent reforms in delineating competencies and improving collaboration between different levels of local public administration to ensure efficient and effective public service management.

Considering the addressed issues, no positive effects of the current situation have been identified.

b¹) For the recommended option, identify the impacts by completing the table in the annex to this form. Describe the impacts in detail as costs or benefits, including stakeholders who may be positively and negatively affected by them.

The proposed modifications are expected to impact both the business environment, citizens, and public authorities.

For instance, reviewing the competencies of the authorities involved in organizing road transport services and revising the conditions for forming and modifying road transport programs is expected to increase the population's access to these services and improve the quality and safety levels.

Road transport operators will have clarified conditions for modifying regular services and procedures for forming, approving, and modifying road transport programs.

This will provide them with predictability in business management and the ability to manage their fleet efficiently for regular service provision. Promoting the project for a clear delineation of competencies between local executive authorities and municipal councils could significantly reduce the cost of business operations.

A clear delineation of competencies will also reduce bureaucracy and administrative complexity, facilitating the obtaining of necessary approvals and authorizations for economic activities. This would reduce administrative costs and speed up the processes of business development and expansion.

An efficient and well-managed public transport system would also reduce logistical costs for companies. A reliable and well-coordinated public transport system would ensure better mobility of the workforce and goods, reducing transport costs and time lost in traffic. This would create a more predictable and business-friendly environment, stimulating local economic development.

Moreover, clarity of competencies could attract foreign investment, as investors would have more confidence in the stability and efficiency of the local governance system. A transparent and efficient administrative environment is essential to attract and retain long-term investments.

At the same time, local public administration executive authorities will be granted extended rights of intervention, allowing for quicker responses when existing services fail to meet the population's needs.

There were no significant compliance costs identified for transport operators or service users.

b²) For the alternative options analyzed, identify the impacts by completing the table in the annex to this form. Describe the impacts in detail as costs or benefits, including the stakeholders who may be positively and negatively affected by them.

No alternative options were identified.

c) For the options analyzed, state the most relevant/immediate risks that could lead to intervention failure and/or significantly alter the estimated benefits and costs, and provide assumptions about the compliance level with the provisions of the project by those affected by it.

The proposed interventions carry certain risks, including:

- delay or failure to implement the new regulations could reduce the expected benefits and create uncertainty and confusion among transport service users.
- insufficient administrative capacity of executive authorities to manage the newly extended competencies.

- local and municipal councils failing to delegate the appropriate competencies to executive authorities.
- failure to ensure proper monitoring and implementation could lead to non-compliance with legal provisions and reduced quality of transport services.
- lack of effective coordination between local authorities and transport operators may result in incoherent implementation of the new regulations and conflicts of interest.

It is assumed that most transport operators and service users will comply with the new regulations, especially if there is a clear regulatory framework. However, this presumes cooperation between the regulatory and executive authorities of the local public administration.

To minimize identified risks and ensure a high level of compliance with the project's provisions, it is essential to invest in the administrative capacity of executive authorities, promote efficient communication, and foster close coordination among all involved parties.

Continuous monitoring and periodic evaluation of progress will be critical to the project's long-term success.

d) If applicable, for the recommended option, describe the compliance costs for businesses, if there is a disproportionate impact that may distort competition, and explain what impact the option has on small and medium enterprises (SMEs). Specify if measures are proposed to mitigate these impacts.

Not applicable.

Conclusion

e) Justify the selection of an option based on the achievement of objectives, benefits, and costs, as well as ensuring the least negative impact on those affected.

After analyzing the identified issues, the optimal solution is to amend the main documents regulating the competencies of local public administration authorities in the field of road transport (Road Transport Code No. 150/2014, Law No. 436/2006 on local public administration, and Law No. 136/2016 on the status of Chisinau Municipality). The interventions are intended to optimize existing processes and address problematic areas with solutions that will have minimal impact on businesses and citizens.

5. Implementation and Monitoring

a) Describe how the implementation of the recommended option will be organized, the legal framework that needs to be modified and/or developed and approved, and any institutional changes required.

The recommended option will be implemented through the development of a draft law amending certain normative acts, including the Road Transport Code No. 150/2014, Law No. 436/2006 on local public administration, Law No. 136/2016 on the status of Chisinau Municipality, and, if necessary, other normative acts.

The project implementation does not require institutional changes.

b) Clearly indicate the performance indicators based on which monitoring will be conducted.

The identified problems are complex, and the following performance indicators are proposed for monitoring the solutions:

- total number of authorizations issued for passenger road transport activity through regular services in local/municipal traffic.
- total number of authorizations withdrawn for passenger road transport activity through regular services in local/municipal traffic.
- continuous monitoring of the efficiency and compliance of the authorization and withdrawal process.
- number of inter-county and county route itineraries transiting or having the locality as a terminus, as well as public stations established by the executive authority of the local public administration.

- percentage of inter-county and county routes that comply with the itinerary established by the executive authority of the local public administration.
- compliance evaluation of transport operators with approved routes.
- assurance of reliability and predictability of public transport services.
- quality assessment of public transport services from the users' perspective.
- total number of incidents reported in connection with public transport services.
- total number of complaints filed by passengers or other stakeholders.
- Efficiency of the process of approving and implementing changes to transport programs.
- assurance of compliance with operational regulations and standards.
- assurance of legal compliance for all activities and decisions of the executive authority of the local public administration.

These performance indicators will allow for comprehensive and effective monitoring of the extended competencies of the local public administration executive authorities in managing public transport, ensuring transparency, and accountability in project implementation.

The indicators should be calculated annually, using data from the previous year as a reference point.

c) Identify how long it will take for the estimated impacts to be felt and the need to evaluate the performance of the proposed normative act. Explain how the option will be monitored and evaluated.

The impacts of the proposed normative act will be felt as soon as the new provisions take effect (simplification of notification conditions, reduction of the list of required documents).

For a realistic assessment, the following timelines can be considered:

- short-term (**0-3 months**): Initial signs of change are expected in the authorization and withdrawal process, establishment of inter-county and county route itineraries, designation of public stations where boarding/disembarking is permitted for these routes, and the approval process for proposed changes to the inter-county and county transport programs, with improved processing time and transparency for each action.
- medium-term (**3-6 months**): Increased compliance by operators with the new regulations, improved overall quality of transport services, reduced congestion and pollution, including analysis of data collected in the first three months, adjustment of procedures, and implementation of corrective measures if necessary.
- long-term (**12 months and beyond**): Stabilization and optimization of the processes described above, consolidating a more efficient and reliable public transport system, including long-term impact assessment on the community and policy adjustments based on results.

6. Consultation

a) Identify the main interested parties (groups) in the proposed intervention.

- Business environment, represented by the Employers' Associations in the field
- Local public authorities, represented by CALM (Congress of Local Authorities of Moldova).
- National Road Transport Agency.

b) Briefly explain how (by what methods) adequate consultation of the parties was ensured.

This will be completed during the promotion process.

c) Briefly state the position of each consulted entity regarding the impact analysis document and/or proposed intervention (state the position of at least one representative from each identified interest group).

This will be completed during the promotion process.

Annex

Table for Identifying Impacts

| Impact Categories | Assigned Score | | |
|---|-----------------|----------------------|----------------------|
| | Proposed Option | Alternative Option 1 | Alternative Option 2 |
| Economic | | | |
| business operation costs | 2 | | |
| administrative burden | 2 | | |
| trade and investment flows | 1 | | |
| business competitiveness | 1 | | |
| activities of various categories of small and medium-sized enterprises | 1 | | |
| market competition | 1 | | |
| innovation and research activity | 0 | | |
| public revenues and expenditures | 1 | | |
| institutional framework of public authorities | 2 | | |
| consumer choice, quality, and prices | 1 | | |
| household and citizen welfare | 0 | | |
| socio-economic conditions in certain regions | 0 | | |
| macroeconomic situation | 0 | | |
| other economic aspects | 0 | | |
| Social | | | |
| employment rate | 0 | | |
| wage levels | 0 | | |
| working conditions and organization | 0 | | |
| occupational health and safety | 0 | | |
| professional training | 0 | | |
| inequality and income distribution | 0 | | |
| population income level | 0 | | |
| poverty level | 0 | | |
| access to basic goods and services, especially for socially vulnerable people | 1 | | |
| cultural and linguistic diversity | 0 | | |
| political parties and civic organizations | 0 | | |
| public health, including mortality and morbidity | 0 | | |
| healthy lifestyle of the population | 0 | | |
| crime rate and public safety | 0 | | |
| access to and quality of social protection services | 1 | | |
| access to and quality of educational services | 1 | | |
| access to and quality of medical services | 1 | | |
| access to and quality of public administrative services | 1 | | |
| education level and quality among the population | 0 | | |
| preservation of cultural heritage | 0 | | |
| public access to cultural resources and participation in cultural events | 0 | | |
| public access to and participation in sports activities | 0 | | |
| discrimination | 0 | | |
| other social aspects | 0 | | |
| Environmental | | | |

| | | | |
|---|---|--|--|
| climate, including greenhouse gas emissions and ozone layer-impacting emissions | 1 | | |
| air quality | 1 | | |
| water quality and quantity, including drinking water and other resources | 0 | | |
| biodiversity | 0 | | |
| flora | 0 | | |
| fauna | 0 | | |
| natural landscapes | 0 | | |
| soil condition and resources | 0 | | |
| waste production and recycling | 0 | | |
| efficient use of renewable and non-renewable resources | 0 | | |
| sustainable consumption and production | 0 | | |
| energy intensity | 0 | | |
| energy efficiency and performance | 0 | | |
| animal welfare | 0 | | |
| major environmental risks (fires, explosions, accidents, etc.) | 0 | | |
| land use | 0 | | |
| other environmental aspects | 0 | | |

The table should be filled out with ratings from -3 to +3 next to each impact category for each analyzed option. Ratings range from -3 to -1 for negative impacts (costs) and from 1 to 3 for positive impacts (benefits). A rating of 0 indicates no impact. The value assigned corresponds to the intensity of the impact (1 – minor, 2 – moderate, 3 – major) relative to the "do nothing" option, in comparison with other options and impact categories. The identified impacts should be described in detail, with an explanation of the assigned scores, including quantified data where available, in section 4 of the Form, specifically under items b¹) and, where applicable, b²), regarding the impact analysis of the options.

Annexes

COMPARATIVE TABEL
on the Current Situation of DGMU Competencies vs. Those of the Lublin Road and Public Transport Administration (ZDiTM Lublin)
in Public Transport Management

| Nr. d/o | Competencies of ZDiTM Lublin according to Resolution No. 1677/LVI/2024 of the Lublin City Council dated January 25, 2024 | Competencies of DGMU according to the Regulation on the Organization and Functioning of DGMU, approved by CMC Decision No. 15/2 dated October 11, 2022 | Gradul de comparație % / Comentarii |
|----------------|---|--|---|
| 1. | Planning the transport network for trolleybus and bus operations | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 100% |
| 2. | Determining the detailed scope of transport service orders | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” (this includes a clear and specific definition of the requirements and parameters for the transport services to be provided by carriers) | 75-100% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation)) |
| 3. | Planning the trolleybus and bus line network tailored to the residents' travel needs | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 100% |
| 4. | Adapting transport schedules to the specific transport needs | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 75-100% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 5. | Selecting carriers and signing contracts | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 100% |
| 6. | Monitoring transport services with a focus on quality control | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 100% |
| 7. | Settling transport service payments according to contractual terms | | |

| | | | |
|-----|---|--|--|
| 8. | Handling complaints and suggestions and providing information on public transport | Not included in the Regulation (competency derives from Administrative Code No. 116/2019) | 100% |
| 9. | Taking measures to ensure passenger transport safety standards | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 10. | Initiating traffic management measures to prioritize public transport | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 11. | Implementing measures for environmental protection | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 12. | Participating in works on Lublin Municipality's transport policy projects and transport development plans and contributing to their realization | Points 9 and 12, letter j) of the Regulation, Process "Public Transport Service Development" | 100% |
| 13. | Analyzing tariff policies and proposing rationalization measures | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 14. | Organizing, issuing, distributing, and selling tickets for public transport services, including setting up distribution rules | Point 12, letter l) of the Regulation, Process "Billing for Public Transport Services" | 100% |
| 15. | Organizing the maintenance of bus stops and posting information at stops | Not explicitly stated in the Regulation but inferred from Point 12 of the Regulation | 50% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |

| | | | |
|-----|---|---|--|
| 16. | Performing tasks related to issuing permits for regular passenger transport and special regular passenger transport in national road transport, on urban transport lines, including those crossing the city and neighboring county zones, and issuing certificates for public transport | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 100% |
| 17. | Controlling transport services as per authorization, in cooperation with the Provincial Road Transport Inspection, the Police, the Marshal’s Office of the Lublin Voivodeship, and the County Offices of Lublin and Świdnik | Point 12, letter j) of the Regulation, Process “Public Transport Service Development” | 75-100% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 18. | Conducting market analysis for regular passenger transport services within the city and surrounding counties and adapting them to social needs | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 19. | Coordinating the issuance or modification of permits for national road transport passenger services on routes passing through Lublin Municipality that do not exceed the voivodeship's territory | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 20. | Coordinating with carriers regarding the use of stops in Lublin Municipality and the “Lublin Station” (Integrated Transport Center for the Lublin Functional Area at Dworcowa 2 Street in Lublin) | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 21. | Coordinating the organization of transport services for children (especially those with disabilities) to schools or centers fulfilling educational requirements for children and youth, as mandated by the Municipality of Lublin under the Education Law of December 14, 2016 (Journal of Laws 2023, item 900, 1672, 1718, and 2005), within funds allocated to ZDiTM for this purpose and organizing transport services for individuals with disabilities upon request, using vehicles owned by Lublin Municipality | Not included in the Regulation | 0% (according to the Education Code, it is recommended to update the DGMU Regulation) |

| | | | |
|-----|--|---|---|
| 22. | Ensuring the proper functioning, including monitoring the usage of, transport hubs, specifically park-and-ride facilities and bus terminals managed by ZDiTM | Point 12, letter a) of the Regulation, Process “Development of Road Traffic Infrastructure” Point 12, letter f) of the Regulation, Process “Parking Development” | 100% |
| 23. | Managing and operating the "Lublin Station" (Integrated Transport Center for the Lublin Functional Area at Dworcowa 2 Street in Lublin) | Not included in the Regulation | 0% (The Public Property Agency manages the bus terminals in Chişinău municipality through a specialized enterprise) |
| 24. | Posting information on intercity transport schedules | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |
| 25. | Organizing and ensuring passenger control for valid transport documents | Point 12, letter l) of the Regulation, Process “Billing for Public Transport Services” | 100% |
| 26. | Coordinating the organization of the Lublin Municipal Bicycle System as a complement to public transport | Not included in the Regulation | 0% (in the context of the new amendments to the Road Transport Code, it is recommended to update the DGMU Regulation) |

1.6 Bibliography

Legislative Acts

1. Law No. 1194/1997 on Transport (Official Gazette of the Republic of Moldova, 1997, no. 67-68, art. 553)
2. Road Transport Code No. 150/2014 (Official Gazette of the Republic of Moldova, 2014, no. 247-248, art. 568)
3. Law No. 436/2006 on Local Public Administration (Official Gazette of the Republic of Moldova, 2007, no. 32-35, art. 116)
4. Law No. 136/2016 on the Status of Chişinău Municipality (Official Gazette of the Republic of Moldova, 2016, no. 306-313, art. 645)
5. Law No. 112/2014 for the Ratification of the Association Agreement between the Republic of Moldova and, on the other side, the European Union and the European Atomic Energy Community and their Member States (Official Gazette of the Republic of Moldova, 2014, no. 185-199, art. 442)
6. Strategy for Smart Transport and Mobility for Chişinău Municipality (developed within UNDP Moldova)
7. Government Decision No. 887/2023 on the Approval of the Government's Action Plan for 2024 (Official Gazette of the Republic of Moldova, 2023, no. 515-518, art. 1273)
8. Government Decision No. 829/2023 on the Approval of the National Action Plan for Moldova's Accession to the European Union for 2024-2027 (Official Gazette of the Republic of Moldova, 2023, no. 422-425, art. 1020)
9. Policy Briefs previously developed within the Project "MOVE IT like Lublin – a Chişinău Sustainable Development Initiative"
10. Regulation (EC) No. 1370/2007 of the European Parliament and of the Council of 23 October 2007 on Public Passenger Transport Services by Rail and by Road, and Repealing Council Regulations (EEC) No. 1191/69 and No. 1107/70 (Official Journal of the European Union L315/1 of 03.12.2007) Europene L315/1 din 03.12.2007)

Webgrafie (linkuri)

[1] www.legis.md

[2] <https://eur-lex.europa.eu>

[3] <https://legislatie.just.ro>