

Change of government in Moldova: policy continuity and new challenges

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On 22 July, Moldova's new government was sworn in, with independent businessman Vasile Tofan, aged 44, appointed as prime minister (see Appendix: biographical note and composition of the government). The previous day, parliament approved his government through a vote of confidence. The government's programme and composition received support from 53 MPs representing the ruling pro-Western Party of Action and Solidarity (PAS), which is effectively led by President Maia Sandu. Opposition deputies either voted against the government or abstained. In his inaugural address, Tofan identified economic recovery through structural reforms and investment attraction as the government's primary objective. He named the acceleration of European integration as the second key objective, aiming to conclude Moldova's EU accession negotiations by 2028 and secure membership in 2030. Tofan also committed to continuing the reforms initiated by the previous cabinet, including fiscal and administrative-territorial reform. However, a couple of days before delivering his policy address, he stressed that these measures would be less extensive than previously proposed in order to avoid undermining PAS's electoral prospects ahead of the 2029 parliamentary election.

The composition of the new cabinet and its programme indicate an intention to maintain the current trajectory of domestic reform and European integration. Appointing an independent businessman as prime minister is intended to facilitate the implementation of unpopular but necessary reforms, while minimising political costs for the ruling party ahead of the 2029 parliamentary election. At the same time, Tofan faces a challenging agenda that includes sustaining Moldova's reform process, revitalising the economy, and restoring the governing camp's credibility, which has been weakened by recent corruption scandals.

Commentary

- **The appointment of Tofan's government ended a brief period of political uncertainty triggered by the unexpected resignation of former prime minister Alexandru Munteanu.** Munteanu stepped down on 3 July, just eight months after assuming office, without offering a clear explanation (see '[Moldova: Prime Minister's sudden resignation triggers a reputational crisis for the pro-Western camp](#)'). His departure was most likely due to multiple factors, including tensions within the governing camp over fiscal reform, which he was unable to advance in its proposed form, and a series of corruption and nepotism scandals within public institutions and state-owned enterprises. These scandals resulted

in the most significant reputational crisis for PAS since it came to power in 2021.

- **The new government intends to maintain the policy direction and programme of its predecessor.** Most cabinet members have retained their positions, with changes occurring in only four of the sixteen ministries – agriculture, finance, health, and culture – alongside the appointment of a new prime minister. Tofan’s background is broadly similar to that of Munteanu – he is an experienced businessman and investor with no party affiliation and an extensive career in the financial sector. The primary differences are Tofan’s younger age (44 compared to Munteanu’s 61) and his standing within the governing camp. Although Tofan, like Munteanu, is not a member of PAS, he has much closer ties to the party’s leadership, having previously contributed to the preparation of several key reforms. Tofan was previously considered for the premiership in October 2025, but declined the offer at the time, citing professional commitments.
- **As prime minister, Tofan will have to implement his predecessor’s ambitious reform agenda while addressing PAS’s reputational crisis.** The most politically sensitive reforms launched under Munteanu include fiscal policy changes (notably the simplification and harmonisation of the tax system, deemed necessary given the budget deficit of 5.5% of GDP), and a new administrative-territorial reform. This reform is intended to reduce the country’s highly fragmented administrative structure, which hampers effective use of EU funds, but faces significant public opposition. Another major challenge will be to revive Moldova’s stagnating economy. Between 2022 and 2025, average GDP growth was near zero, while in the first quarter of 2026 the economy expanded by just 0.4% year on year. Additionally, Tofan will have to deal with the fallout from PAS’s reputational crisis, triggered by a series of corruption and nepotism scandals that came to light, particularly in the period leading up to Munteanu’s resignation. The prime minister addressed this issue directly in his inaugural speech, announcing audits of state-owned enterprises and public institutions, the introduction of competitive procedures for appointing members of their supervisory boards, and measures to limit “excessive remuneration and opaque bonuses”. The latter pledge was a clear reference to a recent high-profile scandal involving inflated salaries and nepotism at the state-owned air traffic control company MoldATSA.
- **PAS’s decision to appoint an independent technocrat reflects a deliberate political strategy.** As with Munteanu, selecting a prime minister from outside the party and without a background in professional politics enables PAS to mitigate reputational risks associated with implementing unpopular but necessary reforms. Before the next parliamentary election in 2029, the party can replace the prime minister and distance itself from the individual responsible for these reforms. For Tofan, this arrangement is unlikely to be problematic, as he does not need to cultivate electoral popularity and may even enhance his reputation within the business and financial sectors by demonstrating a strong commitment to reform.

APPENDIX

The profile of Prime Minister Vasile Tofan

Vasile Tofan (born 12 July 1982) is an investor and business executive with extensive international experience and is recognised as one of the most prominent figures in Moldova's business community. He has not previously been affiliated with any political party. He holds bachelor's and master's degrees in public administration from Erasmus University Rotterdam, where he studied on a scholarship awarded to Moldova's top student, and earned an MBA from Harvard Business School in 2012. His career began as a consultant at Monitor Group (later acquired by Deloitte), followed by a managerial role at Philips in the Netherlands. He also founded a start-up specialising in digital healthcare services. From 2011 until July 2026, Tofan served as senior partner and a member of the Investment Committee at Horizon Capital, a Kyiv-based private equity company managing assets worth more than \$1.8 billion and investing in Ukraine and Moldova. Between 2018 and 2025, he chaired the board of directors of Purcari, a leading company in Moldova's wine industry. Since 2018, he has also served on the supervisory board of Moldova's largest commercial bank, MAIB. Additionally, he has been active in the American Chamber of Commerce in Moldova and the Startup Moldova Foundation. In 2025, he co-founded the Europe 2028 platform, an initiative promoting European integration and economic reform.

Composition of Vasile Tofan's government (ministers marked with an asterisk did not serve in the previous Munteanu cabinet):

- prime minister: Vasile Tofan (politically non-aligned)
- deputy prime minister, minister of foreign affairs: Mihai Popșoi
- deputy prime minister for European integration: Cristina Gherasimov
- deputy prime minister for reintegration (responsible for the Transnistria issue): Valeriu Chiveri
- deputy prime minister, minister of infrastructure and regional development: Vladimir Bolea
- deputy prime minister, minister economic development and digitisation: Eugen Osmochescu
- minister of the interior: Daniella Misail-Nichitin
- minister of defence: Anatolie Nosatîi
- minister of finance: Victoria Belous*
- minister of justice: Vladislav Cojuhari
- minister of energy: Dorin Junghietu
- minister of agriculture and food industry: Radu Musteață*
- minister of health: Alexandru Gasnaș*
- minister of education and research: Dan Perciun
- minister of labour and social protection: Natalia Plugaru
- minister of the environment: Gheorghe Hajder
- minister of culture: Dan Suruceanu*