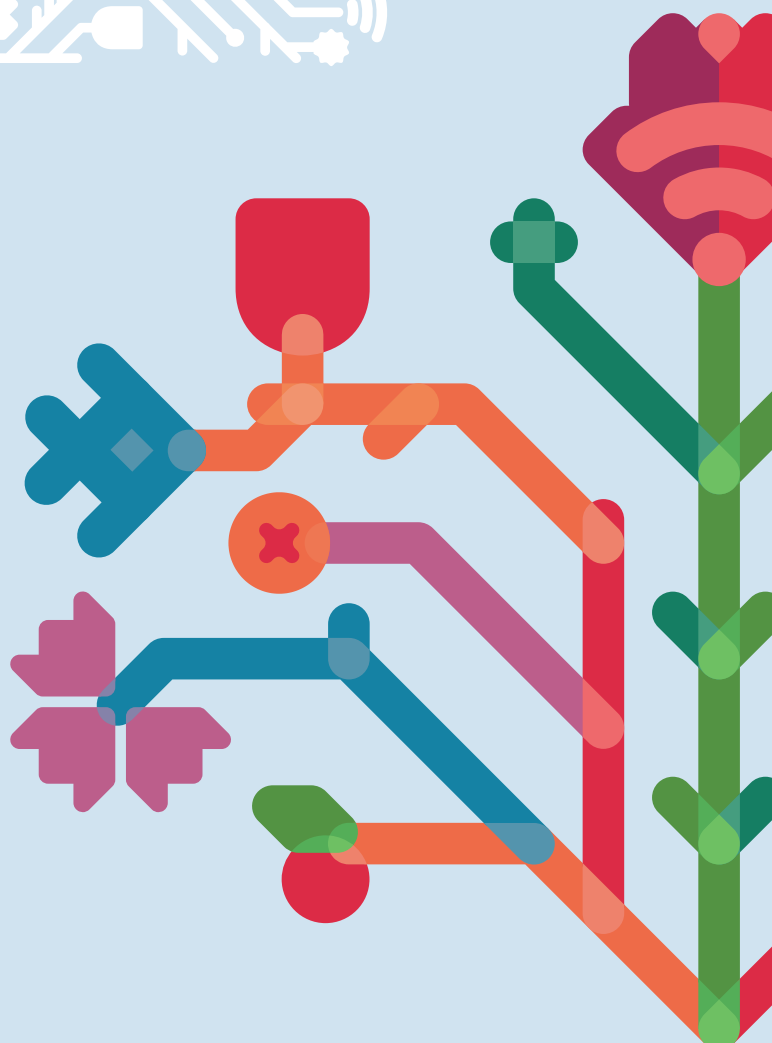




GOVERNMENT
OF THE REPUBLIC OF MOLDOVA

REPUBLIC OF MOLDOVA
**VOLUNTARY
NATIONAL REVIEW**
Progress Report
2020





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Abbreviations

ANOFM	– National Employment Agency
ATUG	– Autonomous Territorial Unit Gagauzia
CSO	– Civil Society Organization
EU	– European Union
GDP	– Gross Domestic Product
MAPS	– Mainstreaming, Acceleration and Policy Support
MDL	– Moldovan Leu, local currency
NBS	– National Bureau of Statistics
NBM	– National Bank of Moldova
NRAECIT	– National Regulatory Agency for Electronic Communications and Information Technology
NEET	– Not in Education, Employment, or Training, referring to youth group
PNB	– Public National Budget
RIA	– Rapid Integrated Assessment
SDG	– Sustainable Development Goal
SME	– Small-Medium Enterprise
VNR	– Voluntary National Review



Foreword



In its ambition to achieve the Sustainable Development Goals, the Republic of Moldova is strongly committed to supporting global efforts to implement the far-reaching 2030 Agenda. This is a universal, integrated, transformative and inclusive policy agenda with clear objectives: balancing human prosperity, protecting the planet, and ensuring that no one is left behind.

As a call for action by all countries, the Sustainable Development Goals and their associated targets are about a global partnership, that strengthens the way in which the international community works together, built on guiding principles of shared responsibility and mutual accountability, as well as a multi-stakeholder approach. By acknowledging its global nature and universal applicability – and taking into account national realities, capabilities, and levels of development – governments are taking ownership and establishing national and local frameworks to achieve the Sustainable Development Goals. This involves addressing interlinked challenges of both poverty eradication and sustainable development, but also tackling new emerging challenges and crises with a global and regional impact.

We are all now facing constantly increasing long-lasting crises with far-reaching consequences, triggered by climate change and environmental degradation, overconsumption of natural resources, global economic imbalances, migration, humanitarian crises and conflicts, which are real threats to building a prosperous and peaceful world. The year 2030 is just a decade away and it is regretful that poverty, persistent inequalities and social exclusion continue to affect people's lives and the entire planet.

The global COVID-19 coronavirus pandemic is an unprecedented crisis and one of the greatest tests we are all currently facing. It is placing ever-increasing pressure on healthcare and social protection systems and causing major disruptions of economic processes and limitations to social life; and it has proved how vulnerable we are. But it has also made one thing clear: global challenges require coordinated efforts, solidarity and global responses. Addressing complex challenges and making the most of the situation also require strong political commitment, sustainable partnerships and determined action at all levels and by all stakeholders.

In view of the 2030 Agenda, the Government of the Republic of Moldova has developed an inclusive and comprehensive national framework based on a large-scale participatory process – the National Development Strategy 'Moldova 2030'. The Strategy is fully aligned with both the Republic of Moldova's international commitments, and our commitments under the Association Agreement with the European Union.

The defining key national priorities of the Strategy are focused on well-being and human rights, education and health, promoting a circular economy, environmental protection, and building an inclusive society. As part of the new integrated approach and given the complexity of the 2030 Agenda, the Republic of Moldova is dedicated to accelerating achievement of the SDGs by un-



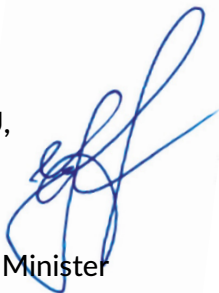
dertaking sustainable efforts to promote and implement ambitious national projects and programmes, as well as by pursuing new initiatives in line with our comprehensive vision for sustainable development, working in close cooperation and partnership with our development partners, including the United Nations.

The Republic of Moldova is continuously advancing the domestic reform agenda and aligning to European standards, guided both by our European integration path and fulfillment of the country's commitments under the Association Agreement with the European Union. By this means it is strongly committed to ensuring a comprehensive transformation and modernization process that strengthens the country's sustainable development on behalf of its citizens.

The Voluntary National Review on implementation of the 2030 Agenda has offered us a great opportunity to map progress achieved so far in advancing the Agenda for Sustainable Development, as well as to assess the impact of the actions taken. This complex participatory exercise and extraordinary work that featured wide consultations with society and dedicated partners and donors also provides prospects on key challenges that lay ahead of us and a clear understanding that we need to act quickly. New forward-looking steps will be taken in a cooperative manner, supported by a comprehensive approach and the engagement of all stakeholders.

By acknowledging both the shared responsibility that all countries have to achieving the Sustainable Development Goals and the common challenges we face in a changing global reality, it is our strong belief that all of us have meaningful roles to play – locally, nationally as well as globally - to contribute together to reaching the internationally agreed development goals.

Ion CHICU,



**The Prime Minister
of the Republic of Moldova**



Executive Summary

In September 2015, the Republic of Moldova, together with 192 other Member States of the United Nations, committed to implementing the 2030 Agenda for Sustainable Development, announcing that by 2030 key actors in society would make common cause to eliminate all forms of poverty, combat inequalities and address environmental and climate change issues, ensuring that no one is left behind.

In 2016, shortly after the adoption of the 2030 Agenda, in order to create an appropriate institutional framework and ensure a participatory and transparent process to adapt the Sustainable Development Goals (SDGs) and implement them at national level, the National Coordination Council for Sustainable Development was established, led by the Prime Minister.

Subsequently the goals, targets and indicators of the Global Agenda 2030 were adjusted to the specifics of the Republic of Moldova. This process involved all stakeholders: national and local public authorities, the private sector, civil society, academia and development partners.

At the same time, the National Development Strategy 'Moldova 2020', which is currently being implemented, was evaluated internally. It was confirmed that this Strategy does not cover all the international commitments of the Republic of Moldova: including firstly Agenda 2030; and secondly the Association Agreement between the Republic of Moldova, on the one part, and the European Union and the European Atomic Energy Community and their Member States, on the other part (signed in 2014).

Consequently, in September 2017, the Government of the Republic of Moldova initiated development of a new long-term national strategy by 2030: the National Development Strategy 'Moldova 2030', which is currently in process of being approved, a document based on the principle of the human life cycle, human rights and quality of life, built, to a great extent, around the targets and goals of the 2030 Agenda. Thus, the development vision of the Republic of Moldova for the next decade has been based on the following Pillars:

- **sustainable and inclusive economy;**
- **strong human and social capital;**
- **honest and efficient institutions; and**
- **healthy environment.**

In addition, the focus on fulfilling the commitments under the Association Agreement with the European Union, the Republic of Moldova has registered noteworthy progress since the commitment to implement the 2030 Agenda. Significant progress was registered towards achieving SDGs 1, 8, 13 and 17, while the results towards achieving SDGs 2, 3, 5, 7, 9 and 11 are moderate. While efforts have been undertaken to develop all the social areas, the impact on SDGs 4, 6, 10, 12, 15 and 16 is yet to be noticed.



PROGRESSES AND CHALLENGES IN THE IMPLEMENTATION OF THE 2030 AGENDA

PEOPLE

The Republic of Moldova acknowledges that an inclusive and united society implies well-being for all its members and excludes any forms of polarization and significant disparities. Combating poverty and social exclusion are key political priorities of the Republic of Moldova. The national policy framework includes measures to improve the quality of life of the population, including disadvantaged groups in the population. Though in recent years the Republic of Moldova has implemented several reforms in the field of social protection, the social protection system is still being transformed, and it remains centralized, and primarily responsive and redistributive.

Due to the social and economic policies implemented in the Republic of Moldova, the poverty rate has fallen and the income of the poorest is continuing to increase. Thus, the percentage of the population with incomes below US\$5.50 per day (adjusted to purchasing power parity) fell from 29 per cent in 2010 to 13.3 per cent in 2018. The absolute poverty rate, estimated in the population with ordinary residence, has had a relative downward trend, from 29.5 per cent in 2014 to 23.0 per cent in 2018. The real income (adjusted to inflation) of the poorest 20 per cent of households increased by 38 per cent between 2010 and 2018.

However, poverty reduction resulted both from the policies implemented (reform of nominative compensations, and introduction of the 'Ajutor Social' means-tested cash benefit programme, as well as an increase/indexation of pensions) and from the remittance system, which is not a sustainable model. In real terms, the most spectacular increase in income sources was remittances, which increased by 157 per cent between 2010 and 2017. In 2010, remittances accounted for 9 per cent of the income of the poorest 20 per cent of households, while in 2017 they made up 18 per cent. Since 2015, pensions have become a more significant source of income. This is a specific feature of poverty in the Republic of Moldova – a large proportion of poor households are households with older people. Given the strong trends of population aging, this model of poverty reduction will be quite difficult to maintain, especially if the contribution of remittances and other types of income decreases. The impact of COVID-19 has not yet been estimated, but it will be negative. Potentially inequalities will increase, both in terms of incomes as well as non-incomes and opportunities.

The Republic of Moldova made progress between 2010 and 2018 in achieving most of targets of SDG 3. Thus, the mortality rate from non-communicable diseases fell by 18 per cent, suicide was reduced by 27 per cent, and the prevalence of tuberculosis fell by 34 per cent.

However, inequalities and problems still exist in access to health services. These are mainly caused by informal payments, for the population, vulnerable groups and the rural population. There are significant gender inequalities in mortality for various types of illness and disease. For some diseases, the mortality rate of men aged 35-59 is 9 times higher (in the case of self-inflicted injuries) or 6 times higher (in the case of accidents, pneumonia and acute infarction) than for women in the same age group. Although the proportion of the population with health insurance has increased, out-of-pocket payments are still significant, and in 2017 they accounted for about 43.6 per cent of total health expenditure).



Access to education for children and adolescents has improved. Gross enrolment rates in primary and secondary education remained above 100. Enrolment rates in secondary and tertiary education improved between 2014 and 2018, from 66 to 76 per cent for secondary education, and from 51 to 55 per cent for tertiary education. In addition, access for children from vulnerable groups improved.

However, educational inequalities between students are still significant. The Programme of International Student Assessment (PISA) report concludes that, in terms of reading, 12 per cent of variations in students' performance in each country were associated with socio-economic status. In the Republic of Moldova, the percentage of variations in reading performance, explained by socio-economic status is almost 18 per cent: 6 per cent higher than the Organisation for Economic Co-operation and Development (OECD) average and 5 per cent higher than the EU average. Gender inequalities are just as significant. The share of the poorest students seeking enrolment at university is 22 per cent, while the share of students from higher income backgrounds aiming to graduate from university is 77 per cent. A significant number of young people do not have access to post-secondary education. About 21 per cent of young people aged 18-24 with an elementary (low) level of education do not pursue any form of training. This share is unchanged from 2010. Although the proportion of students with special educational needs and disabilities enrolled in general education institutions increased from 83.3 per cent in 2014 to 93.1 per cent in 2018, most educational institutions are not adapted to meet inclusive education standards.

The level of representation of women in management positions is increasing, and this trend is expected to continue. This is due to measures adopted for the 2019 parliamentary elections (the minimum representation quota of 40 per cent) and for the 2019 local elections (the 40 per cent quota and list positioning). In both elections, the proportion of women standing and being elected increased. In 2019, the proportion of candidates for councillor (34.9 per cent) and elected councillors (25.7 per cent) who were women was the highest in the last four elections.

However, gender inequality in the labour market remains significant, as does gender-based violence. The employment rate of women aged 25-49 with at least one preschool child is 20 per cent lower than that of women in the same age group but with no preschool children. The proportion of women who reported being survivors of gender-based violence is estimated to be at least 40 per cent, unchanged over the last decade.

Since the Republic of Moldova's independence in 1991, human development has been largely determined by a number of demographics, social, economic, climatic and governance factors. The Republic of Moldova is facing a severe demographic decline. Emigration, in particular of young people and people of reproductive age, including qualified professionals, along with low fertility, low life expectancy and population aging are the main factors, which – when taken together – are causing the depopulation by more than 1.7 per cent per year. The diminution of the labour force is likely to decrease the country's potential for economic development, and the 'resistance' of the health and social protection system. According to United Nations Population Fund forecasts, by 2035 the country's population could fall to two million people, and every third person would be over 60 years of age.



PROSPERITY

The major objectives of the Republic of Moldova include consistent promotion of economic development policies to ensure a prosperous life for all citizens. This should contribute to poverty reduction and ensure social inclusion of all people, including those from disadvantaged groups; as well as provide opportunities to obtain the incomes needed for a decent living, by ensuring safe and rewarding jobs.

In the last three years, the Republic of Moldova has maintained economic growth, with gross domestic product (GDP) increasing by about 4 per cent per capita. Economic growth was influenced, in particular, by the construction, agriculture and food industry sectors. The information and communications technologies (ICT) sector is becoming valuable. There have been qualitative improvements in foreign trade, as the negative balance of net exports to GDP fell from about 32 per cent in 2010 to 26 per cent in 2018. Despite the proportion of final consumption of households remaining high (83.4 per cent of GDP in 2018), a stable downward trend was achieved. The national economy's dependence on remittances fell from 30.2 per cent of GDP in 2010 to 12.4 per cent in 2018.

The growth rate of the processing industry has been maintained, and it now makes up about 83 per cent of production in the industrial sector. In 2014-2018 the gross value added in manufacturing, as a share of GDP (US\$, constant prices), made up about 12 per cent.

Despite the positive developments in GDP, the share of domestic trade in goods and services remains high (almost half of GDP), indicating that economic development is still based more on consumption than on production. The Republic of Moldova's dependence on external energy resources is a major challenge, as over 75 per cent of the energy the country consumes is imported.

Labour market indicators, including the activity rate and the employment rate, are improving. Business development programmes, including those to support young people and women, have potential for inclusion and development of new jobs. Small and medium enterprises are constantly developing; their contribution to total gross value added is 34 per cent, and this has been slightly increasing in recent years.

However, the labour market in the Republic of Moldova faces multiple challenges, in terms of both demand and supply. These include poor quality of employment, low labour productivity and wages, and international labour migration, especially among young people. Informal employment remains one of the challenges for the country's labour market.

Although the percentage of young people not in education, employment or training is declining, it is still quite high, at almost double the European Union average.¹ While a number of programmes are operating to support young people in business development at national level, demand for them is much higher. Access to funding remains one of the key barriers to the development of small and medium enterprises, of which only about a third obtained loans, and the share of these loans is 12 per cent.

¹ EUROSTAT. Young people neither in employment nor in education and training by sex, age and labour status (NEET rates) <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>



Although wages are increasing every year, the country's wage system is characterized by significant wage disparities between economic sectors, and there are still fairly sharp gender pay gaps within them.

Information technologies have considerably advanced in recent years, and the coverage rates of mobile electronic communications networks is about 100 per cent, with 4G reaching 97 per cent. The penetration rate of mobile internet access services in 2018 was 83 per cent. However, for people from socially vulnerable categories, especially young people, access to ICT services remains limited.

The transport infrastructure network is sufficiently developed and covers the whole country. In recent years, several road infrastructure rehabilitation projects have been completed, including through external funding in the form of grants and loans. However, the transport infrastructure still requires major improvements. In addition, street infrastructure and public buildings in the country, as well as inter-urban public transport, are largely still not adapted for people with disabilities.

Several major interventions were made to reduce poverty and promote the social inclusion of people from disadvantaged groups. Multifunctional social service networks have been developed, which are helping to improve disadvantaged groups' access to needs-based services. Efforts have been made to increase access to housing by implementation of the First House programmes and several projects aimed at financing social housing for vulnerable families.

However, access to houses for the most vulnerable groups, including young people and young families, is still a challenge, particularly in urban areas. This is because of limited ability to invest the first instalment, which is quite high. Affording the rent for rental housing is also difficult, and often leads to multiple occupancy, causing overcrowding.

To ensure effective access of Roma beneficiaries to social and public services, in 44 settlements in the Republic of Moldova inhabited by Roma exclusively or alongside other ethnicities, 48 community mediator positions were established, which are directly responsible for communication with relevant local institutions. However, Roma people still face discrimination in several areas (health, employment, education and social services). The Roma population is also poorly represented in public authorities, also there is a lack of adequate financial resources to pay for the work of community mediator. At the same time, as Roma traditions and culture are not promoted enough, they are on the verge of extinction.

The Republic of Moldova has effective mechanisms to protect migrants working in the country and its nationals working abroad. Under the legislation in force, the State ensures the protection of migrant workers regardless of race, nationality, ethnic origin, language, religion, sex, opinion, political affiliation, wealth or social origin. The Government exchanges information and cooperates with trade unions and employers on a regular basis to protect the rights of migrant workers, who are also protected against forced labour by the Constitution of the Republic of Moldova.



PLANET

Between 2014 and 2018, the population's access to water sources gradually increased by 9 percentage points, to 82.1 per cent in 2018. The proportion of the rural population enjoying access to water supply sources increased from 56.9 per cent in 2014 to 71.2 per cent in 2018.

Access to sanitation increased more slowly than access to water supply, until it jumped by 6.2 percentage points between 2017 and 2018, mainly due to expansion of the sewerage system in urban areas. Thus, at national level, 29.3 per cent of the stable population of the Republic of Moldova is connected to a centralized sewerage system. The proportion is 64.1 per cent in urban areas but only 2.8 per cent in rural areas.

The levels of forest-covered and protected areas remain unchanged. In total, 11.2 per cent of the Republic of Moldova is covered with forests. Funding programmes in 2014-2016, led to 2,180 ha of degraded area being forested. The volume of timber cut every year is offset by planting. In total, 5.61 per cent of the country's territory is made up of protected areas.

Environmental protection faces a shortage of institutional capacities and funding from the state budget, as the financial resources available every year for environmental protection are clearly lower than what is required to address the existing challenges; sectoral strategies and programmes estimate the cost to be hundreds of millions of euros. Therefore, it is quite important to re-evaluate funding in this field and streamline budgetary allocations so that financial resources will be used transparently and in accordance with the priorities set out in policy documents for environmental protection and promotion of the green economy.

Insufficient investment in management of wastewater, waste and chemicals is another barrier to increasing environmental quality. The integrated waste management system in the Republic of Moldova should be built in a way that prevents pollution and increases the proportion of waste recycled or recovered for energy production. Wastewater is an important pollutant of surface water, which is the water source for some of the country's population and the main source of water for irrigation. Inland surface water is highly polluted and cannot be used for irrigation or watering of animals; this is a major impediment for farmers and the rural population. Excessive use of plant protection products in agriculture has led to pollution of both surface water and ground water, which is the main source of water supply of the population in rural areas. Fifty-four per cent of drinking water samples do not meet the sanitary and chemical norms for drinking water quality.

PEACE

The Republic of Moldova acknowledges that sustainable development cannot be achieved without respect for human rights and without ensuring peace, stability, effective governance and the rule of law. Thus, the priorities of the Government of the Republic of Moldova also include promoting the rule of law and equal access to justice; combating all forms of corruption; develo-



ping efficient, accountable and transparent institutions at all levels; ensuring responsive, inclusive, participatory and representative decision-making at all levels; and ensuring access to information.

The measures taken by the authorities show that, after a period of increase, the level of crime is decreasing. The general level of recorded crimes increased by 26 per cent between 2010 and 2016, but was 4 per cent lower in 2018 than in 2010. About 80 per cent of citizens consider themselves safe in their own communities. However, increasingly more women and children are affected by the crime rate. According to official data, the number of victims of domestic violence and of sexual assault (crimes that mainly affect women) increased by 13 per cent and 137 per cent respectively between 2013 and 2018. Crimes against children increased by about 130 per cent between 2010 and 2018.

Bureaucratic barriers and administrative regulations are affecting the private sector (businesses) less than in recent years. In 2013, 23 per cent of companies considered corruption a major obstacle to their activity, but this figure had decreased to 8.3 per cent by 2019. The fight against corruption has been a continuous process since the Republic of Moldova's independence, and a particular priority in the process of implementing the Association Agreement between the Republic of Moldova and the European Union. However, many surveys show that corruption at all levels in society is one of the major concerns of the population, along with unemployment, poverty and high prices.

Although the confidence of the population in the justice system increased from 8 per cent in 2016 to 26.1 per cent in 2019, existing justice methods are still seen in society as a mechanism of repression, and ineffective at protecting the public's interests.

In 2019, about 65 per cent of citizens stated that they regularly obtained information from internet sources. Most citizens and companies that requested information of public interest from the authorities received responses (over 70 per cent), and these were largely positive (appreciated with an average score from 7.4 to 8 points out of a maximum of 10 points).

According to the Press Situation Index developed by the Centre for Independent Journalism of the Republic of Moldova, the Moldovan press faces major challenges. Using a scale of points from 0 (negative) to 60 (positive), the score in 2018 was 23.78, which was less than in 2016. Media outlets in the country face significant problems maintaining their financial and editorial independence.

The Transnistrian conflict remains the main challenge to the country's territorial integrity and a major barrier in full implementation by the Republic of Moldova of structural reforms assumed for sustainable development. The Chisinau authorities are firmly committed to a peaceful, sustainable and all-encompassing settlement of the conflict, respecting the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders and granting a special legal status to the Transnistrian region.



To achieve this goal, measures are being taken within the existing negotiation formats, and in particular in the 5+2 format, with external partners being mobilized to support the settlement process. Projects are being implemented to promote confidence-building measures and reintegrate the country, and joint measures are being taken to ensure respect for human rights and the viable resolution of problems derived from the unresolved conflict.

PARTNERSHIPS

The key objective of the Government of the Republic of Moldova is to bring together efforts and human and financial resources to implement the 2030 Agenda, the impact of which should be felt by every citizen by 2030, by improving well-being and prosperity, ensuring the territorial re-integration of the country, strengthening the rule of law, and developing social and economic infrastructure to provide more opportunities for empowerment and participation for every citizen.

To achieve this objective, in recent years the Republic of Moldova has modernized its national tax system and considerably strengthened national capacity to collect taxes and revenues. The tax administration system was streamlined, and electronic tax services were developed, which contributed directly to increasing budgetary revenues. The proportion of the Public National Budget (PNB) from taxes and duties increased from 56.6 per cent in 2015 to 63.2 per cent in 2018. This was satisfactory but provides limited flexibility for the authorities to implement large-scale investment programmes, as the resources mobilized are still limited.

To implement reforms in various fields, in addition to national resources, additional resources were raised between 2015 and 2017, the Government of the Republic of Moldova secured for the country 3 per cent of the total foreign development aid allocated to the Central and South-Eastern Europe and Balkans region.²

Considerable resources were allocated to develop public sector capacities in: the field of good governance; the education system; the health system (to develop and implement policies and programmes that ensure universal access to specialized health services); the National Anticorruption Centre (for better prevention and analysis of corruption); the system of ensuring public order (for implementing the community police mechanism); child protection; ensuring gender equality; and so on.

The assistance provided by partners continues to boost development of the national economy and is an important source for implementing priority infrastructure projects and supporting sectoral policy development in the context of harmonization with the European Union acquis, and an opportunity to strengthen institutional capacities of the public authorities.

However, national capacities to absorb the external assistance provided by external partners are underdeveloped. This is evidenced by the fact that in 2018 only 34 per cent of the planned allocation in the PNB for projects financed from external sources was used.

The low use of innovation and research for solving societal problems limits the state's competitiveness and capacity to respond to the many problems that hinder sustainable development. In

² Central and South Eastern Europe, Balkans



upcoming years, investments in this field will be completed, to ensure that research is carried out to identify the optimum solutions with added value for society. In addition, in order to improve the productivity and competitiveness of small and medium-sized enterprises, both in the internal market for goods and services and in the external market, they will be encouraged and supported to apply eco-innovation in production processes. In recent years, only a fifth of all enterprises reported innovation activities.

Hardwired internet access is one of the most dynamic markets in the electronic communications sector, with 30.5 per cent of those aged between 16 and 61 subscribing, or 24.5 per cent of the total population with ordinary residence in the Republic of Moldova. In 2019, the penetration rate was 24.5 per cent for fixed-point internet access services and 90.6 per cent for mobile point internet access services.

The commodity exports of the Republic of Moldova increased by about 41 per cent in nominal terms between 2015 and 2019, partly because of the opportunities offered by international co-operation agreements and, in particular, by the Association Agreement with the European Union. The Republic of Moldova's proportion of global commodity exports is growing steadily (from 0.012 per cent in 2015 to 0.014 per cent in 2018), even if the figures are quite insignificant.

The public administration reform carried out in 2017 and 2018 required modernization of the planning and policy making process. In addition, it was important to strengthen institutional capacities and raise awareness of the importance of enhancing the coherence of national public policies. However, the political instability in 2019 directly marginalized the process of developing and refining mechanisms to ensure the coherence of sustainable development policies, and delayed the adjustment of national policies to the 2030 Agenda.

There are some appropriate policy frameworks, procedures and tools to promote sustainable development, but these need to be completed, used regularly, improved and adapted based on the experience gained. The quality of the evidence-based policy-making process is not yet fully developed, as the system for monitoring and evaluating implementation of public policies does not consistently provide complete information on the results, and the analysis on which public policies are based needs to be improved. At the same time, civil society organizations and young people are not involved enough in the policy process.

In 2017, more than 60 per cent of the development partners used the result frameworks of the Republic of Moldova. The Government had no medium-term predictability in its development cooperation between 2015 and 2018. The estimated proportion of funding for development cooperation covered by estimated future expenditures or implementation plans shared by the development partner with the Government at country level – for one, two or three years ahead – was 0 per cent. At the same time, the annual predictability of development cooperation for 2017 was 53.8 per cent.

The Government improved its mechanism for coordinating foreign aid by implementing the Regulation on the institutional framework and the mechanism for coordinating and managing foreign aid and establishing Sectoral Councils in the field of external assistance. The Medium-Term Bu-



dgetary Framework (MTBF) is used as a tool for programming foreign aid, and confirms that the Government subscribes to international commitments in the field of streamlining foreign aid, such as the Paris Declaration, the Accra Agenda for Action, the Busan Commitments and the Mexico Communiqué.

More than two-thirds of the foreign aid disbursed during 2017 and 2018 was possible due to multilateral partnerships. Thus, in 2017 77 per cent of the foreign aid recorded on the on-line foreign aid management platform was provided under multilateral partnerships; this share increased in 2018 to 85 per cent of all recorded assistance. In most cases multilateral partnerships were established for complex priorities, including public service modernization, enhancing competitiveness and developing human capital, streamlining the energy system, upgrading the thermal energy system, rehabilitating electricity transmission networks, supporting business development, rehabilitating the rail and road infrastructure, and strengthening the public order system. The development partners that engaged in multilateral partnerships to support the Republic of Moldova to mobilize resources to achieve the SDGs included the European Union, the United States Agency for International Development, the Government of Sweden, the Government of the United Kingdom, the Government of Romania, the Government of Germany, the Government of Poland, Switzerland, the European Bank for Reconstruction and Development, and the United Nations agencies.

Dialogue between the public authorities and the private sector, social partners and civil society has continuously been advancing between 2015 and 2018. Partnerships with civil society organizations (CSOs) were focused on promoting various forms of CSO involvement in developing, implementing and evaluating sectoral public policies, and the environment for civil society participation in development cooperation is extensive, as evidenced by 2018 Global Partnership for Effective Development Cooperation data. Between 2015 and 2019, the Government's dialogue with civil society was largely maintained through several platforms such as the National Participation Council of Moldova, the National Council of NGOs, the Platform on Gender Equality, the National Youth Council, the National Platform of the Eastern Partnership Civil Society Forum, and the European Union-Republic of Moldova Civil Society Platform. Budgeted funding of CSO projects increased by 180 per cent in a two-year period, from US\$2,226,387 in 2017 to US\$4,012,566 in 2019, and state allocations and subsidies offered to associations working with persons with various types of disabilities increased by 214 per cent between 2015 and 2019.

In the course of implementing the 2030 Agenda, the Republic of Moldova was one of the first countries to nationalize, and then revise, the national set of SDG indicators, half of which are the global indicators proposed by the United Nations Inter-agency and Expert Group on SDG Indicators. The SDG implementation monitoring and evaluation system is compromised by a lack of data for about a quarter of the nationalized SDG indicators, and by a shortage of disaggregated data for over 30 per cent of the indicators. Timely collection and processing of disaggregated data for the whole set of nationalized SDG indicators is delayed by the limited capacities of national and territorial institutions (data sources) to prepare quality data and by their reluctance to provide them to the National Bureau of Statistics for validation. A number of actions must be taken to acquire the missing data, some with the support of development partners.



OPPORTUNITIES AND COMMITMENTS

To accelerate the implementation of the 2030 Agenda targets, the Government of the Republic of Moldova aims to achieve the following mid-term commitments:

People:

- reforming and optimizing health services, modernizing medical institutions and improving access to safe, quality and affordable medicines and vaccines in order to ensure universal access to basic medical services for the entire population of the Republic of Moldova. COVID 19 revealed the vulnerability of the health systems of both the Republic of Moldova and other countries around the world;
- improving policies to ensure universal access to efficient and sustainable social protection and insurance systems;
- taking further advantage of the progress in the education of children and adolescents, including life skills based education to address risky behaviours among young people;
- proper implementation of tobacco control policies, to help reduce mortality and gender inequalities in major classes of diseases. Full implementation of the provisions of the World Health Organization Framework Convention on Tobacco Control would reduce prevalence of smoking by an estimated 37 per cent in 5 years, 47 per cent in 15 years and 56 per cent in 40 years. This would reduce premature deaths by 224,000 in the next 40 years (88 per cent of whom are men);
- develop and implement people-centered and data-driven demographic policies.

Prosperity:

- promoting energy efficiency and taking advantage of available renewable energy sources, which is a key condition for sustainable development of the economy and contributes to reducing dependence on external sources;
- increasing inclusion in the labour market by promoting and diversifying support programmes in business development, focusing on rural areas, young people and women;
- promoting and implementing vocational training accessible to all who would meet the needs of the labour market;
- improving labour productivity and product competitiveness, and adapting to changing market needs by improving small and medium enterprises' access to funding at reasonable costs, including with the support of development partners, to invest in equipment, innovation capability, and other assets;
- ensuring sustainable wage increases, reducing wage gaps in economic sectors, ensuring increasing economic competitiveness and labour productivity, and reducing economic imbalances between and within development regions;
- raising resources from various sources, including with the support of development partners, for further rehabilitation and modernization of the road infrastructure, including increasing the accessibility of public transport for people from vulnerable groups;



- ensuring access for people with disabilities to public transport and public buildings, in particular to educational institutions, as a precondition for reducing accessibility inequalities;
- ensuring access to capital for purchasing houses for the population, especially for young people and young families;
- implementing policies to reduce migration flows, increase legal employment abroad, promote circular migration, regulate legal immigration of foreign citizens for the purpose of working in the Republic of Moldova, and monitor the return and reintegration of Moldovan migrants.

Planet:

- implementation of the provisions of the Republic of Moldova-European Union Association Agreement, on environmental protection and climate change. Under the commitments, the Republic of Moldova undertakes to harmonize national legislation with European Union Directives in such fields as water, waste and chemical management, industrial pollution management, air protection. Developing and implementing these policies will lead to a healthier environment and implicitly to a better quality of life for the population;
- taking advantage of the technical and financial assistance provided by the European Union and partner countries in the field of environmental protection, which is important and necessary for progress in the field. The assistance provided by the European Union and partner countries through funding and exchange of experience programmes in the field of environmental protection, has enabled the development of several regulatory acts for management in the area. Important funding has also been provided for the construction of water supply and sewerage systems. In 2019, an important agreement was signed with the European Investment Bank for the construction of waste management infrastructure.

Peace:

- continuing and enhancing efforts to complete the reform of the justice system, which will later become restorative in nature (restoring violated rights and interests), re-socializing people in conflict with the law and only then if necessary repressive (sanctioning guilty persons);
- ensuring a transition to community policing that can help to reduce crime. The experience of other states shows that community policing enhances the trust of the population in the police and reduces the level of crime. Police reform and introduction of community policing in the Republic of Moldova are supported by development partners so as to be completed in the coming years;
- digitization of public services and information can contribute to public involvement in the governance process. The available data show that about 25 per cent of the population would be willing to become involved in decision-making on development of the community/city/town. This reveals a potential that could be exploited by the introduction and use of simple e-governance tools;
- implementation of the principles of democratization and demilitarization of the Transnistrian region under the supervision of relevant international actors in order to ensure regional stability and add to global peace and security;



Partnerships

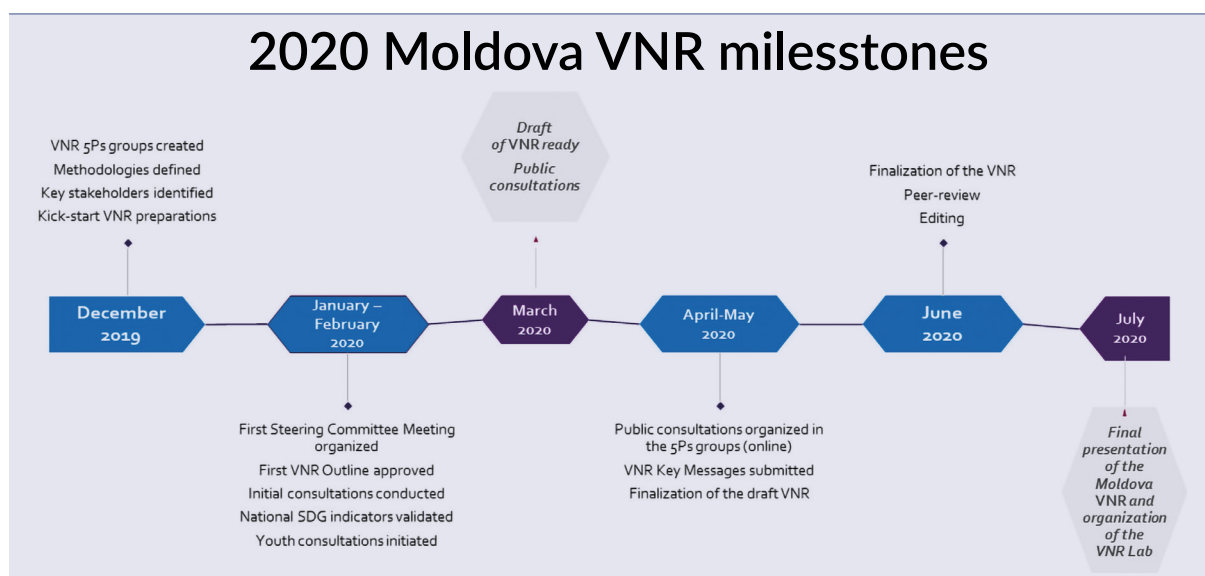
- making optimum and operational a strategic planning system developed with due regard to the national and external financial resources and harmonizing the policy planning process with the Medium-Term Budget Framework, in particular those relevant to the European integration process and the 2030 Agenda;
- changing the manner of coordination of, and harmonization between, policies at different levels and in different sectors, and bringing them into line with the budgetary framework, to significantly improve the coherence and effectiveness of national sustainable development policies;
- ensuring that the public policies developed and implemented are gender sensitive, thus building a favourable and equitable environment for the social, political and economic empowerment of all women and men in the Republic of Moldova;
- enhancing national capacities to negotiate and develop partnerships with both international and national actors to raise funds for sustainable development and to implement the 2030 Agenda. At the same time, taking actions to increase capacity to absorb and effectively use the assistance offered by development partners;
- maintaining and expanding further dialogue with the private sector and CSOs for their comprehensive involvement in sustainable development processes, focusing on enhancing the involvement of young people and the inclusion of under-represented groups in sustainable development processes;
- developing mechanisms to encourage the business community to invest in research and innovation;
- maintaining and expanding international economic partnerships in order to increase and diversify exports of Moldovan products and services;
- increasing investment in development of the national system for producing, collecting and analysing qualitative data disaggregated by income, sex, age, race, ethnicity, migration status, disability, geographical location and other characteristics relevant to the Moldovan context, in order to be able to direct as efficiently as possible efforts to resolve complex issues of sustainable development and poverty eradication;
- collecting and analysing data on poor and vulnerable groups, including Roma people and families with many children, in order to effectively develop and implement public policies based on their needs and respecting the principle of 'Leave No One Behind'.



Methodological Approach

In its first *Voluntary National Review*, the Republic of Moldova pursued the aim to map progress, challenges, and also opportunities with regard the implementation of the Sustainable Development Goals (SDGs). At the same time, assessing to what extent implementation of the SDGs is on track will enable possible solutions to be identified, thereby accelerating progress in the areas that have fallen behind.

The Voluntary National Review was conducted following an Action Plan approved by the Government of the Republic of Moldova under the supervision of a Joint Steering Committee, including representatives from the Presidency, Parliament, Government, central and local public authorities, civil society, private sector, press and academia.



The Report was drafted with analytical and informational support from the ministries and other public authorities, United Nations agencies and the National Bureau of Statistics, with the latter supplying the statistics needed to assess progress. The process was coordinated by the State Chancellery.

The Republic of Moldova also conducted a light Rapid Integrated Assessment (RIA) of its national policy documents (strategies, programmes, plans and so on). This exercise was intended to contribute to identifying gaps and weaknesses within the national policy framework with regard the implementation of the SDGs. The results of this exercise are presented in the Mainstreaming SDGs into national development planning Section of the review.

The Rapid Integrated Assessment (RIA)³ helps countries assess their level of preparedness and institutional capacity for mainstreaming Sustainable Development Goals (SDGs) into national and local development planning. The RIA tool was designed as a preparatory step for the Mainstreaming, Acceleration and Policy Support (MAPS) missions, which brings technical expertise

³ <https://www.undp.org/content/undp/en/home/librarypage/sustainable-development-goals/rapid-integrated-assessment---mainstreaming-sdgs-into-national-a.html>. Percentage is calculated as proportion of number of aligned targets versus total number of national targets in a given goal. Suppose take Goal 5 (gender), where we have seven targets. Six of them are aligned, which gives us 86% of alignment. Even if a target is covered partially, in this assessment it is treated as "aligned".



and advice to Member States in identifying the gaps and bottlenecks in implementing sustainable development and assist in identifying SDG acceleration platforms – areas for effective, efficient, and transparent national and local policies that can push the progress of one or several SDGs combined – and define a country-specific SDG roadmap that feeds into country's sustainable development planning.

Despite the inconveniences induced by the COVID-19 pandemic and lockdown, a number of initiatives were introduced in line with the principle of “leaving no one behind” to ensure that the report was developed in a participatory, interactive and inclusive manner. The broad stakeholder consultative process included online and offline consultations with all relevant actors from civil society (youth, human rights organizations), the business community, academia, development partners and all levels of Government.

The public consultation of the draft National Voluntary Report was ensured online, by organizing 5 sessions to present the main components of the Report through the electronic platform ZOOM. Civil society, representatives of the private sector, academia were informed about the organization of public consultations by sending an invitation to this effect, as well as by placing an announcement on the website of the State Chancellery. During the sessions, the stakeholders had the opportunity to raise their opinion on the conclusions of the Report, but also to come, including, later, with proposals and recommendations for improvement. Also, a public consultation session of the draft Report with all development partners of the Republic of Moldova was organized.

Final consultations were held to discuss and validate the main findings, recommendations and the way forward. In parallel, the National Youth Council of Moldova conducted the national “**Youth for Sustainable Development Goals**” campaign, which resulted in a **Complementary Report**⁴ presenting the opinions of young people regarding the implementation of the SDGs. The title of **Sustainable Development Goals Ambassador** was awarded to 17 winners of a photo contest, organized during the information campaign, aimed at promoting the importance of the 2030 Agenda throughout the Republic of Moldova.⁵

In addition to inclusive and participatory consultations, the **leave no one behind** approach, entailed focusing the analysis from the perspectives of multiple groups (gender, age, income, rural/urban, disability, ethnicity) to understand inequalities and different forms of exclusion and marginalization.

4 Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals http://cntm.md/ro/publication/raport-privind-situa%C8%9Bia-tinerilor-din-moldova-%C8%99i-interac%C8%9Biunea-acestora-cu-obiectivele?fbclid=IwAR0bY_NcPXzJ2fzR2Jpc504nNqf-7EsFFXN4hfkG9fHbD20RDbLIHHqrDLI

5 The campaign was organized by the National Youth Council with support of UNFPA, Swiss Agency for Development and Cooperation, UNICEF, media support from Youth Media Center.



Mainstreaming SDGs into national development planning

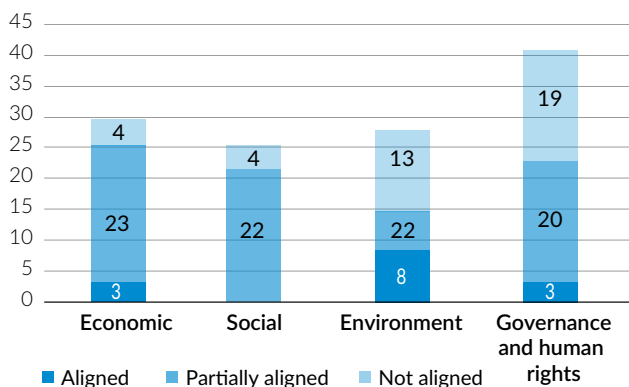
The Republic of Moldova conducted a light Rapid Integrated Assessment (RIA) of its national policy documents (such as strategies, programmes and plans). This exercise was intended to contribute to identifying gaps and weaknesses within the national policy framework about implementation of the SDGs.

The RIA showed that, overall, the national policy agenda is only partially aligned to the SDGs, and a third of the SDG targets are not included in any national policy papers. A total of 169 SDG targets was analysed, and special focus was put on 126 quantitative targets. After mapping the national policy agenda and comparing it with the SDGs, it was found that only 11 per cent of SDG targets were aligned to the national policy papers, therefore, these do not require any adjustments in terms of SDG alignment. In addition, most of the SDG targets (57 per cent) are only partially aligned to the policy papers of the Republic of Moldova – only a few components of these targets are included, and so the relevant national strategies need to be adjusted to better reflect the spirit and details of the SDG targets. At the same time, national policy papers do not reflect about one third of the SDG targets at all.

The SDGs were divided into four sectors: **economic** (SDGs 8, 9, 11 and 12), **social** (SDGs 1, 2, 3 and 4), **environmental** (SDGs 6, 7, 13, 14 and 15), and **governance and human rights** (SDGs 5, 10, 16 and 17). The RIA concluded that the highest level of alignment was for the “environmental” objectives: 8 out of 28 SDG with quantitative targets are aligned to the relevant national strategies, and 7 are partially aligned; the number of misaligned targets is large (13), but 7 of these relate to SDG 14 “Conservation and sustainable use of oceans, seas and marine resources for a sustainable development”, which for obvious reasons were not reflected in the domestic policy documents. Most of the misaligned targets relate to “Governance and human rights” sector: like for SDG 14, many of these targets are not reflected in domestic policy documents as they concern developed

states that are net suppliers of external assistance and play an active role on the international arena (e.g. target 17.12 on the development of a multilateral trading system under the auspices of the World Trade Organization, or target 17.9 on increasing institutional support for enhancing the capacities in developing countries). Instead, most of the economic and social SDG targets are only partially aligned to the national policy planning papers. It is these areas that require most of the efforts to plant the SDGs into Moldovan soil (Figure 01).

Figure: 01 DEGREE OF ALIGNMENT OF SDG TARGETS TO THE STRATEGIC PLANNING PAPERS OF THE REPUBLIC OF MOLDOVA, BY SDG AREAS



Means of implementation of the Sustainable Development Goals

Nationalization of the Sustainable Development Goals

In the Republic of Moldova, the first stage of 2030 Agenda nationalization took place between July 2016 and March 2017. This involved:

- a. determining the relevance of individual Sustainable Development Goals (goals and targets) and analysing the correlation between the 2030 Agenda and national policy priorities;
- b. adapting (formulating) the goals and targets from the 2030 Agenda on the basis of national priorities and needs, and identifying policy papers that are to be mainstreamed;
- c. defining the data ecosystem necessary for monitoring and evaluating SDG implementation.

Subsequently, the Sustainable Development Goals and their targets adapted at national level were integrated into the long-term national vision paper of the country: the National Development Strategy 'Moldova 2030', which is currently in process of being approved, which will be translated into the sectoral strategies in order to be implemented, monitored and evaluated. This is a complex and iterative exercise, involving various stakeholders from the public administration and will take a significant length of time.

Sustainable Development Goals coordination mechanism

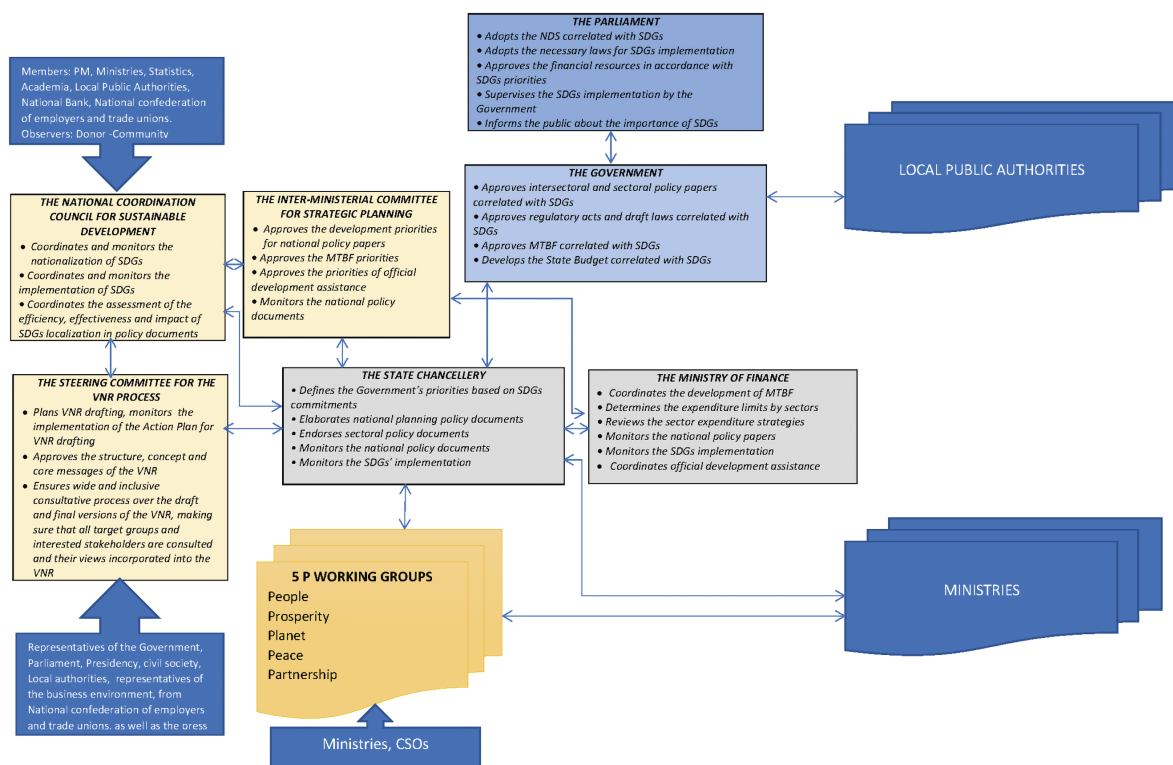
In 2016, shortly after adoption of the 2030 Agenda, the National Coordination Council for Sustainable Development was established to create the appropriate institutional framework and ensure a participatory and transparent process to adapt the Sustainable Development Goals (SDGs) and implement them at national level. It is led by the Prime Minister of the Republic of Moldova.

To ensure a participatory and inclusive process during the drafting of the first Voluntary National Review a Joint Steering Committee was established, including representatives from the Presidency, Parliament, Government, central and local public authorities, civil society, private sector, press, and academia.

The interaction between the institutions directly and indirectly involved in SDG coordination, implementation and review is shown schematically in Figure 02:



Figure: 02 INSTITUTIONAL FRAMEWORK FOR THE SUSTAINABLE DEVELOPMENT GOALS IN THE REPUBLIC OF MOLDOVA



Nationalization of SDG indicators

In the course of implementing the 2030 Agenda, the Republic of Moldova was one of the first countries to nationalize (in 2016⁶) and then revise (in 2019) a **national set of SDG indicators**. Both processes were designed to assess the relevance of each indicator, and then to classify them.

The criteria considered when mapping the global indicators and identifying national ones that are relevant for the nationalized SDG targets include:

- the relevance of the indicator in the context of the nationalized target
- the existence of a reliable primary data source
- the indicator is clearly formulated and does not create ambiguities
- the indicator meets quality criteria such as coherence, accessibility, accuracy and availability of methodology for calculation.

In 2019, to assess the degree of availability of the nationalized SDG indicators, and their level of compliance with the global list of SDG indicators and the proposed international calculation methodologies,⁷ specialists from the National Bureau of Statistics revised the SDG indicators in consultation with national data providers.

⁶ <https://cancelaria.gov.md/ro/apc/nationalizarea-indicatorilor-pentru-monitorizarea-obiectivelor-de-dezvoltare-durabila>

⁷ <https://unstats.un.org/sdgs/metadata/>



The 2019 revision of the nationalized SDGs indicators involved such factors as: (i) the latest development of the **metadata and methodologies for Tier II and Tier III global SDG indicators**⁸; (ii) the impact of the Central Public Administration reform in 2017, which not only optimized institutions, but also **merged, divided and transferred functional competences and duties**, including some related to monitoring the nationalized SDGs at sector level; (iii) the sustainable development strategic objectives set out in the National Development Strategy “Moldova 2030”; and (iv) the need to observe the **commitments assumed by the country** for monitoring and reporting progress achieved in implementing the 2030 Global Agenda by conducting the **Voluntary National Review** in 2020.

During the revision process, 19 of the 232 individual global indicators were considered to be irrelevant for the Republic of Moldova, and 213 were determined to be relevant (even if only for international comparability) – an increase of 41 indicators (or about 23.8 per cent) compared to the number of nationalized global indicators in 2016 (172 indicators).

As the global indicators were formulated to allow comparability of data at global level, not all of the indicators determined to be relevant during the revision exercise could be taken on in identical form; they were **adjusted** and **broken down**, as well as complemented, if necessary, with **national proxy** indicators, to allow more comprehensive coverage of the national context. As a result, 338 relevant indicators were obtained: of which 300 are standalone indicators, 13 are repeated within different targets a number of times (or 21 individual indicators), and 17 will be reviewed after completion of the global metadata. The current set of reviewed indicators has 112 indicators more than the final nationalized set of 2016, an increase of 49.6 per cent.

Of the reviewed indicators, 121 are global indicators (or 35.8 per cent), 53 are adjusted global indicators (15.7 per cent), are 77 are global broken down indicators (22.8 per cent) and 87 are national proxy indicators (about 25.7 per cent).

Table 01. SUMMARY OF NATIONALIZATION (2017) AND REVISION (2019) OF SDG INDICATORS

Type of indicator	Nationalization	2017		Revision	2019	
		No	%		No	%
Global		162	72		121	36
Global adjusted or broken down		10	4		130	38
National proxy		54	24		87	26
TOTAL		226	100		338	100

⁸ <https://unstats.un.org/sdgs/indicators/indicators-list/>



BOX. TYPOLOGY OF NATIONALIZED SDGS INDICATORS.

When the global indicator was considered relevant as a whole, but another source was used at the national level for its production, some components or another unit of measurement was used, these were **adjusted** to the national context. As some of the global indicators are formulated very generally or in a very complex manner, integrating several elements, in some cases the indicators were **broken down** into a number of unitary indicators to minimize their generalist nature and to establish a separate unit of measurement for each indicator.

The category of **national proxy indicators** is made up of indicators that do not have **calculation methodology** at global level (Tier III), or that are based on the peculiarities of the methodologies used for their calculation, enabling indirect measurement of the global indicators, or those that were identified as being necessary for completing data for certain global indicators. Depending on the existing sources, these indicators were substituted by similar alternatives based on existing international methodologies, or alternatively based on national methodologies. An essential condition for formulating the indicators was that they were compliant with the general context of the target and global indicator.

Particular attention was paid during the revision process of assessing the **availability of indicators and their disaggregation**. Thus, from the perspective of the **availability of SDG indicators**: 157 indicators (46.4 per cent) are fully available; 104 indicators (30.8 per cent) are partially available, with the possibility to easily estimate the missing elements; and 77 indicators (22.8 per cent) are missing and require a number of actions to produce them, some with external support. Moreover, **disaggregation** in line with the requirements of global metadata is fully possible for 194 indicators (57.4 per cent); partially possible for 60 indicators (17.8 per cent) with the possibility of easy calculation; and missing for 84 indicators (about 25 per cent) with certain actions required for calculating them.

The full availability is confirmed for 58 (47.9 per cent) of the 121 global indicators, 20 (37.7 per cent) of the 53 global adjusted indicators, and 32 (41.6 per cent) of the 77 global broken-down indicators. In addition, 47 (54 per cent) of the 87 national proxy indicators are fully available.

Table 02. AVAILABILITY OF REVISED NATIONALIZED SDG INDICATORS (2019)

Availability of indicators	Global				Global adjusted				Global broken down				National proxy				Total
	Fully	Partially	Missing	Total	Fully	Partially	Missing	Total	Fully	Partially	Missing	Total	Fully	Partially	Missing	Total	
Total	58	22	41	121	20	25	8	53	32	28	17	77	47	29	11	87	338

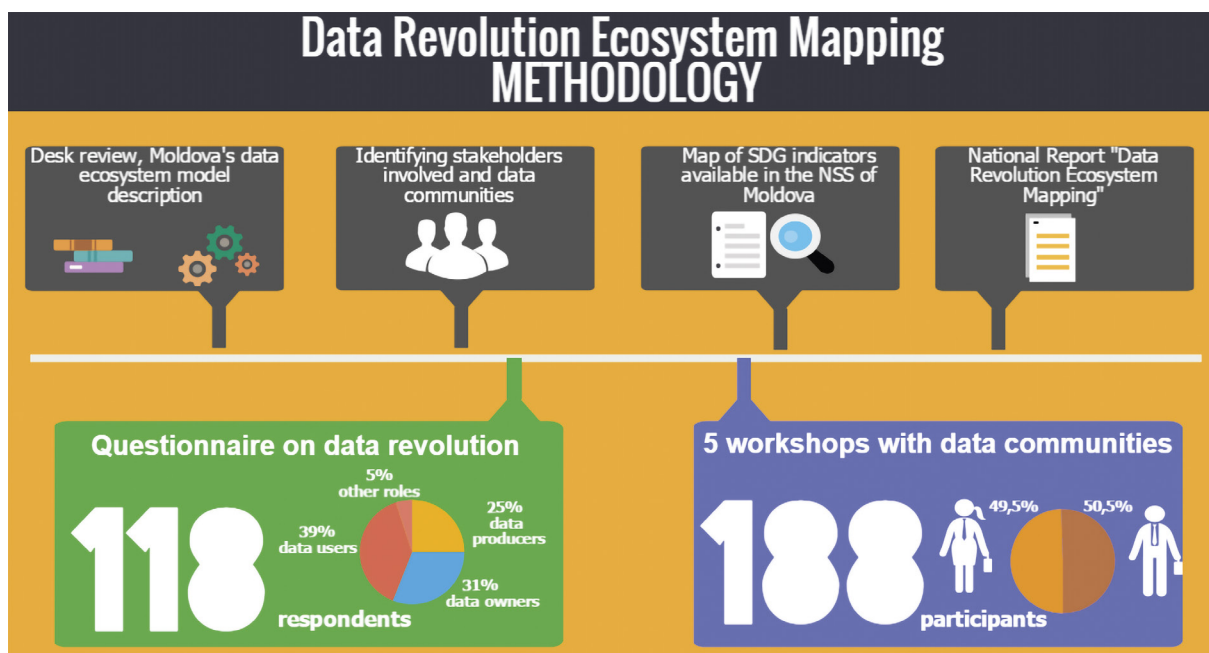


Thus, the SDG implementation monitoring and evaluation system suffers lack of data for about a quarter of the nationalized SDG indicators, and shortages of disaggregated data for over 40 per cent of the indicators.

Timely collection and processing of disaggregated data for the whole set of nationalized SDG indicators is delayed by the limited capacities of national and territorial institutions (data sources) to prepare quality data and by reluctance to provide them to the National Bureau of Statistics for validation. A number of actions are needed to collect the missing data, including with the support of the development partners.

Statistical ecosystem

In 2018, after a round of complex consultations with policy-makers, line ministries, public institutions, private organizations, civil society and development partners and an online questionnaire, a national report was developed to **inventorize the data system in the country**. Its overall objective was to **assess the availability of data** and the **institutional modernization capacity** needed to implement the 2030 Development Agenda.



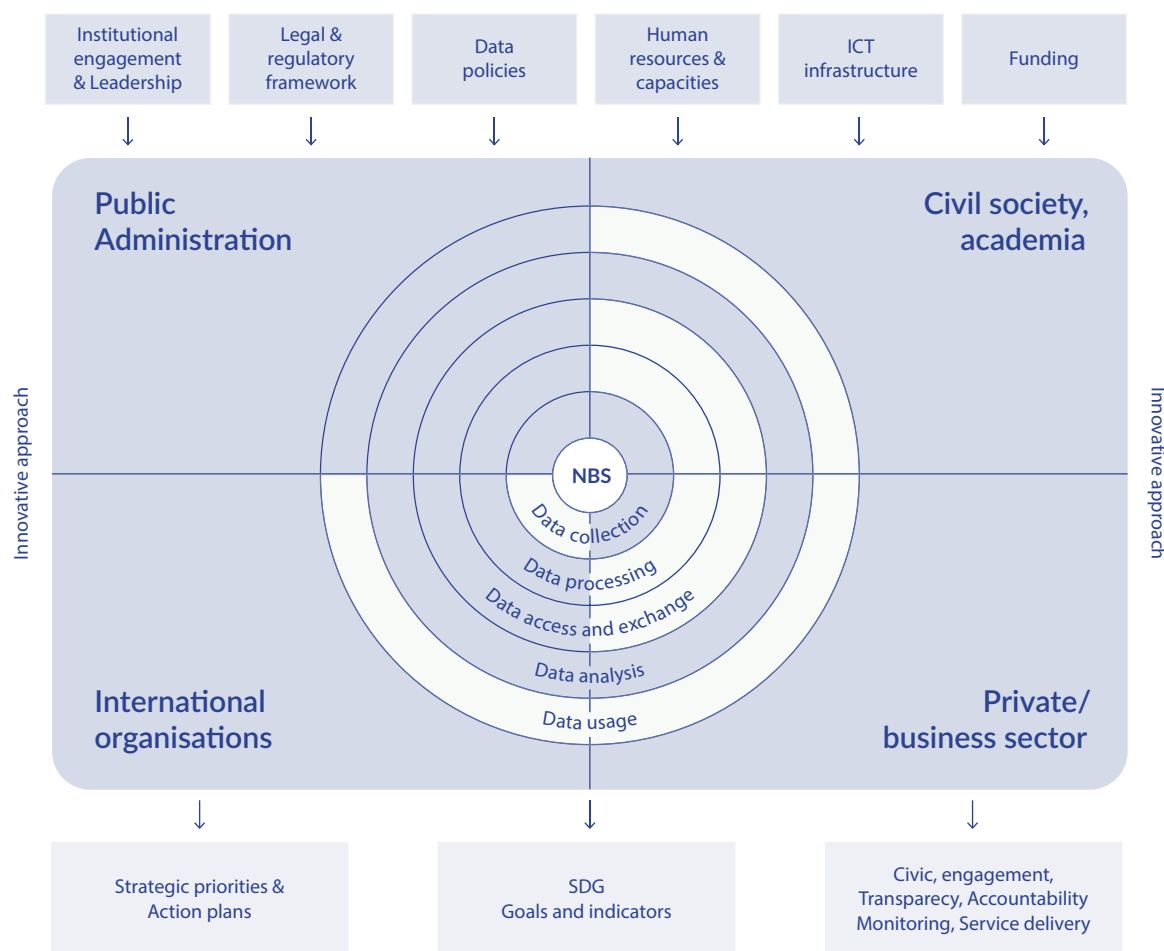
The evaluation covered official statistical capacity, capacity at the level of institutions (the regulatory and policy framework on data, human, information and financial logistics resources), premises and obstacles for multi-stakeholder engagement on data for implementation and monitoring of the SDGs, the role of innovation and new technologies, the infrastructure requirements for improved collection, dissemination and use of data, and efforts to support the creation of a national legislative framework for monitoring and accountability of development delivery.

- The key elements of an inclusive **data ecosystem** include:
- **Engagement around the decision-making process** (from Government to CSOs and the private sector)



- **Required resources** (from institutions to human resources and infrastructure)
- **The data generation and use cycle** for **monitoring and evaluation of policy implementation**
- Enabling through **transparency and partnership**.

Figure: 03 THE DATA ECOSYSTEM MODEL IN THE REPUBLIC OF MOLDOVA



The produced document⁹ recommends, on the other hand, that actions be taken at national level to achieve data revolution. Citizens and civil society need to be empowered with more responsibility and to be involved in decision-making processes. In addition, the number of official statistics data producers should be increased. At the same time, formal and professional education and data literacy are absolutely necessary to enable the development of skills and allow efficient and full use of data.

The document was produced in the framework of a UNDP-supported global initiative,¹⁰ and undertaken in the Republic of Moldova and other six different countries for mapping / inventory of the data system in each country, as required for measuring the progress of sustainable development.

⁹ <https://www.md.undp.org/content/moldova/en/home/library/sdg/cartografierea-ecosistemelor-pentru-revoluia-datelor-in-republic.html>

¹⁰ <https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/data-ecosystems-for-sustainable-development.html>



Leaving no one behind principles of this VNR

Since the country's independence in 1991, human development in the Republic of Moldova, has been largely determined by a number of demographic, social, economic, climatic and governance factors. The Republic of Moldova is facing severe demographic decline. Emigration, in particular of young people and people of reproductive age, including qualified professionals, low fertility, low life expectancy and population aging are the main factors, which – when taken into consideration – are leading to a decrease in the number of the population by more than 1.7 per cent per year, and hence the labour force is likely to reduce the country's potential for economic development, and cause 'resistance' in the health and social protection system. According to current forecasts, by 2035 the country's population could fall to two million people, and every third person would be over 60 years of age.

In 2019, the Republic of Moldova started to put in place a new set of employment and training services aiming, in particular, at vulnerable groups. These programmes were designed on the basis of regional best practices. Many of these programmes are being implemented with the involvement of civil society and private sector organizations. The consolidation and extension of these programmes will contribute to and take advantage of the results obtained in primary and secondary education.

A number of major decisions were made to reduce poverty and promote the social inclusion of people from disadvantaged groups. Multifunctional social service networks were developed, which helped to improve disadvantaged groups' access to relevant needs-based services. Efforts were made to increase access to housing by implementing the First House programmes and several projects aimed at financing social housing for vulnerable families.

YOUTH: In urban areas, access to housing for the most vulnerable groups, including young people and young families, is still a challenge due to their limited ability to invest the first instalment, which is quite high. Paying rent for flats is also a challenge that leads to renting of housing by several people.

Young people face employment problems, even if the percentage of young people not in employment, education or training (NEET) is declining. In 2018 they accounted for almost a quarter of young people aged 15-29 and about 16 per cent of those aged 15-24. These are much higher than the EU average (12.9 per cent of those aged 15-29 and 10.5 per cent of those aged 15-24), but also comparable to some EU countries.

Young people's access to the labour market is constrained by several barriers, such as: (i) longer and more insecure transitions from school to work; (ii) inability to meet the requirements of employers who, in a market economy environment, opt for a skilled, experienced workforce; (iii) insufficient correlation between the educational offer and the requirements of the labour market,



which leads to young people being employed in jobs of lower quality than the qualifications they hold; (iv) the salary levels offered by employers being below the expected level; and (v) the assumed migratory behaviour that has formed in Moldovan society over the last two decades.

ROMA: To ensure effective access of the Roma beneficiaries to social and public services, in 44 settlements of the Republic of Moldova inhabited by the Roma compactly or with representatives of other ethnicities, 48 community mediator positions were established, the bearers of which are directly responsible for communication with local relevant institutions. However, Roma people still feel discriminated against in several areas (such as health, employment, education and social services). For example, 80 per cent of the Roma population do not have specialties that provide them with a minimum qualification, which makes it very difficult for them to be employed in a formal and productive way. Roma people are also poorly represented in public authorities, also there is a lack of adequate financial resources to pay the work of community mediators. At the same time, as the Roma tradition and culture are not promoted enough, they are on the verge of extinction.

Sample of success story: **ROMA WOMEN ARE MAKING HISTORIC GAINS**



Gribova, the Republic of Moldova – *Angela Radita's first encounter with discrimination was sudden and stinging. An avid student who stayed up late to read by candlelight before electricity became available, she had finished college and applied for a librarian's post but was rejected because she belongs to the Roma minority.*

"If something new comes up, I'll let you know," the hiring manager told me. 'But now we have no places available.' I have never worked as a librarian. And this is the greatest pain of my life. I had studied and worked hard, but it wasn't enough," Radita says. "I just cried. For the first time, I encountered distrust solely because of my name, which revealed my ethnicity."

Beyond her own disappointment, she feared that her experience would discourage other Roma girls from pursuing their dreams. If she – the first Roma child to leave this small northern village to attend college – couldn't find work in her chosen profession, why should they try?

Radita, now 49, spent the next decade working the village land alongside her mother, Olimpiada, and her grandmother, Maria.

In 2004, a relative of Radita's mother returned from the capital, Chisinau, 200 kms away, with the idea of starting a local non-governmental organization (NGO) to support Gribova's Roma minority. Radita liked the idea, founded an NGO, and began years of mentoring, and participating in training and other events organized by international organizations and NGOs. She became a civic activist, and the more she learned about her own rights, the more ambitious she became about changing lives in her community.



In 2013, she became a community mediator for the mayor's office in Gribova. In this role, she advised citizens about problem-solving and interacting with authorities – helping them to complete job and loan applications, for example, or to find medical care.

In 2018, Radita volunteered with a UNDP voter education campaign ahead of the February 2019 parliamentary elections. More than 11,000 Roma people of all ages took part, including 6,350 women and girls.

Radita went door to door, informing Gribova villagers of their right to vote and encouraging them to get involved and cast ballots.

After October 2019 local elections, Radita became one of a record 12 Roma elected across Moldova as local councilors – six women and six men. In her own small village of Gribova, the local council comprises five men and six women. Radita is the only Roma councillor.

“The problems I see every day make me want to bring about positive change for Roma and non-Roma women – in Moldova, the challenges we face, and our fate, are almost the same,” she says. “I plan to get involved in social projects for the benefit of all the people. Because everything I do, I do for my village, for my community, for the people who live in this village, regardless of ethnicity.”

Having refused her mother's offer to marry her off at 14, Radita married later, at 35. Her own teenage daughter, Romanita, will have her parents' support in whatever path she chooses, Radita says.

Source: UNDP Moldova

WOMEN AND CHILDREN: Gender inequality in the labour market remains as significant as the prevalence of gender-based violence. The employment rate of women aged 25-49 with at least one preschool child is 20 per cent lower than the employment rate of women in the same age group, but with no preschool children. Increasingly more women and children are affected by crime. According to official data, the number of victims of domestic violence and sexual assault (crimes that mainly affect women) increased by 13 per cent and 137 per cent respectively between 2013 and 2018. Crimes against children increased by about 130 per cent between 2010 and 2018.

Many schools do not have well-equipped sanitary blocks, while toilets are usually located outside the building and do not have necessary safe or gender-sensitive conditions (in the villages). Furthermore, the situation created by the COVID-19 has revealed that the education system is insufficiently prepared to continue quality education remotely. Students with no access to technology, as well as children and adolescents with disabilities are most at risk of falling behind, especially during the COVID period when classes are conducted online.

There are gender inequalities in mortality for various types of illness and disease. For some diseases, the mortality rate of men aged 35-59 is nine times higher (for self-inflicted injuries) or six



times higher (for accidents, pneumonia and acute infarction) than that of women in the same age group.

MIGRANTS: Many labour migrants are facing issues related to abuse and exploitative conditions in the recruitment process by the private employment agencies, which can charge exorbitant recruitment fees. Subsequently on starting their employment, many have no access to efficient complaint and resolution mechanisms, when they face exploitation and work accidents.

The Republic of Moldova has effective mechanisms to protect migrants working in the country and its nationals working abroad. The State ensures, according to the legislation in force, the protection of migrant workers regardless of race, nationality, ethnic origin, language, religion, sex, opinion, political affiliation, wealth or social origin. The Government exchanges information and cooperates with trade unions and employers on a regular basis to protect the rights of migrant workers, who are also protected against forced labour by the Constitution of the Republic of Moldova.

ELDERLY: Age discrimination on the labour market is quite common in the Republic of Moldova, affecting not only the youngest, newcomers to the labour market, but also the oldest, who are over 50. The main form of discrimination that older employees face relates to the right to work (they are incentivized to leave voluntarily, have more limited access to training, difficulties finding jobs and so on).¹¹

Testing of elderly-friendly jobs in 30 public and private sector workplaces in the Republic of Moldova,¹² has revealed that two-thirds of workplaces tested meet none or almost none of the needs of the elderly and only a third have a somewhat elderly-friendly environment. Improvements are required in human resource planning, recruitment, training and professional development, and employment retention. Information and awareness campaigns should be arranged for society and employers on integration into the labour market of the elderly, and human resources managers also need training to increase/adapt jobs for the elderly.

STATISTICS FOR LEAVING NO ONE BEHIND: the Republic of Moldova is committed to increasing investment in development of a national system for production, collection and analysis of qualitative data disaggregated by income, sex, age, race, ethnicity, migration status, disabilities, geographical location and other characteristics relevant to the national context, in order to be able to direct as efficiently as possible efforts to resolve complex issues of sustainable development and poverty eradication.

The country will invest in collecting and analysing data on poor and vulnerable groups, the Roma people, and families with many children, in order to effectively develop and implement public policies based on their real needs and to respect the principle of 'Leave No One Behind'.

11 Help Age International Moldova, Secretariat of Platform for Active Ageing

12 Ministry of Health, Labour and Social Protection, HelpAge International Moldova, the results of testing elderly-friendly work practices in 30 companies/institutions in the Republic of Moldova





Consiliul Național
al Tineretului din Moldova

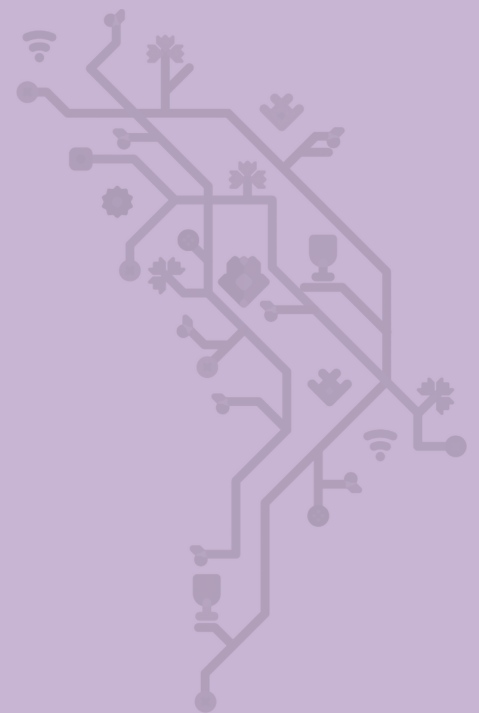


UNITED NATIONS
MOLDOVA



Chapter I: PEOPLE

We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.

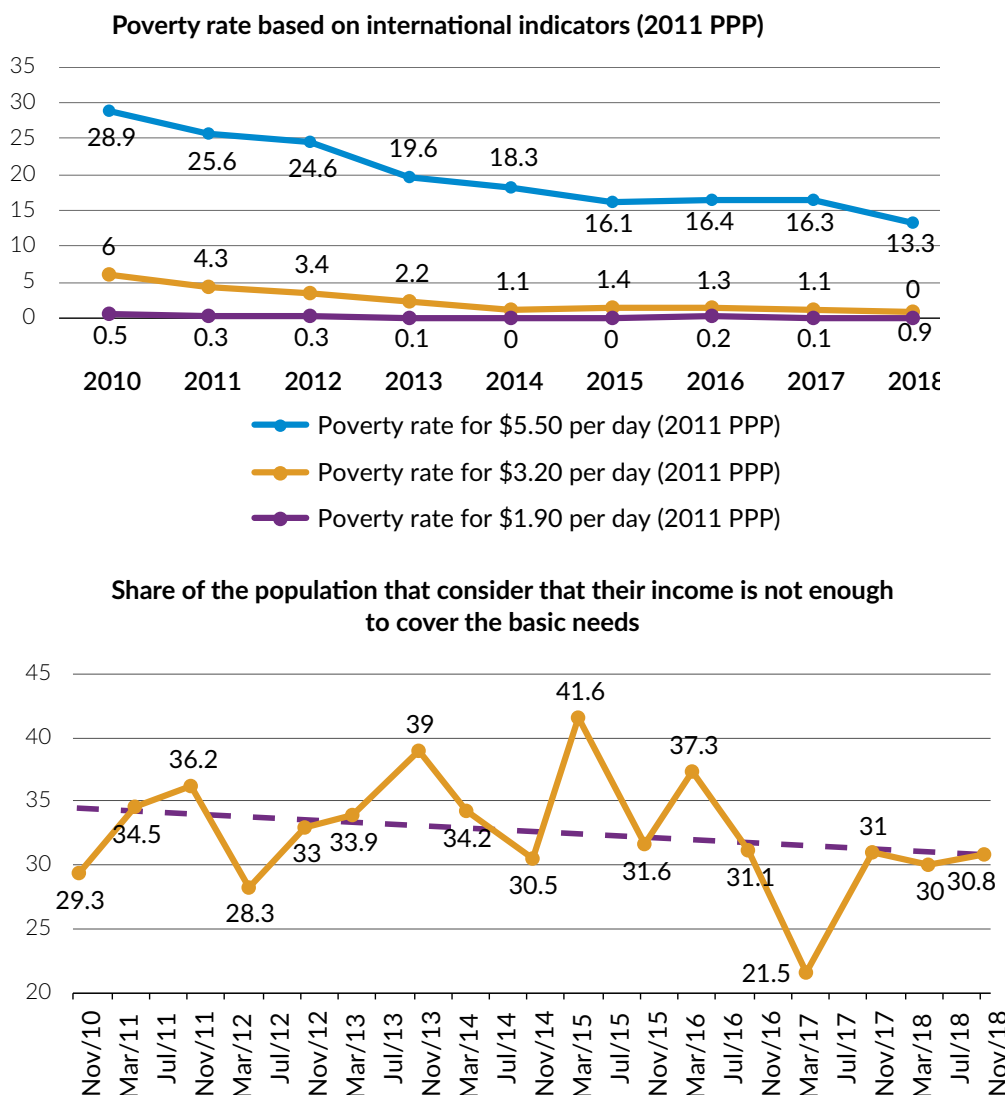


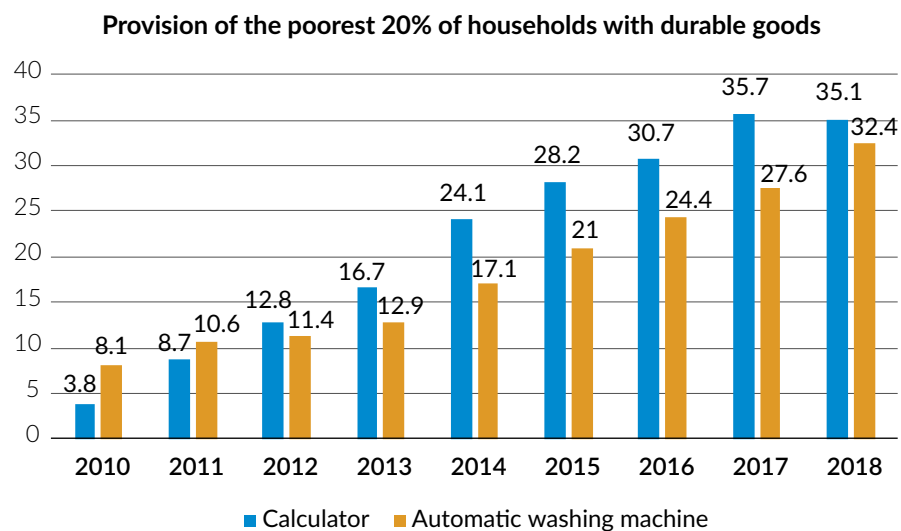
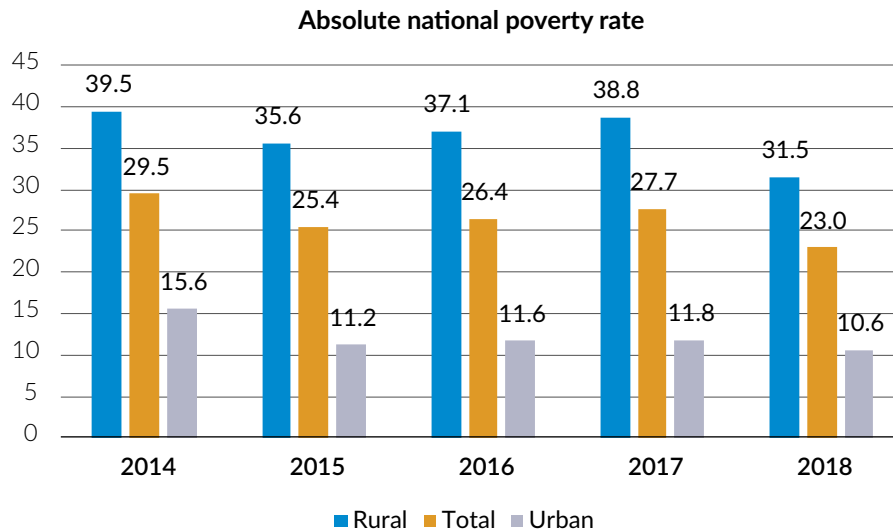
NO POVERTY

Poverty reduction and promotion of inclusive well-being are the primary objectives of the national authorities. This was achieved before inclusion of the first Sustainable Development Goal (SDG 1) in the 2030 Agenda for Sustainable Development. This Goal is being achieved by the authorities both by means of an increasingly strong social protection system and also by integrating an inclusive development perspective into all sector policies.

Poverty is declining. The most common tool for measuring poverty is the poverty rate, the proportion of the population, whose economic resources are below the level needed for a decent living in relation to the general population. The international (used by the World Bank) and national poverty indicators are showing declining trends (see the figure below). The percentage of the population with an income below US\$5.50 per day (adjusted to purchasing power parity) fell from 29 per cent in 2010 to 13.3 per cent in 2018. The absolute poverty rate, estimated in the population with ordinary residence, has had a relative downward trend, from 29.5 per cent in 2014 to 23.0 per cent in 2018.

Figura: 04 INDICATORS OF THE DYNAMICS OF POVERTY IN THE REPUBLIC OF MOLDOVA



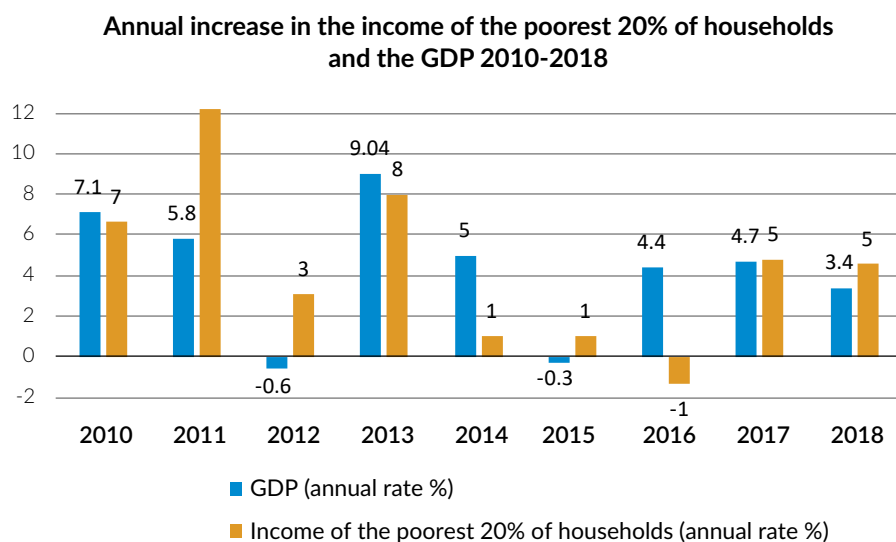
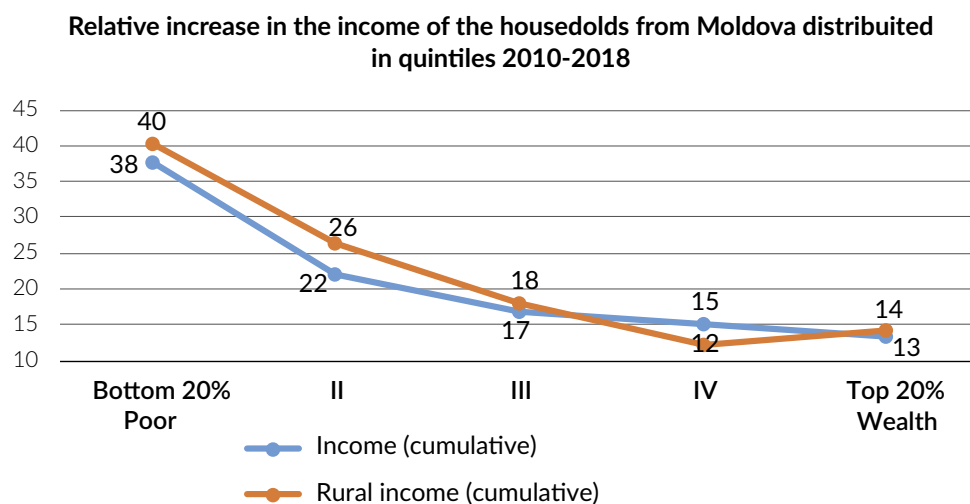
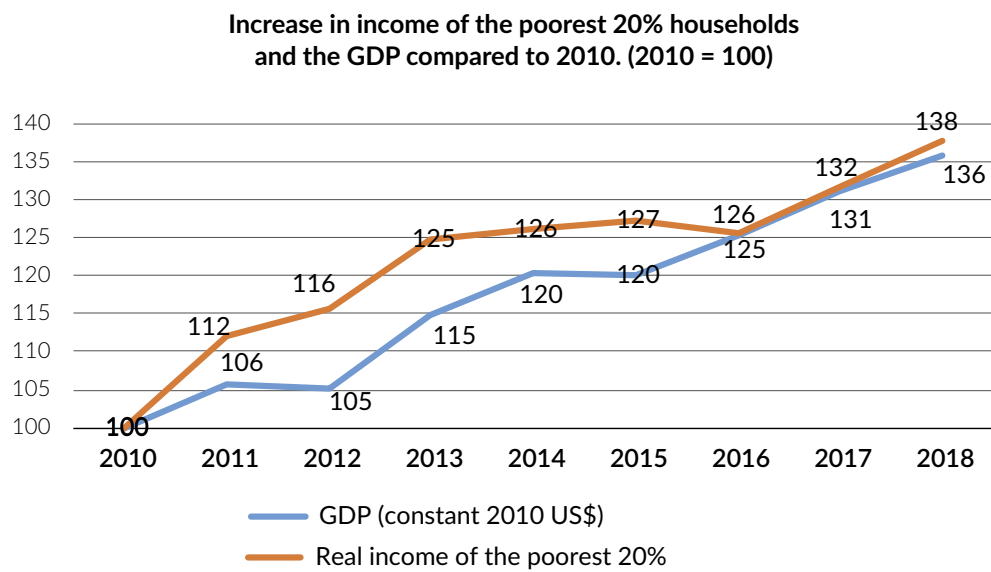


Sursa: World Bank poverty & equity data portal, NBS, PPI/POB

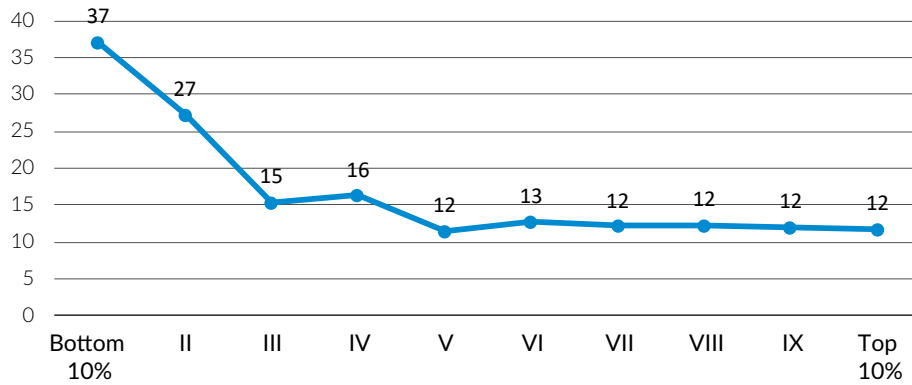
The income of the poorest households is growing. The real income (adjusted to inflation) of the poorest 20 per cent of households was 38 per cent higher in 2018 than in 2010. The level and rate of income growth for the poorest households followed growth in gross domestic product (GDP) relatively closely. This indicates that in recent years even the poorest households enjoyed economic growth. Moreover, the rate of growth for poorer Moldovan households in percentage terms was higher than that of richer households. For example, for the poorest 10 per cent of households, income increased by 37 per cent between 2017 and 2010, while the income of the richest 10 per cent households increased by 12 per cent over the same period. However, the relatively small increase in the income of rich households should be treated with scepticism,¹³ since as the income of rich households may be underestimated in the Household Budget Study (HBS) conducted by the National Bureau of Statistics. Although the income of poor households increased, the rate of growth has been moderate since 2015.

13 See the World Inequality Report, page 29 <https://wir2018.wid.world/files/download/wir2018-full-report-english.pdf>



Figure: 05 TRENDS IN INCOME INCREASES FOR HOUSEHOLDS IN THE REPUBLIC OF MOLDOVA 2010-2018

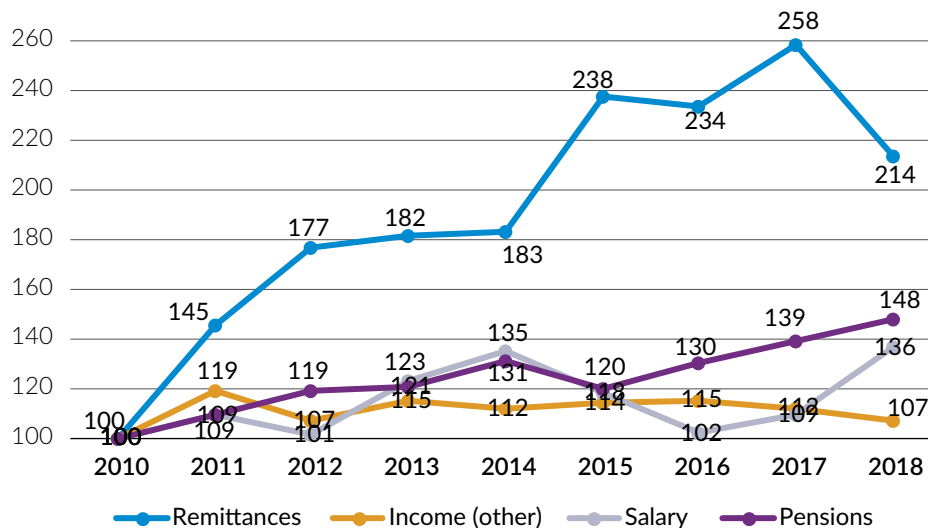
Provision of the poorest 20% of households with durable goods



Sursa: NBS, World Bank

The income of the poorest households has increased due to remittances and pensions. The figure below shows how the most important sources of income for the poorest 20 per cent of households has increased since 2010. In real terms, the most spectacular increase in income sources was remittances, which increased by 157 per cent between 2010 and 2017. In 2010, remittances accounted for 9 per cent of the income of the poorest 20 per cent households, while in 2017 they accounted for 18 per cent. Since 2015, pensions have become a more significant source of income. This reveals a specific feature of poverty in the Republic of Moldova – a large proportion of poor households are households with elderly/retired people, which makes them even more vulnerable.

Figure: 06 CUMULATIVE INCREASE IN INCOME SOURCES FOR THE POOREST 20% OF HOUSEHOLDS IN THE REPUBLIC OF MOLDOVA 2010-2018

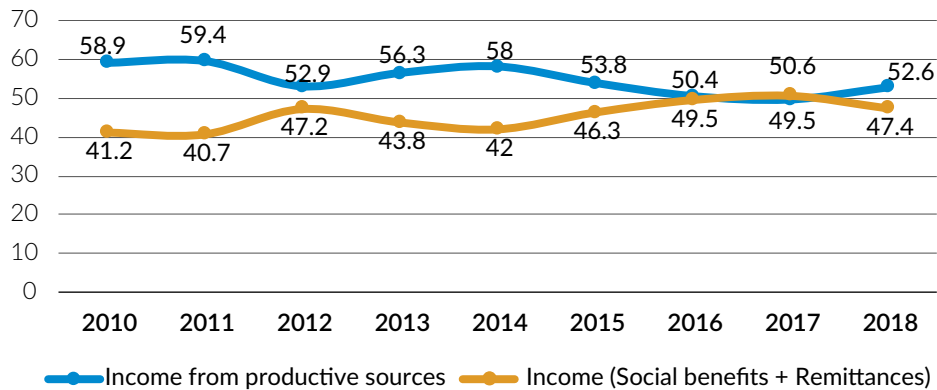


Sursa: NBS



Productive sources of income have tended to decline. The proportion of household income from salaries, agricultural and other productive sources is decreasing. Similarly, in recent years, remittances have also been decreasing as a proportion of income. Social payments (pensions, social assistance and assistance for the cold period of the year) have increased in relative terms. If these trends continue and increase in the future, the poverty reduction model of the last 15 years (based on remittances) will be replaced by a model based on social payments.

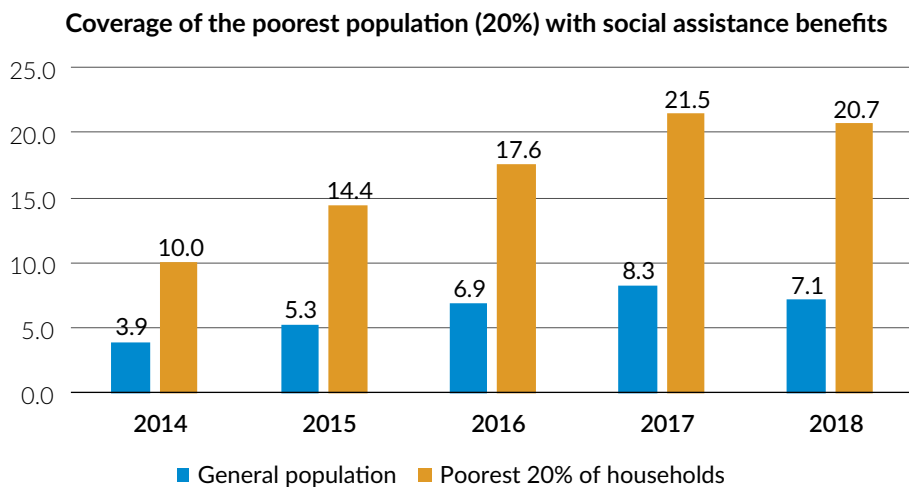
Figure: 07 SHARE OF INCOME SOURCES OF THE POOREST 20% HOUSEHOLDS FROM THE REPUBLIC OF MOLDOVA 2010-2018



Sursa: NBS

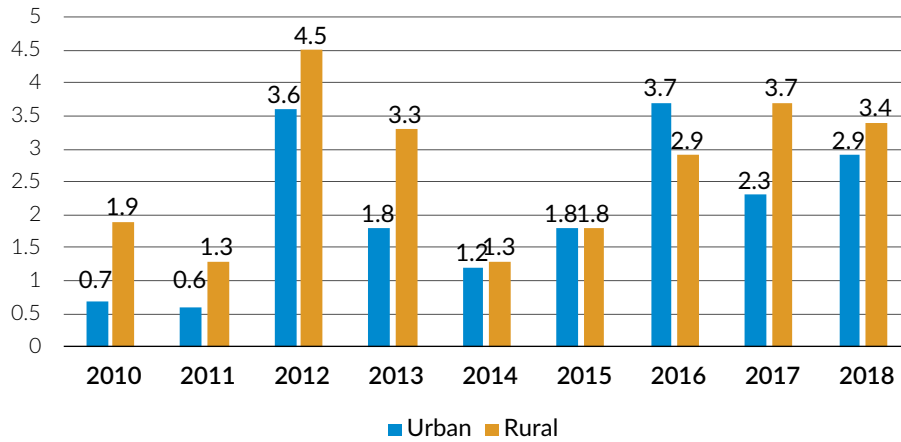
Social assistance benefits have become more targeted and effective. A relevant target in the SDG 1 is implementation of a social protection system to support the most vulnerable and poorest people and groups. In recent years, the coverage of the poorest population (those in the poorest 20 per cent of households) with Social Assistance benefits has steadily increased, from 10 per cent in 2014 to 20.7 per cent in 2018. Recent analysis¹⁴ found that the tax system, including social benefits in the Republic of Moldova, is quite pro-poor and has a significant effect on poverty reduction.

Figure: 08 INDICATORS REGARDING THE TARGETING AND EFFICIENCY OF SOCIAL ASSISTANCE BENEFITS



14 Cojocaru, Alexandru; Matytsin, Mikhail; Prohntichi, Valeriu. 2019. Fiscal Incidence in Moldova : A Commitment to Equity Analysis (English). Policy Research working paper; no. WPS 9010. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/903391568378086835/Fiscal-Incidence-in-Moldova-A-Commitment-to-Equity-Analysis>

The share of social assistance benefits in the total income of the poorest 20% of households

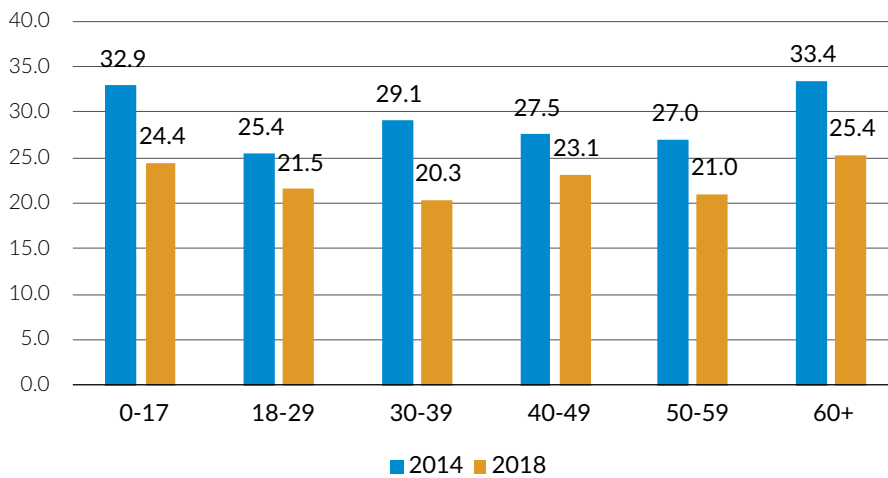


Sursa: NBS

Children and the elderly are more affected by poverty. The poverty rate is higher for children and in particular for the elderly. Though in recent years, the proportion of the income of households with elderly members from pensions has increased, for some of these households, pensions are insufficient to provide a decent living.¹⁵ This indicates a need to strengthen the pension system reform initiated by the authorities in 2016 and promote active employment policies for the elderly. The gender dimension of poverty requires further study. Official data on the poverty rate show a higher level of poverty among men. At the same time, the subjective level of appreciation of poverty shows an opposite situation (see the figure below).

Figure: 09 POVERTY RATE AND LEVEL OF SELF-APPRECIATION OF POVERTY BY AGE GROUPS AND SEXES, 2014-2018

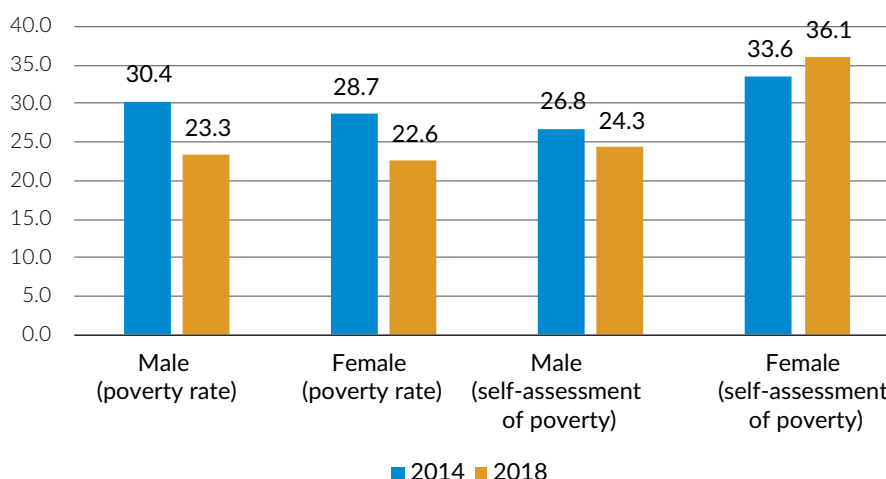
Poverty rate by age groups, 2014-2018



15 From 1 April 2020, the amount of the minimum old-age pension is 1,131.46 MDL and cover only 70% of the subsistence minimum for pensioners.



Rate of poverty and self-appreciation of poverty by sexes, 2014-2018



Sursa: NBS, PPI/POB

Voice of Youth

"Citizens of the Republic of Moldova, often young people of working age, go abroad, either because of poverty or because of lack of prospects, in search for a better life and a better paid job outside the country," Girl, 19 years old, Cimislia.

High levels of poverty cause young people to leave the country in search of better opportunities. This is resulting in a dramatic decrease in the youth population, which fell by 20 per cent from 924,000 in 2014 to 743,000 in 2019.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

To fulfil the commitments of the 2030 Agenda for Sustainable Development on poverty reduction and ensuring inclusive well-being, the authorities are proposing a more comprehensive approach.

In addition to provision of social benefits this will be based on empowering and boosting the accumulation of income from sustainable sources, including salaries and economic activity. In this regard, public policies will encourage people, especially vulnerable groups, to achieve their professional aspirations as both employees and employers, thus leading to the development of a strong, inclusive and prosperous economy. An example of this approach is the approval of the Law on the Promotion of Employment and Unemployment Insurance. The provisions of the new Law irrespective of religion, sex, origin or any other criterion of discrimination (Article 2(4)) and are intended to prevent unemployment, increase the chances of employment of people looking for work, encourage employers to employ the unemployed, create new jobs, ensure high levels of employment and adapt the workforce to the labour market requirements. The Law provides for new measures that increase the involvement, openness and participation of jobseekers, the unemployed and employers in implementation of employment measures.

HEALTH AND WELL-BEING

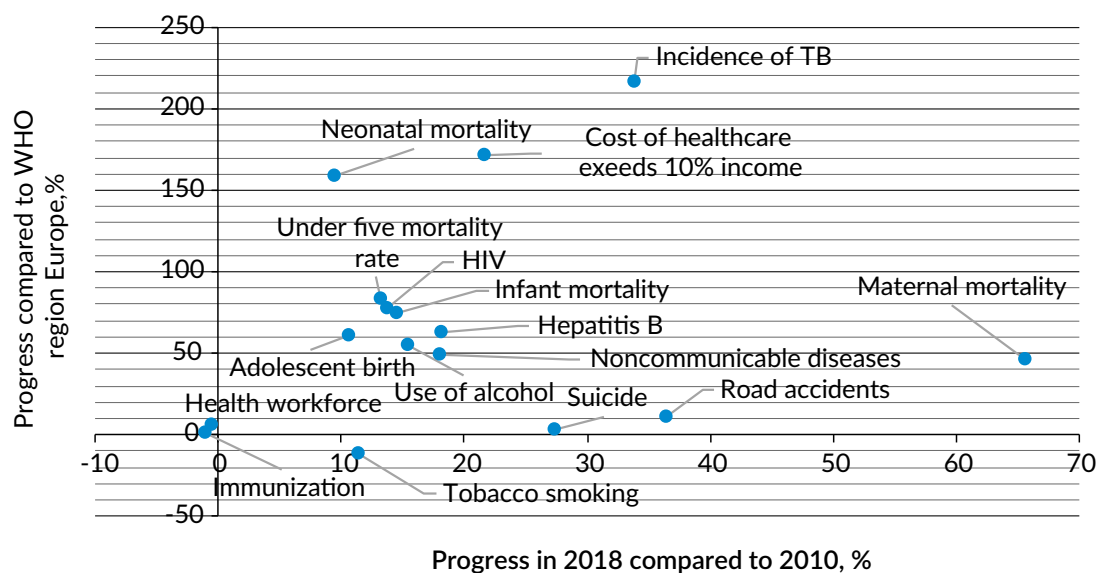
Public health is a major social concern, so the Government's actions are intended to provide citizens with high-quality medical services and affordable prices for efficient and good-quality



medicines. In this context and given their commitments under SDG 3, the authorities have initiated several reforms and interventions to achieve these objectives. The National Health Policy of the Republic of Moldova 2007-2021 aims to improve the health of the population and reduce inequities between social groups and regions in the country.

While there has been progress in recent years in meeting commitments under SDG 3, the indicators still fall behind regional comparators. The chart below shows these two situations. The progress in percentage terms between 2010 and 2018 is shown on the horizontal axis, with positioning further to the right indicating more significant progress. The vertical axis represents the indicators to the average values of the WHO European region,¹⁶ with higher figures indicating that the country is further from reaching the regional average. We can conclude the following: (a) compared to 2010, the Republic of Moldova made progress in 2018 for the vast majority of targets included in SDG 3,¹⁷ reducing the mortality rate of non-communicable diseases by 20 per cent, and making progress in reducing suicide, road accidents and incidence of tuberculosis; (b) at the same time European average rates have not been attained, even though incidence of tuberculosis in the Republic of Moldova fell by 30 per cent, the indicator is still 217 per cent higher than the European regional average. Vaccine coverage of children with routine vaccines did not change significantly (the percentage of children vaccinated with DTP 3 was 89.5 per cent in 2010 and 91 per cent in 2019) and did not reach the 95 per cent target. This indicates the need for a strong and comprehensive public policy response.

Figure: 10 PROGRESS IN 2018 COMPARED TO 2010 AND COMPARED TO THE AVERAGE OF WHO COUNTRIES IN EUROPE



Source: NBS, WHO, World Bank

16 <http://www.euro.who.int/en/countries>

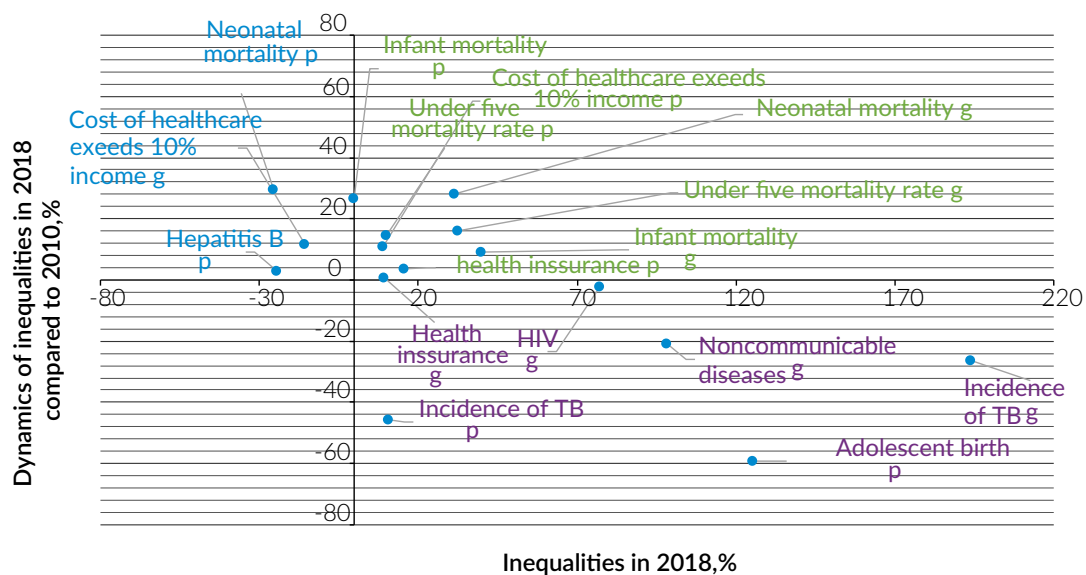
17 Progress related to maternal mortality need to be interpreted carefully because 2010 was a rather atypical year in which this indicator (quite volatile for Moldova) was very high.



In the context of a new cycle of health policy response, included in the 2030 Agenda for Sustainable Development, the strategic goal for health policies and interventions is to focus primarily on promoting healthy and active lifestyles, as well as on prevention, quality diagnosis and early and continuous intervention, thus reducing health inequities, especially concerning access to health services in rural areas and health insurance coverage. At the same time, to have a positive impact, the health system, in collaboration with institutions outside the system, will reduce the influence of risk factors and will create the best possible mechanisms to react to their influences on public health.

Some health inequities have reduced. To better understand the trends in inequalities concerning the main SDG 3 targets, the figure below correlates the level of inequalities in 2018 (horizontal axis) with how they changed between 2010 and 2018 (vertical axis). The chart shows three types of outcome, marked with different colours. Most of the inequalities for which basic data are available (eight in total) are marked in green: these reduced between 2010 and 2018. Four inequalities are marked in red colour: these became more pronounced between 2010 and 2018, and include gender inequalities concerning the mortality rate for non-communicable diseases. Inequalities for both gender and rural/urban location increased with regard to incidence of tuberculosis. The third group of inequalities, marked in blue colour, are inequalities that reversed between 2010 and 2018.

Figure: 11 EVOLUTION OF HEALTH INEQUALITIES 2010-2018



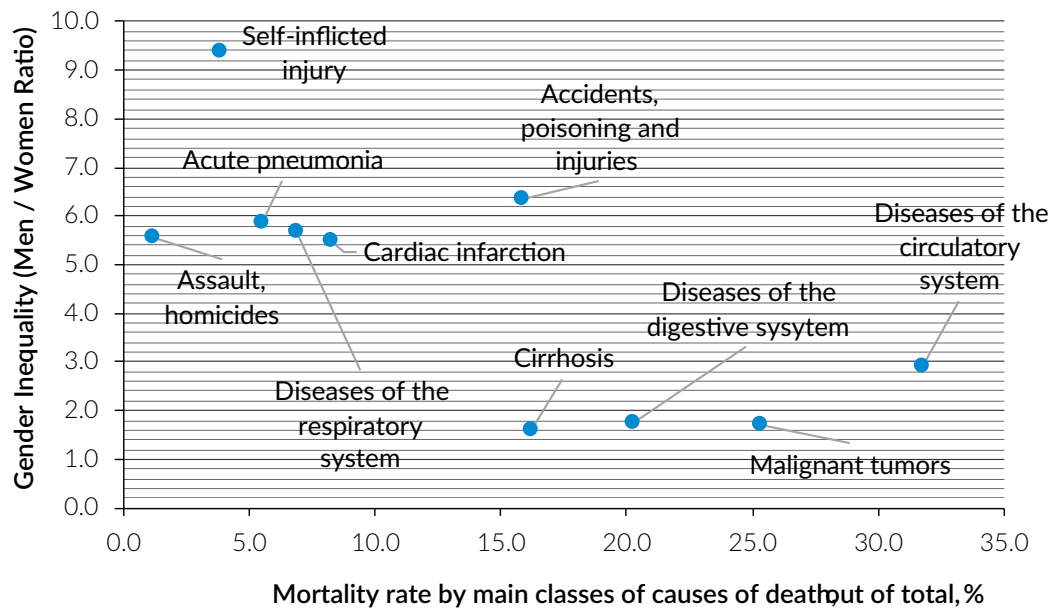
Note: p - Rural/Urban inequality in the figure
g - Men/Women gender inequality in the figure

Sursa: NBS, PPI/POB

Gender inequalities concerning mortality are quite pronounced for the main causes of death.

Non-communicable diseases are the main causes of death among the working-age population. To understand the level of gender inequality in mortality rates for different causes of disease, we analyse these indicators for the 35-59 age group, to somewhat normalize the effects of diffe-



Figure 12 MORTALITY RATE BY MAIN CLASSES OF CAUSES OF DEATH, 2018

Source: NBS, NPHA

rences in men's and women's life expectancy. The chart above presents gender inequality for ten types of death. The vertical axis shows the level of gender inequality that indicates the factor to which the mortality rate of men is higher than that for women. The horizontal axis presents the percentage of general mortality made up by each type of disease. This is done to understand whether gender inequality is higher or lower in the case of diseases with high mortality rates. This shows that for some diseases the mortality rate is nine times higher (such as self-inflicted injuries) or six times higher (such as accidents, pneumonia and heart attacks) for men than for women. Many of them have behavioral determinants related to alcohol, tobacco and other harmful substances, and there is also a greater predilection of men for risky behaviour determined by traditional gender roles, especially those related to masculinity.

By 2030, the authorities intend to reduce premature mortality caused by non-communicable diseases by 30 per cent through prevention and treatment (SDG target 3.4). Interventions will include a focus on gender mainstreaming and inclusion to implement a holistic approach in healthcare policies, including interventions in all policy areas that affect public health, in particular pre-school, primary and secondary education, assistance to vulnerable groups, living and working conditions, production, marketing and consumption of food, alcoholic beverages and tobacco products, the environment and public transport.

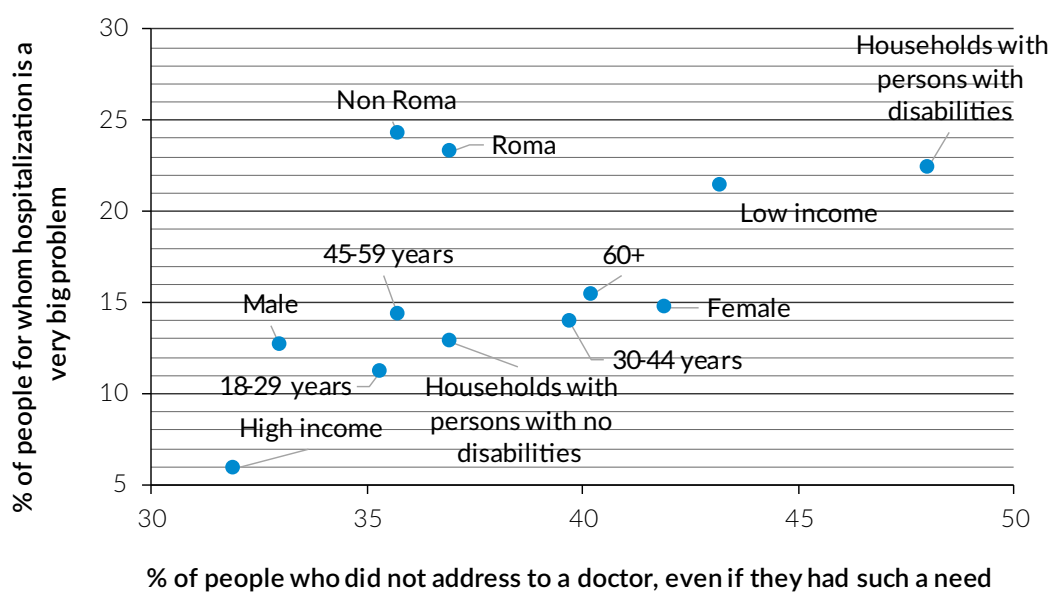
Although the financial accessibility of health care services is improving, some social groups continue to face significant unmet demand for health care services. Every second elderly person is limited in their opportunities of living an independent, healthy and safe life, while in the EU countries only a third of the elderly are in such a situation.¹⁸ With regard to the general popula-

18 Active Aging Index in the Republic of Moldova, UNFPA, CCD https://moldova.unfpa.org/sites/default/files/pub-pdf/Policy%20Paper_Indiceele%20imbatranirii%20active_2015.pdf



tion, the proportion with health insurance increased slightly from 76.4 per cent in 2014 to 80 per cent in 2018, and the proportion receiving compensated essential medicines also increased, from 19.5 per cent in 2015 to 29.4 per cent in 2018. In 2018, government interventions reduced the prices of the medicines most in demand by 16 per cent; 59 common international names were added to the list of compensated medicines and 120,000 more people became eligible for subsidized medicines. The proportion of households, for which health expenditures made up more than 10 per cent of total household expenditure fell from 15.4 per cent in 2014 to 13.1 per cent in 2018. However, several groups of citizens are reluctant to consult doctors, even if they are in need. The chart below sets out the extent of unmet demand for health care services. The groups with the highest levels of unmet demand are persons with disabilities, low-income people and women. The most significant barrier is the need to make informal payments for health care services. Informal payments are quite prevalent in the health care system. The groups who paid the most informal payments are young people, the rich and women. The share of vulnerable groups who paid money informally reached 20%.

Figure: 13 UNMET DEMAND FOR HEALTH CARE SERVICES



Sursa: CPD/EEF 2019

To strengthen the level of integrity in the health care system and, implicitly, to reduce informal payments, the authorities approved the Code of Ethics of the Health Care Worker and Pharmacist (Government Decision 192/2017), which regulates the conduct and communication between doctor and patient, as well as the Sectoral Plan for Anti-Corruption Actions in the Field of Health and Compulsory Health Insurance for 2018-2020 (Government Decision 892/2018), which aims to strengthen the capacities of ethics (bioethics) committees established in health care and pharmaceutical institutions.

Migration has already caused a major shortage of professionals in key sectors, in particular in the health care system. The health care sector is affected by two related phenomena: i) emigration of



medical specialists; and ii) shortage of young health professionals to cover staff shortages. Only 8 per cent of medical professionals who have emigrated practice their profession abroad, which leads to a significant wastage of their training. In 2017, more than 4,300 health care professionals left the medical system, including to find jobs abroad. According to the Health System Trade Union, about 28.5 per cent of doctors employed in health care facilities in 2017 are of retirement age. The latest data show that the migration of doctors has become more acute since 2017.

Access to sexual and reproductive health services (SDG target 3.7) is increasing. A key achievement of the health sector in the field of young people's health between 2011 and 2018 was to create and expand the network of youth-friendly health centres. There are currently 41 Youth-Friendly Health Centres (Youth Klinik) integrated into the primary health care system in all districts and municipalities in the country. Young people aged 10-24 can use reproductive health services free of charge, including contraceptives. In 2018, the Youth Klinik network covered about 27 per cent of young people aged 10-24 with services, compared to 5 per cent in 2011. However, young people in rural areas still face barriers to accessing reproductive health services because of their limited financial resources to travel to the district centre,¹⁹ and because reproductive health issues are still taboo in the family, school and community.²⁰

Voice of Youth

While health policies and programmes targeting adolescents, including free access to general and reproductive health, are in place, the pregnancy rate among teenagers in the Republic of Moldova remains three times higher than the European average. The challenges are even greater in rural areas. Aside from policy strengthening, there is a need to increase investments to ensure coverage and quality of these services, as well as improved outreach and communication for behavioural change activities.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

Fertility is declining among 15-19 year old females, but at the same time is significant for the regional context. The birth rate among adolescents, though it has fallen in recent years, remains three times higher than the European average, at 31.45 per 1,000 girls and women in 2018.²¹ Thus, notwithstanding the expansion of health service coverage for adolescents and young people, there is a great need to expand access for young people in rural areas, and in particular those in vulnerable groups, including for family planning services, to reduce the risk of unplanned pregnancies and sexually transmitted infections, including HIV. Currently, in the Republic of Moldova girls and women with disabilities face many obstacles to realizing their sexual and reproductive rights.²² Access to sexual and reproductive health services (SRHS) is considered difficult by women with disabilities, as not all institutions providing SRHS provide physical access (there is a lack of

¹⁹ Analysis of the segmentation of the modern contraceptive market in the Republic of Moldova, UNFPA 2017

²⁰ Qualitative study 'Adolescent pregnancy in the Republic of Moldova', UNFPA 2019

²¹ National Bureau of Statistics, 2018.

²² Situational analysis of the problems faced by women and girls with disabilities of the musculoskeletal system in Moldova in the exercise of sexual and reproductive rights REPORT, 2016 https://www.cidrs.md/wp-content/uploads/2018/03/Raport_Evaluare-DSR-persoane-cu-dizabilitati_FINAL_27.02.17.pdf



access ramps, support bars, lifts (if the doctor's office is upstairs), and so on). With development partner support, the authorities approved the National Programme on Sexual and Reproductive Health and Rights 2018-2022, the main objective of which is to ensure equitable access for all groups of beneficiaries to reproductive sexual health services. In addition, more resources were mobilized to ensure the reasonable adjustment of more SRHS providers so that they become more accessible to girls and women with disabilities.

In the Republic of Moldova, the rate of use of modern contraceptive methods is still low (42 per cent, compared to the average for the Eastern European countries of 52 per cent). One of the key achievements is the provision of free contraceptives to certain population groups through family doctors using state budget funds (see the box below). Also, since 2017, in order to ensure public access, in vitro fertilization procedures are financed from Compulsory Health Insurance funds, thus three health care institutions have been contracted for a total of MDL 951,900 to conduct these services for 30 couples. The number of in vitro fertilization procedures increased from 30 in 2017 to 60 in 2018, as the amount allocated for this from Compulsory Health Insurance funds increased to MDL 1.8 million.

The Republic of Moldova made some progress in combating cervical cancer and breast cancer. However, estimates for 2018 show that the Republic of Moldova is among the countries with the highest incidence rate of cervical cancer, at 30.4 per 100,000 women, compared to an average of 16.0 per 100,000 for Eastern Europe.²³

There is a chronic need to further strengthen capacity at national level to respond promptly to the needs of the population in public health emergencies (such as crises and pandemics), including by ensuring the continuity of sexual and reproductive health services, especially for women, young people and other vulnerable groups.

Financial sustainability in providing reproductive health services: *The Republic of Moldova has made progress in providing the population with reproductive health services, especially access to modern methods of contraception, transitioning from receiving donations of contraceptives from donors to purchasing them from the state budget. With the support of UNFPA, the Ministry of Health, Labour and Social Protection (MHLSP) conducted a population needs analysis and developed a regulatory framework for the distribution of modern means of family planning. Currently, seven groups of people benefit from free contraception purchased from the state budget and distributed through the primary health care system: persons with low incomes; persons living with HIV; young people; persons who abuse alcohol, use drugs or take other psychotropic substances illegally; persons with mental health disorders; victims of sexual abuse; and women who have had abortions in the previous year.*

23 ECIS - European Cancer Information System [https://ecis.jrc.ec.europa.eu/explorer.php?\\$0-0\\$1-MD\\$4-1,2\\$3-All\\$6-0,14\\$5-2008,2008\\$7-7\\$2-All\\$CEstByCancer\\$X0_8-3\\$CEstRelativeCanc\\$X1_8-3\\$X1_9-AE28](https://ecis.jrc.ec.europa.eu/explorer.php?$0-0$1-MD$4-1,2$3-All$6-0,14$5-2008,2008$7-7$2-All$CEstByCancer$X0_8-3$CEstRelativeCanc$X1_8-3$X1_9-AE28)



To fully fulfil their commitments under SDG 3, the authorities must achieve the following objectives:

- by 2030, premature mortality caused by non-communicable diseases should be reduced through prevention and treatment by 30 per cent (SDG target 3.4);
- by 2030, HIV transmission, burden of tuberculosis and communicable diseases should be reduced;
- prevention and treatment of substance abuse, including drug abuse and alcohol consumption, should be strengthened (SDG target 3.5);
- by 2030, universal access to sexual and reproductive health services should be ensured, including for family planning, information and education, continuous and specialized support (SDG target 3.7) and the country's commitments under the Action Plan of the International Conference on Population and Development should be fulfilled;
- active aging programmes and intergenerational dialogue should be strengthened;
- universal health coverage, including protection against financial risks, access to quality essential health services and access to safe, effective, quality and affordable basic medicines and vaccines for all, should be achieved (SDG target 3.8).

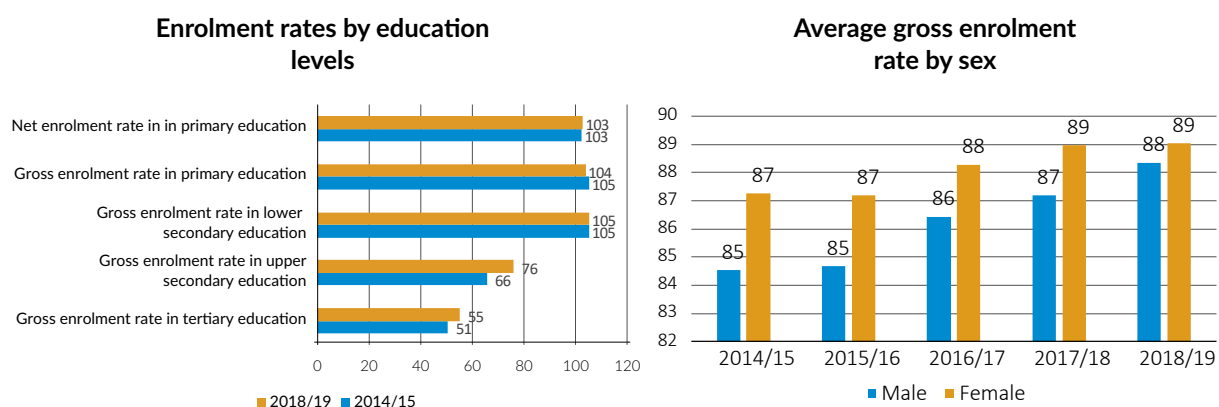
QUALITY EDUCATION

For the Republic of Moldova, human capital is the basic resource for long-term development.

The country's commitment, in the context of SDG 4, is to understand education as an absolute priority and a precondition, in the long term, for advancement in all social and economic sectors of the country.

Access to education improved. To understand the trends of recent years in access to education, we will use a set of indicators in this field.²⁴ First, we refer to the gross enrolment rate.²⁵ The closer this indicator approaches 100 (or even exceeds it in some cases), the better access to that level of education is. The figure below (top) shows the enrolment trends for all levels of education.

Figure: 14 INDICATORS ON THE BASIC ACCESS TO EDUCATION FOR CHILDREN AND ADOLESCENTS

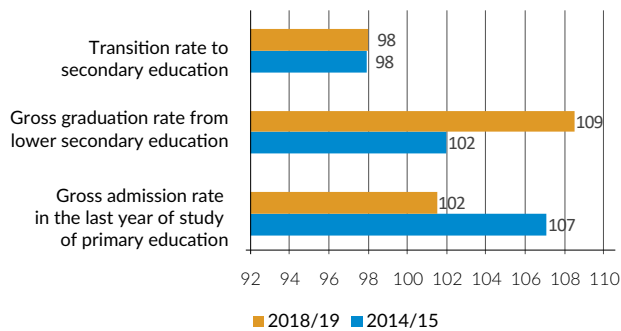


24 See in EDUCATION IN THE REPUBLIC OF MOLDOVA STATISTICAL PUBLICATION 2017/2018 the specific definition of all indicators https://statistica.gov.md/public/files/publicatii_electronice/Educatia/Educatie_RM_2018.pdf

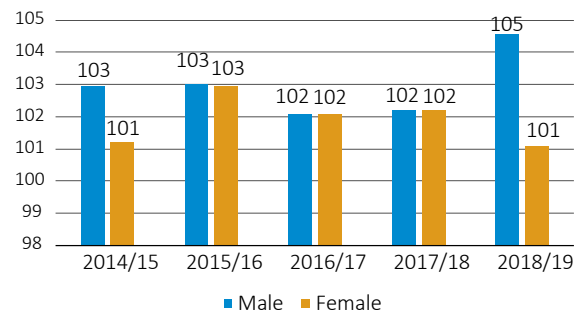
25 The total number of children/ students at a certain educational level, regardless of age, as a percentage of the theoretical school-age population at that level.



Rate of poverty and self-appreciation of poverty by sexes, 2014-2018



Average transition rates by sex 2014-2018



Sursa: NBS

We notice (in the chart above) that the enrolment rates for secondary and tertiary education improved between 2014-2015 and 2018-2019. The top-right chart shows that overall average gross enrolment for all levels of education has improved for both genders.

Voice of Youth

“Does quality education start or end with the Pascal IT-programme?! Let’s lay all the cards on the table! Let’s speak the truth, instead of turning a blind eye to it (As...we are blind to many things anyway).

We’ve moved from programmes like Kangaroo and Ant to Pascal. I wonder why!, “Is this where quality education starts and ends?”

Let’s be realistic. How many of us studied how to create an email address and how to use it at lower or upper secondary school?! And what about Word, Excel, Power Point ... – we just studied them briefly, right?! Why Pascal?! Where and when will we use it?!” Girl, 17 years old, Orhei.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals!

The accessibility of schools in the country has increased recently. However many, children, adolescents and young people with disabilities still face considerable problems and barriers to accessing education (including physical inaccessibility of facilities and infrastructure, limited capacities of teachers for working with youth with special needs, stigma and bullying among peers).

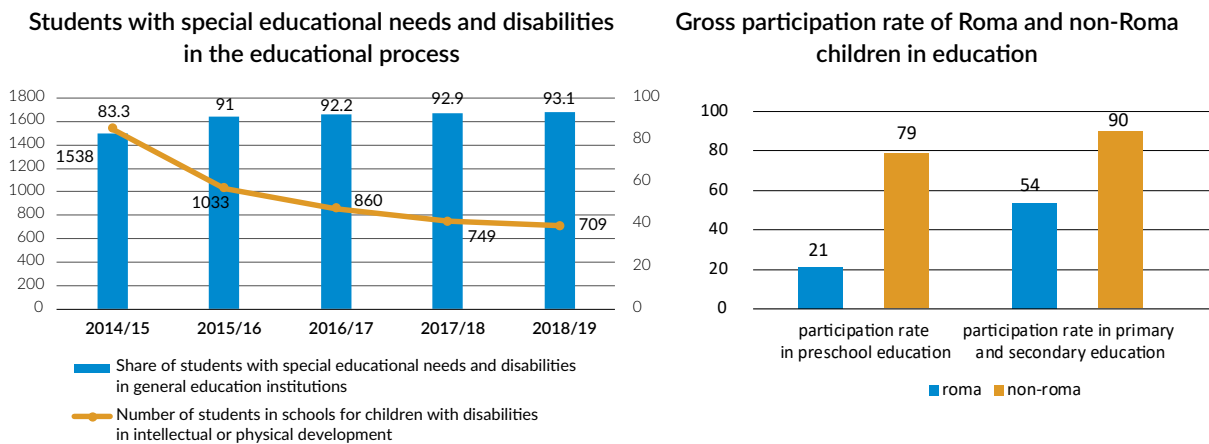
Access to education for children from vulnerable groups has improved. The proportion of students with special educational needs and disabilities who are enrolled in general educational institutions is increasing (see the figure below). This is the result of implementation of major reforms concerning the inclusive education of children. Nevertheless, there are still systemic problems. For example, 40 per cent of teachers recently surveyed²⁶ consider that the access of students with physical disabilities to school is limited, because: school buildings have no ramps, the students have to go from one classroom to another for each class and they cannot go upstairs, aux-

²⁶ Implementation of inclusive education in the Republic of Moldova, ASPCF



iliary spaces are not adapted, and so on. The inclusion of Roma children also remains a problem. In this context, the Government approved the Action Plan to support the Roma population in the Republic of Moldova for 2016-2020, which aims to promote an inclusive and efficient education system, based on the principles of equity, non-discrimination and respect for diversity, to contribute to the integration of the Roma population.

Figure: 15 INCLUSION OF CHILDREN WITH SPECIAL EDUCATIONAL NEEDS, WITH DISABILITIES AND THE ROMA CHILDREN IN EDUCATION



Sursa: NBS, UNDP

Voice of Youth

Many schools do not have well-equipped sanitary blocks. In rural areas, toilets are usually located outside the building and are not sufficiently safe or gender-sensitive. Furthermore, the COVID-19 pandemic has revealed the insufficient preparedness of the education system to continue quality education remotely. Students with no access to technologies, and children and adolescents with disabilities are most at risk of falling behind.

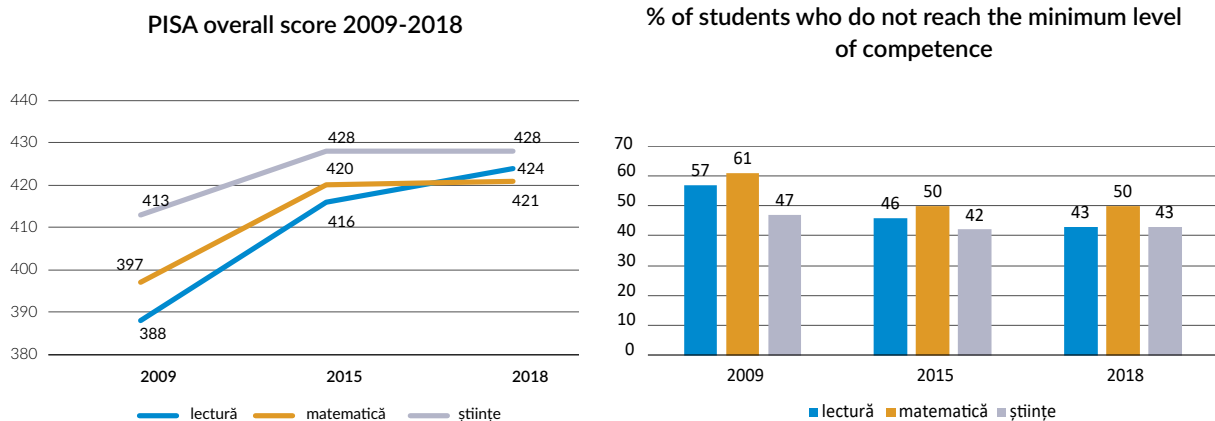
Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

The quality of studies improved. Programme for International Student Assessment (PISA) data show a slight tendency of improvement: the scores for all subjects are increasing and the proportion of students who did not reach the minimum level of competence is falling (see Figure:16).

Inequalities between students are significant. The PISA results²⁷ allow the scale of inequalities to be analysed against at least three criteria: gender, residence and socio-economic status. For all these dimensions, the inequalities are quite significant for 2018. For reading, on average 12 per cent of variations in students' performance in the assessed countries were associated with socio-economic status. In the Republic of Moldova this figure is almost 18 per cent, 6 per cent higher than the OECD average and 5 per cent higher than the European Union average. Moldovan girls perform better than boys in the three PISA fields (reading, mathematics and science). The

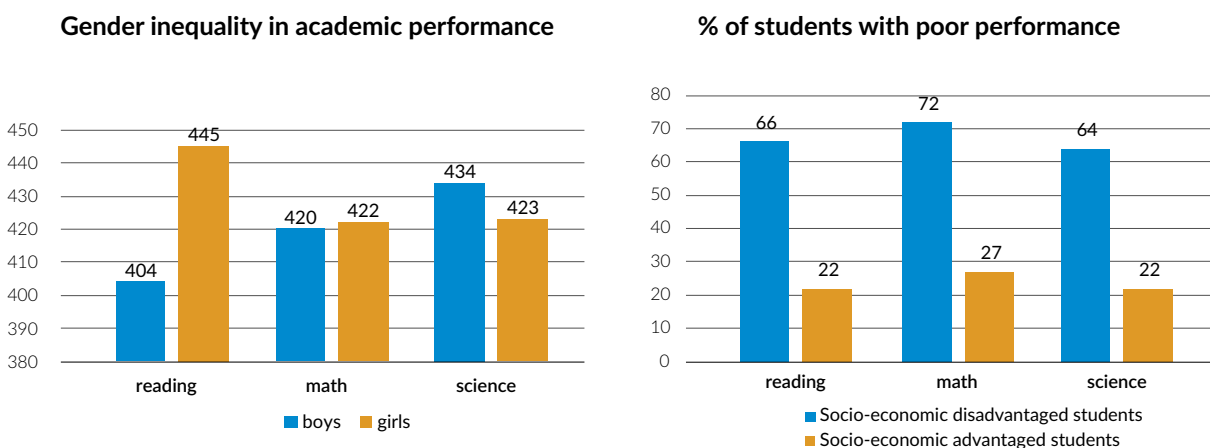
27 Republic of Moldova in PISA 2018, http://aee.edu.md/sites/default/files/raport_pisa2018.pdf

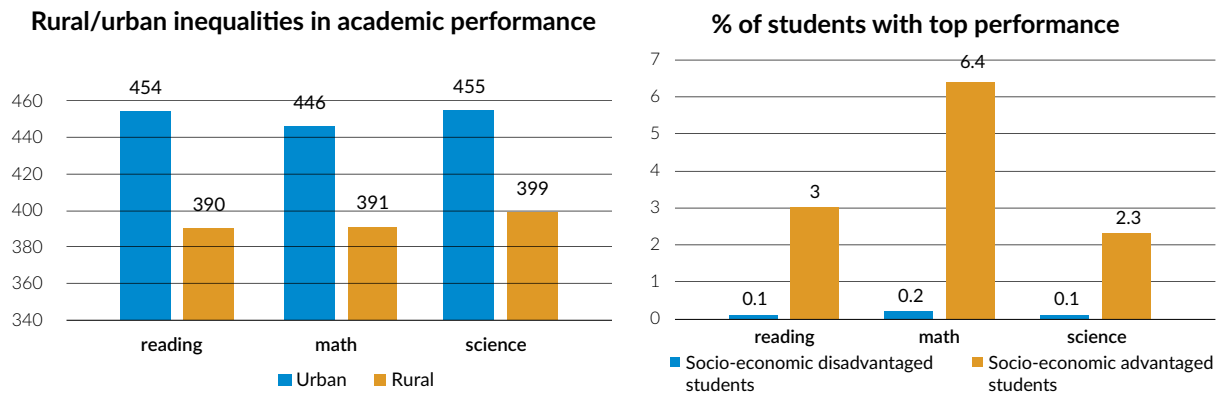


Figure: 16 PISA RESULTS, 2009, 2015 AND 2018

Sursa: National Agency for Curriculum and Assessment

biggest gender difference is for **reading**, with a difference of 9.2 per cent (about 42 PISA points). Moreover, socio-economically disadvantaged students have limited educational aspirations. The PISA data show a strong correlation between the students' household income and that students' aspiration to graduate from university. Only 22 per cent of the poorest students want to enrol at university, compared to 77 per cent of students with higher incomes. Lower academic aspirations lead to a vicious cycle, which self-perpetuates, where poor students have lower academic aspirations and, because they have lower academic aspirations, their real academic performance is also low. Students from rural areas are also less ambitious for their further education than their peers from cities. Only 35 per cent of students from rural areas intend to graduate from university, compared to 60 per cent of students from urban areas. Some students from rural areas want to graduate from college (21 per cent compared to 15 per cent from urban areas) and vocational school (19 per cent, with 7 per cent from urban areas).

Figure: 17 INEQUALITIES RELATED TO GENDER, RESIDENCE AND SOCIO-ECONOMIC STATUS OF STUDENTS, 2018

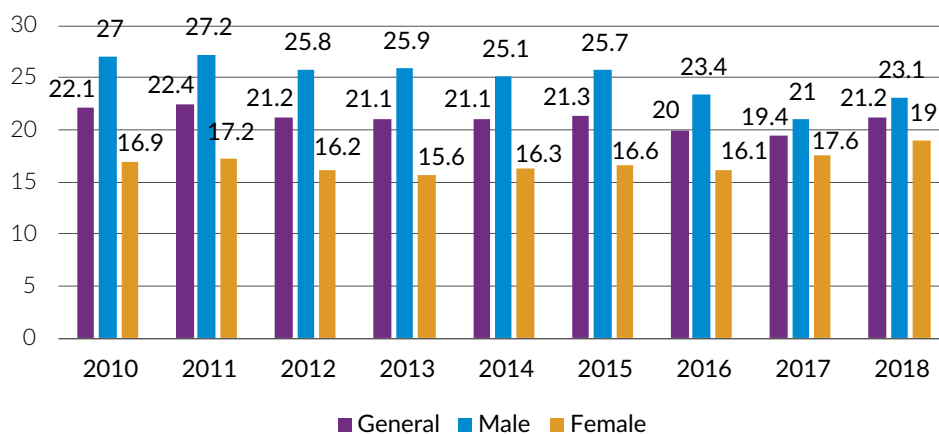


Sursa: National Agency for Curriculum and Assessment

A significant proportion of young people do not have access to post-secondary education.

About 21 per cent of young people aged 18-24, with low educational attainment, leave the education system early. This proportion is unchanged from 2010. In recent years, the proportion of men in this group is slightly decreasing and the proportion of women slightly increasing. This trend is also confirmed by the NEET group (young people who are not in employment, education or training), which contains a higher proportion of women than men, partly because men of this age are employed (even informally) or intend to migrate to a much greater extent. To prevent this phenomenon, it is important for the policy response to be appropriate and tailored to the specific needs of young men and women, including those from rural and urban areas. The bottom part of the chart shows that these groups drop out of education for different reasons. For example, girls tend to drop out of school due to family duties and lack of money while boys do so because of a much lower desire to learn and learning difficulties.

Figure: 18 INDICATORS OF YOUNG PEOPLE'S ACCESS TO POST-SECONDARY (GYMNASIUM) EDUCATION AND CAUSES THAT LED TO THE INTERRUPTION OF STUDIES



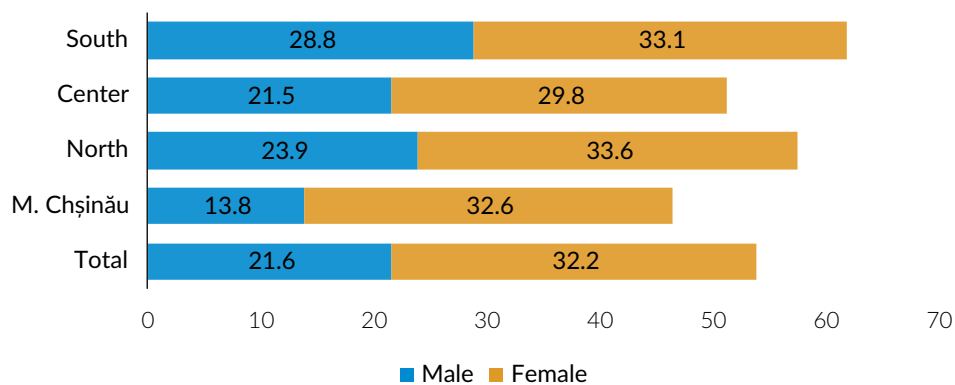
Sursa: NBS

Adults' participation in studies is decreasing among both men and women, as well as for those from both urban and rural areas (see Figure:19). The participation rate of adults, and especially the elderly, in studies is still quite low. Only 0.3 per cent of people aged 55-74 are involved in lifelong learning activities.²⁸

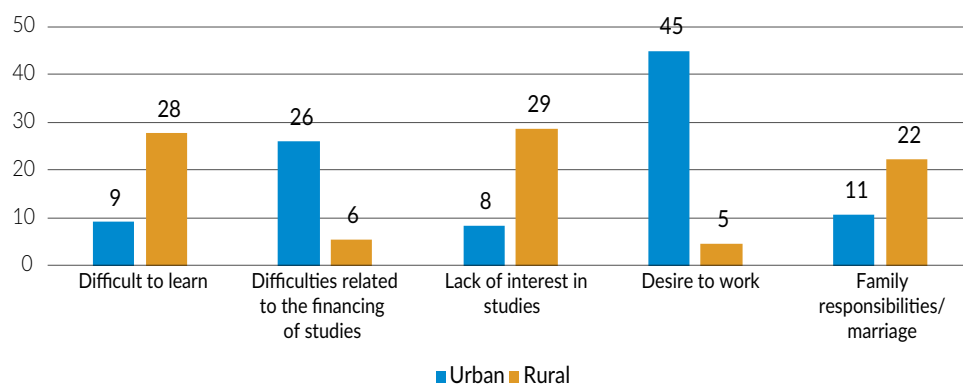
28 Active Aging Index in the Republic of Moldova, UNFPA, CCD



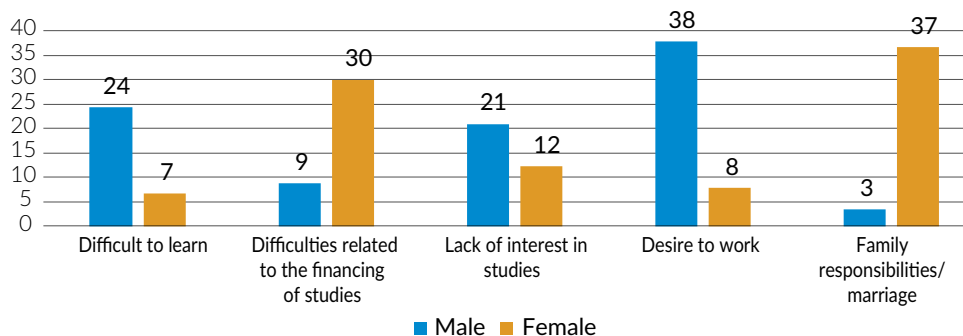
People aged 15-29 from the NEET group, the Republic of Moldova



Distribution of young people aged 15-29 according to the reason for which their studies were interrupted



Distribution of young people aged 15-29 according to the reason for which their studies were interrupted

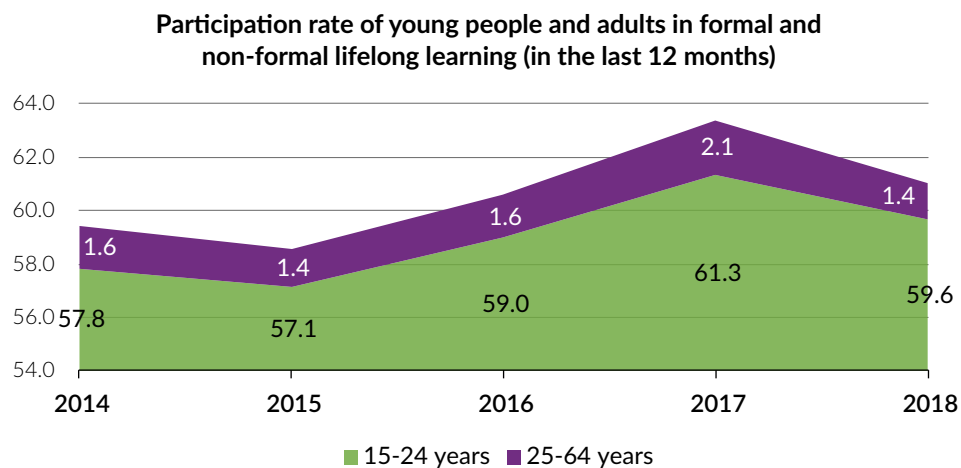
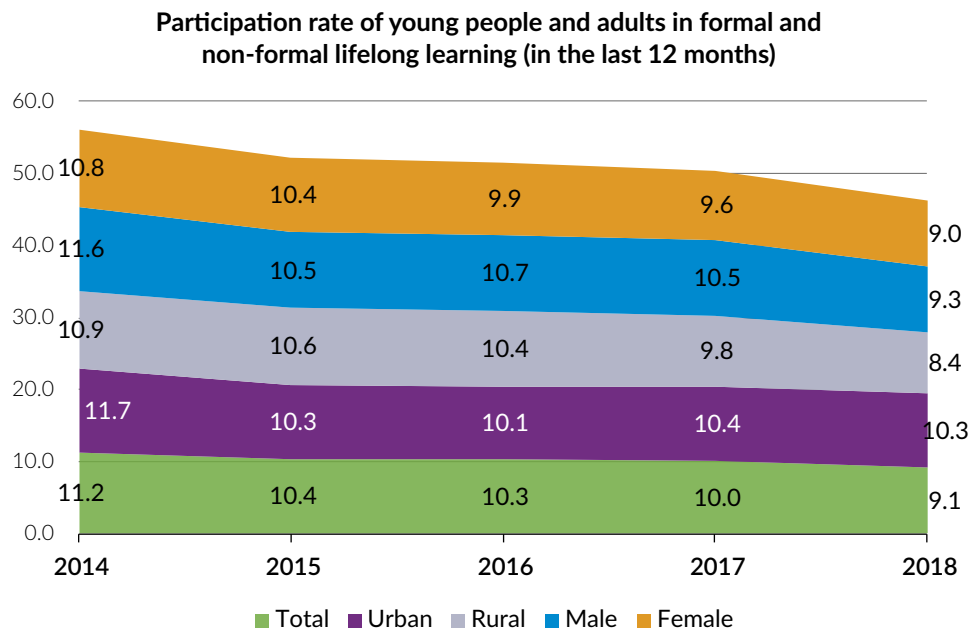


Sursa: NBS

Family duties and financial costs limit access to lifelong learning. This is more pronounced among women as more than half of them face this problem. The barrier related to family duties is stronger in rural areas (52.3 per cent, compared to 28 per cent in urban areas). At the same time, the intention to receive formal education is also influenced by several external factors, such as poor financial status, access in geographical terms or barriers to employment (either the work schedule does not coincide, or the employer does not encourage such activities)(see Figure 20).



Figure: 19 RATE OF PARTICIPATION OF YOUNG PEOPLE AND ADULTS IN FORMAL AND NON-FORMAL LIFELONG LEARNING



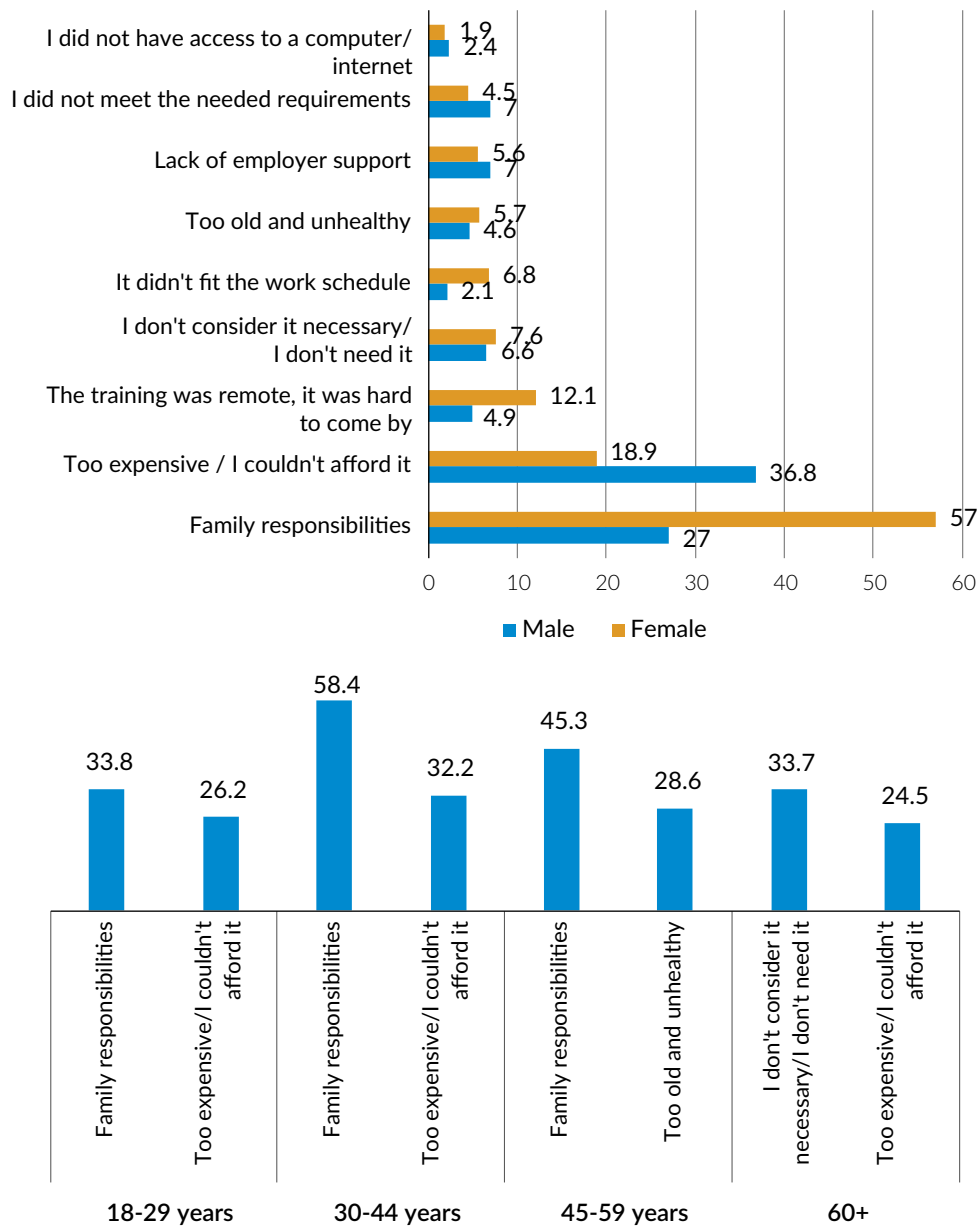
Sursa: NBS

Vulnerable groups of adults, including persons with disabilities and Roma have much more limited access to education. Eighty per cent of the Roma population does not have a specialization to provide them with a minimum qualification, which makes it very difficult to find formal employment (see Figure 21).

In the context of SDG 4, national authorities have a rather ambitious vision: to provide opportunities for all people to develop – from an early age and throughout life – the knowledge, skills and competencies needed to make the most of their potential in both personal and professional life, as well as to adapt as easily as possible to the imperatives of the time, especially those related to sustainable development. To this end, the following targets of the 2030 Agenda will be implemented:



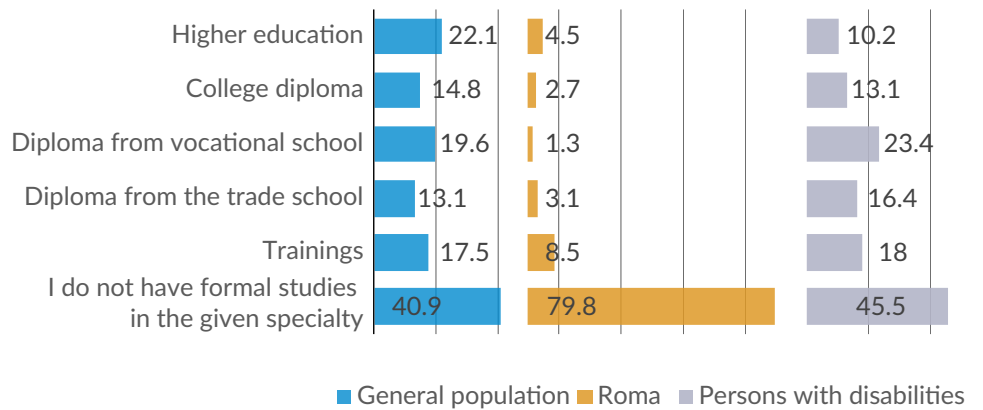
Figure: 20 LEVEL OF ACCESS AND BARRIERS TO CONTINUING/PURSuing FORMAL EDUCATION;
TOP BARRIERS BY AGE GROUP



Source: CPD/EFF, 2019

- by 2030, the necessary conditions will be provided for all girls and boys to complete free, fair and quality primary and secondary education, leading to relevant and effective learning outcomes (SDG target 4.1);
- by 2030, enrolment in accessible and quality technical vocational and higher education will increase (SDG target 4.3);
- by 2030, the number of young people and adults with skills relevant to employment will increase substantially (SDG target 4.4);



Figure: 21 LEVEL OF EDUCATION OF VENERABLE GROUPS

Source: CPD/EFF, 2019

- by 2030, equal access to all levels of education and training of vulnerable people will be ensured, including people with disabilities, children in vulnerable situations and the Roma children (SDG target 4.5);
- all students will acquire the knowledge and skills necessary to promote sustainable development and sustainable lifestyles, environmental protection, healthy living, human rights, gender equality, a culture of peace and non-violence, global citizenship and appreciation of cultural diversity, as well as the contribution of culture to sustainable development (SDG target 4.7).

GENDER EQUALITY

Promotion of gender equality and women's empowerment is a policy priority of the authorities. For this purpose, the authorities have developed and approved several policy documents. These include: the Strategy for Ensuring Equality between Women and Men for 2017-2021, the National Strategy on Preventing and Combating Violence against Women and Domestic Violence for the period 2018-2023, National Strategy for Preventing and Combating Trafficking in Human Beings for the period 2018-2023, as well as other sectoral strategies (health, employment, social protection, security, child protection and so on). Since 2018, the Government has been implementing the National Programme to implement United Nations Security Council Resolution 1325 on Women, Peace and Security for 2018-2021. In the last five years, with the support of civil society and external development partners, several important legislative amendments have been adopted to promote gender equality. These include: introduction of 14 days of paternity leave; banning sexist language and advertising; introduction of 40 per cents quota for women and men in lists of candidates for all elections; provisions on the financing of political parties depending on how they ensure gender equality, and promotion of gender equality.



Voice of Youth

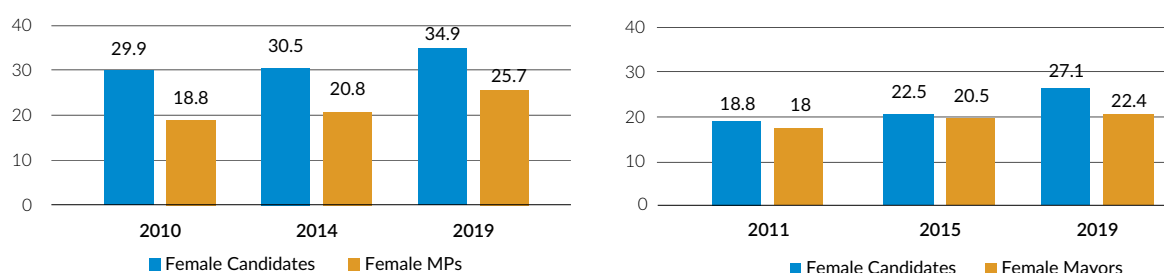
“Stereotypes and prejudices are the main issues affecting daily lives of both males and females. Every so often they create barriers in their own affirmation, communication, knowledge, acceptance of their own personality and of the people around them,” Gril, 16 years old, Soroca.

Girls and women up to 19 or 20 years are considerably more active than boys regarding participation in decision-making processes and non-formal education activities. However, girls who get married disappear from the arena of civic participation at this stage of life, due to the obligations to take care of the house and/or children. Political and public participation of girls belonging to disadvantaged groups is also very low.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

The level of representation of women is increasing in elected bodies and will increase in the next period. This is primarily due to adoption of special measures for the 2019 parliamentary elections (the minimum representation quota of 40 per cent), as well as for the 2019 local elections (the 40 per cent quota and list positioning). In both elections, the proportion of candidates and those elected increased. In 2019, the highest proportion of female candidates and women

Figure: 22 SHARE OF FEMALE CANDIDATES AND ELECTED IN PARLIAMENTARY AND LOCAL ELECTIONS IN 2010-2019



Source: CPD/EFF, 2019

Examples of women’s empowerment programmes: The ‘Women in Politics’ programme implemented by the United Nations Development Programme and UN Women ensured a higher participation rate for women from disadvantaged groups. Women running in local and parliamentary elections participated in political empowerment training. Within the programmes, 39 Roma women and 43 women with disabilities were encouraged to run for election. As a result: six women with disabilities and seven Roma women were elected to local councils. At the Women’s Leadership Academy (Women 4 Leadership), 120 women were trained, of whom 86 were registered in the electoral process. Within the ‘Balanced participation in the decision-making process’ project (Gender-Centre, Women’s Political Club 50/50 with the support of UN Women Moldova/Sweden), 640 out of 1,676 participants in the electoral preparation stood for election and 288 were elected (50 mayors and 238 councillors).

Source: Gender Equality Platform

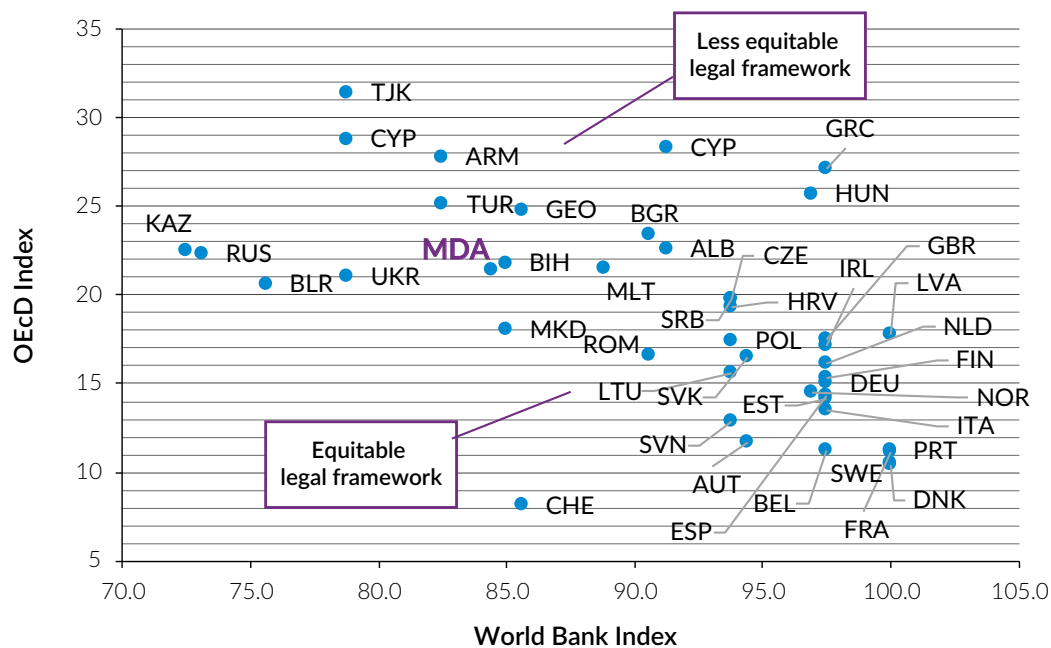


elected to councillor positions in the last four elections was recorded. Secondly, the share of women elected also increased due to empowerment programmes by civil society organizations to support and develop the capacities of potential female candidates (see Figure 22).

By international standards, the legal framework in the Republic of Moldova is relatively fair.

Beyond the specific legal framework for promoting and ensuring gender equality, it is important to understand how general legislation provides equal opportunities for women and men. In this regard, two international tools are used to measure the legal framework. The first is Women, Business and Law²⁹ developed by the World Bank, which analyses the legal framework on eight dimensions (including the labour market, remuneration, maternity, starting a business, and access to assets). Using this tool, the Republic of Moldova received 84.38 points out of a maximum 100. Country received lower scores for remuneration (only 25 points), getting a job (75 points) and pensions (75 points). This is explained by legal provisions, which impose restrictions in the workplaces of pregnant women or postpartum women, legal provisions, which disadvantage the fair remuneration of women, and by the fact that, at the moment, women and men retire in different conditions.³⁰ The second international analysis tool is the Social Institutions and Gender Index, developed by the OECD,³¹ which measures discrimination against women in social institutions in 180 countries, taking into account social laws, rules and practices. A low score in this index means a low level of discrimination and inequality. Correlating the data based on these two International Indexes reveals how the Republic of Moldova is positioned compared to other countries in the region. The chart above grouped the countries, for the most part, into two opposite quadrants. The first contains countries where the legal framework is considered to be relatively fair. Most

Figure: 23 NATIONAL LEGAL FRAMEWORKS FROM THE PERSPECTIVE OF GENDER EQUITY



Source: World Bank, OECD

29 See <https://datacatalog.worldbank.org/dataset/women-business-and-law>

30 Moldova aims to achieve equality in retirement by 2028 <https://cnas.md/tabview.php?l=ro&idc=534&t=/Pensii/Pensie-pentru-limita-de-virsta>

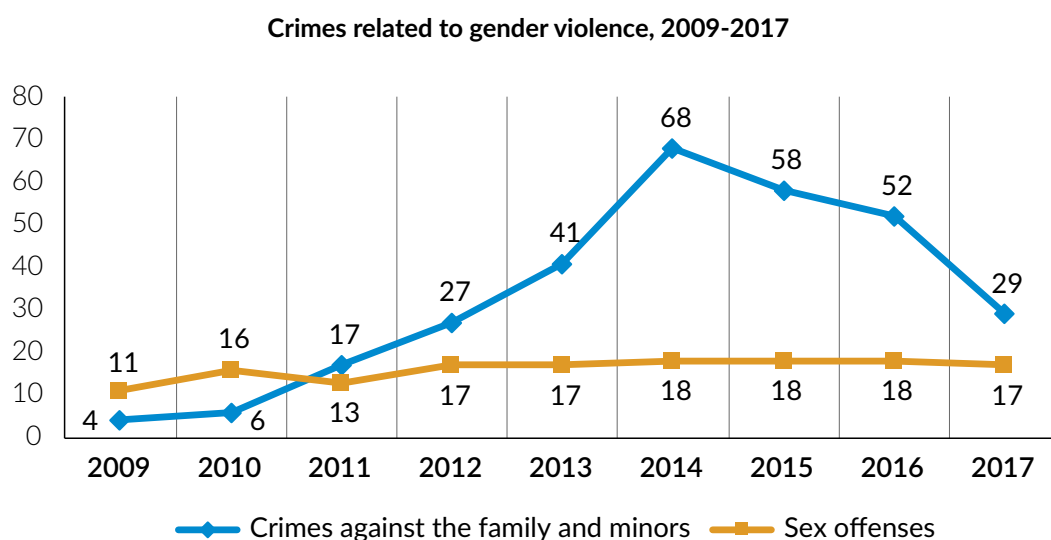
31 See <https://www.genderindex.org/data/>



EU countries, led by the Nordic countries, are in this quadrant. The Republic of Moldova is in the opposite quadrant, with a less equitable legal framework, along with countries such as Ukraine, Bosnia and Herzegovina, Georgia and Malta.

Gender-based violence is still widespread. No national studies and research are conducted on a regular basis to understand prevalence of and trends in this phenomenon. A 2010 NBS survey shows that 43 per cent of women aged 15-49 suffered physical or sexual violence from their spouses/partners in their lifetimes. A more recent OSCE study³² shows that 40 per cent of women had experienced physical or sexual violence since the age of 15 years from an unknown partner or man. Administrative data (see the figure below) show that, in the case of sexual offences, their proportion remained virtually unchanged between 2009 and 2017. In the case of crimes against the family and minors, their volatility is explained, first of all, by police efforts to document and combat such crimes. Another study³³ reveals that 28.6 per cent of elderly people had been victims of violence or abuse, of whom two-thirds were women. UNFPA is working with the Government of the Republic of Moldova to improve the collection of administrative data on gender-based violence in the health care system. In 2019, the Government approved a draft Government Decision approving a draft law on ratification of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention). This is to be ratified by Parliament in 2020.

Figure: 24 NATIONAL LEGAL FRAMEWORKS FROM THE PERSPECTIVE OF GENDER EQUITY



Source: NBS/MIA

Despite some progress on empowering women, some groups of women are still at high risk of discrimination and exclusion. Incidence of gender violence is higher for women with disabilities, Roma women and elderly women. Their participation in the decision-making process, education

³² The OSCE presents the results of the study on the well-being and safety of women in Moldova <https://www.osce.org/ro/mission-to-moldova/424838>

³³ Study conducted by HelpAge International Moldova and the Centre for Demographic Research of the National Organization for Economic Research, with the support of UNFPA in the Republic of Moldova: http://ccd.ucoz.com/_ld/O/40_Monografie_DISC.pdf



and labour market, and their access to health services, is lower than that of women in the general public or men in the same groups.

Combining family and professional life is still a challenge for women and men. Women continue to be responsible for most household work and childcare. The latest estimates³⁴ show that a woman's 'work day' lasts about two hours longer (11 hours for women and 9 hours for men). This prevents them from being more actively involved in the labour market: the employment rate of women (aged 25-49 years) with at least one preschool child was 39.1 per cent in 2018, while that of women of the same age without preschool children was 20 per cent higher (59.5 per cent). Moreover, currently the analysis³⁵ shows that family duties prevent women from participating, starting businesses, learning (see the analysis of SDG 4), and having their desired number of children. One of the reasons for this is poor access to early education (0-3 years old). The share of enrolment of children up to three years old in early education institutions is low, in 2018 only 11 per cent of children in this age group benefited from such services.

The authorities consider that achieving the strategic vision required policies to facilitate more effective reconciliation of time for personal and professional life on the one hand and encouraging the allocation of time for personal development activities on the other hand. This will enable achievement of the SDG 5 targets (Achieve gender equality and empower all women and girls), in particular target 5.4 (Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and protection policies). To improve the quality of data and analyse implications for demographic processes, the Government is conducting a Generations and Gender study for the first time.

In order to more effectively reconcile time for personal and professional life, the authorities intend to carry out the following interventions:

- introducing and promoting at public policy level the concept of better reconciliation of time dedicated to personal and professional life in the public and private sectors;
- ensuring access for all families to early childhood education and care services and to pre-school education (in line with SDG 4);
- fundamental reform of childcare leave, which should be optimal in terms of duration, better paid and encourage both parents to benefit from childcare leave;
- making labour law more flexible, in order to allow employers and employees in the public and private sectors to agree on flexible working conditions, which would facilitate employment of the elderly population, depending on the needs and interests of both parties (in line with SDG 3);
- adapting physical infrastructure and public services to the needs of vulnerable groups, especially persons with disabilities and the elderly.

34 Gender Barometer. How women and men participate in politics and decision-making http://progen.md/files/8393_final_barometrul_de_gen_rom.pdf

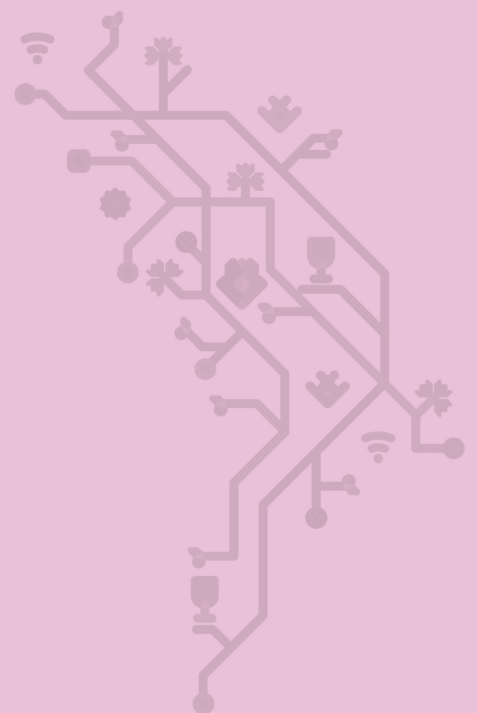
35 *ibidem*





Chapter **II**: PROSPERITY

We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.



AFFORDABLE AND CLEAN ENERGY

The Republic of Moldova is highly dependent on external energy resources, with over 75 per cent of the energy used in the national economy being imported.³⁶

Given the lack of its own energy resources, promoting energy efficiency and using available renewable energy contribute to reducing dependence on external sources and are an essential condition for sustainable development of the economy.

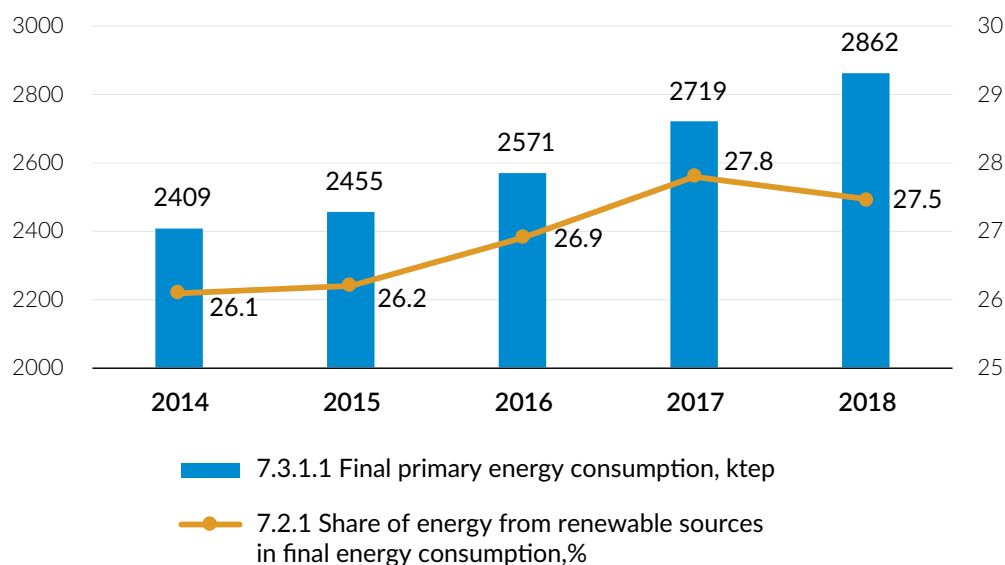
The commitments in this regard are mostly met. Under national target SDG 7.2, renewable energy should have made up no less than 17 per cent of energy used by 2020; it amounted to 27.5 per cent in 2018.

The final energy consumption also remains slightly below the expected amount, at 2,786 ktoe in 2018 compared to 2,796 ktoe expected for 2020 (SDG 7.3.1.2).

At the same time, primary energy consumption increased by 15.7 per cent between 2014 and 2018. It should be noted that production of renewable energy in the energy balance has registered more rapid progress, with growth of 25.1 per cent in the same period (629 ktoe in 2014, compared to 787 ktoe in 2018), meaning renewable energy consumption accounted for 1.4 percentage points more of gross final energy consumption in 2018 than in 2014.

About a third of primary energy consumption is of petroleum products, approximately the same level throughout the reference period. At the same time, the share of primary energy from biofuel and waste increased by 4.4 percentage points between 2014 and 2018.

Figure: 25 TRENDS IN PRIMARY ENERGY CONSUMPTION (GROSS NATIONAL CONSUMPTION), 2014-2018



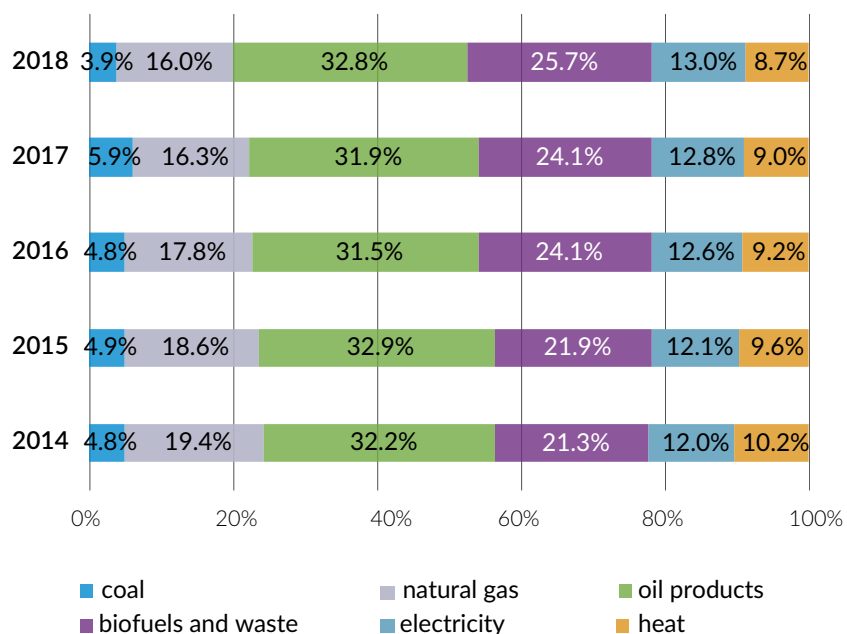
Source: AEE

³⁶ https://statistica.gov.md/public/files/publicatii_electronice/balanta_energetica/BE_2019_RO.pdf

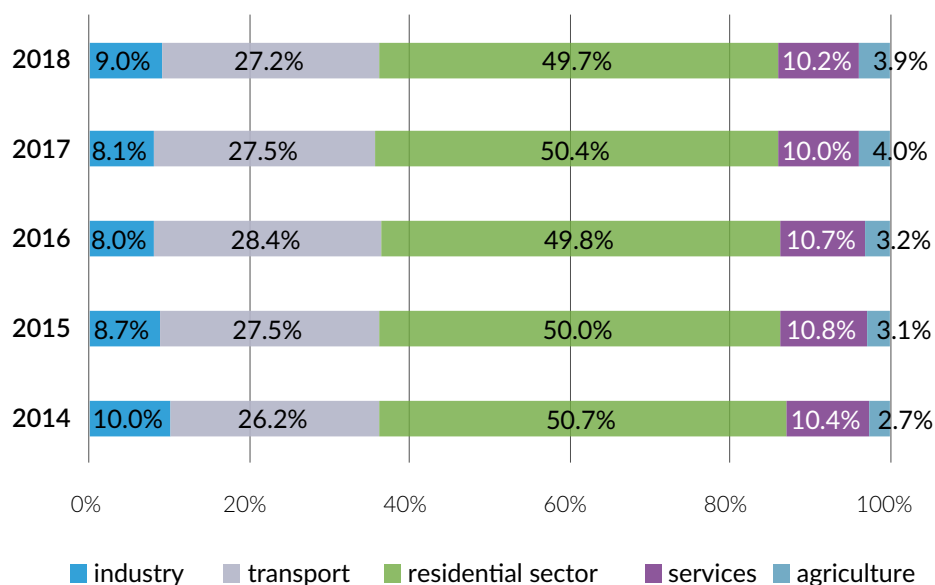


Figure: 26 COMPARATIVE ANALYSIS OF THE STRUCTURE OF PRIMARY ENERGY CONSUMPTION, BY TYPES OF RESOURCES, AND STRUCTURE OF FINAL ENERGY CONSUMPTION, BY CONSUMPTION SECTORS, 2014-2018

7.3.1.1 The structure of primary energy consumption, by types of resources %



7.3.1.2 The structure of final energy consumption, by consumption sectors, %

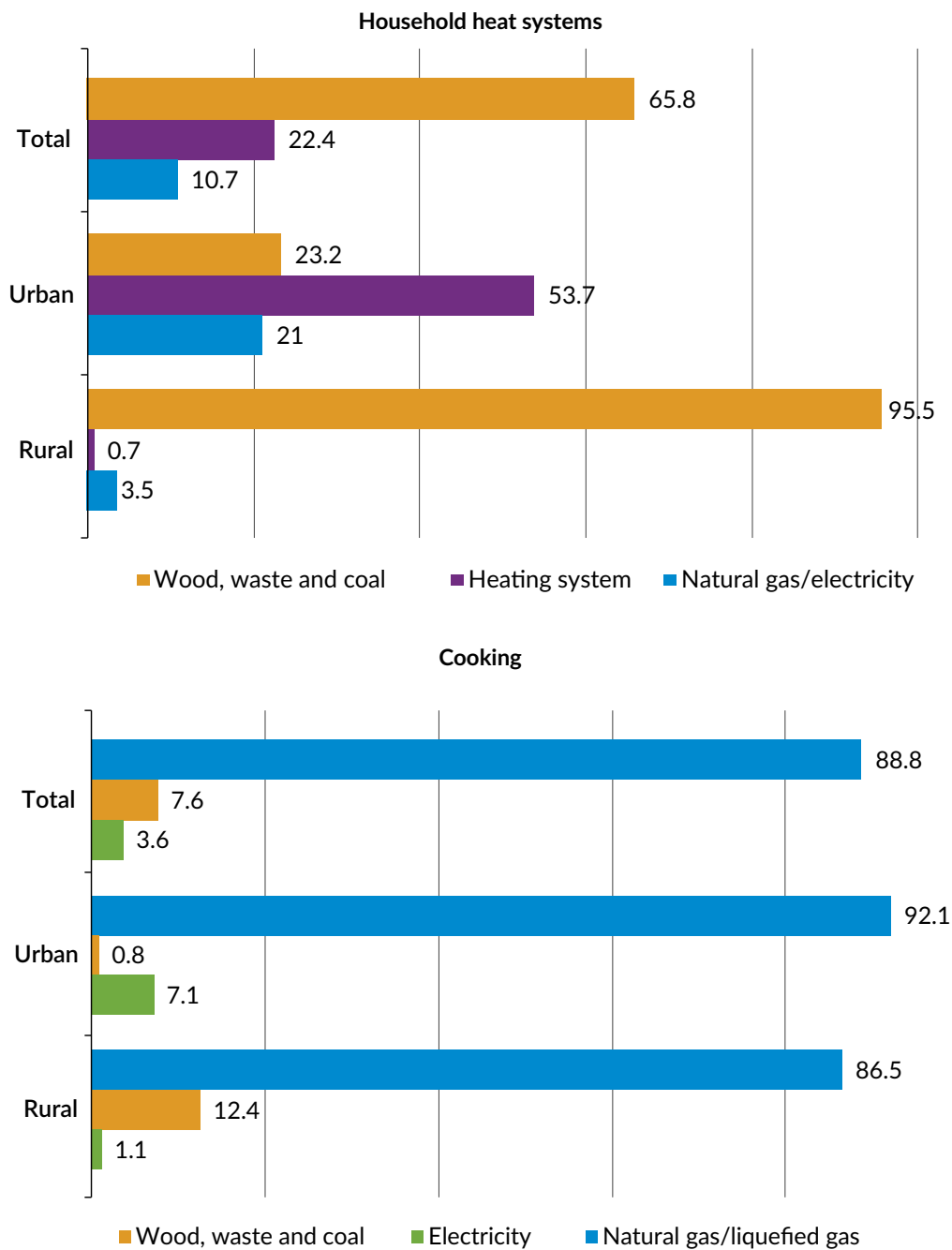


Source: Calculation carried out on the basis of AEE data

Half of energy consumption is by the residential sector, over a quarter by the transport sector, about a tenth the service sector, and less than a tenth by industry. The residential sector is fully supplied with electricity. At the same time, the structure of consumption is varied, with all energy resources present.



Figure: 27 PROPORTION OF HOUSEHOLDS BY MAIN ENERGY SOURCES USED FOR HOUSEHOLD NEEDS (COOKING, HEATING), 2015



Source: NBS, *Household energy consumption, Results of Energy Consumption Research, 2016*

Streamlining consumption of energy resources and capitalizing on renewable energy in the public and private sector are among the priority actions mentioned in the National Development Strategy 'Moldova 2030', which is currently in process of being approved. Increasing and streamlining allocation of public and private resources for this purpose are prioritized.

The Energy Strategy of the Republic of Moldova³⁷ is another strategic document that reflects the country's priorities in this field. The document defines general strategic objectives for 2013-2030

37 <http://lex.justice.md/md/346670/>, Energy Strategy of the Republic of Moldova until 2030



and specific strategic objectives for the stages 2013-2020 and 2021-2030, specifying measures for their implementation. Sustainable development is one of the general objectives set until 2030, along with the following targets:

Ensuring security of energy supply - to be achieved through the construction of new electricity and natural gas interconnections with the European continental network, with the financial support of development partners – the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the World Bank and the European Commission. Efforts have focused on the construction of the Ungheni-Chisinau gas pipeline (with a budget of up to EUR93 million, mobilized as private investment), as well as the construction of the 400 kV Isaccea-Vulcanesti-Chisinau Overhead Power Line (EUR261 million), will significantly increase energy security in the respective segments by the end of 2020 and 2024, respectively.

At the same time, in order to streamline heat supply services while strengthening the national electricity and heat generation platform, over EUR160 million will be invested in modernizing the appropriate infrastructure between 2015 and 2025.

Developing competitive markets and their regional and European integration - action taken by authorities to transpose the community acquis in the field of energy and all the elements indispensable for a market into national law. Those commitments stem from the Energy Community Treaty and the Association Agreement signed with the European Union, which the Republic of Moldova has undertaken to honour in accordance with a well-defined timetable.

At the sectoral level, it should be mentioned that the Integrated Energy and Climate Action Plan should be prepared by line ministries and approved by the end of 2021. The Plan will present the Government's vision on how to achieve environmental and energy goals by 2030.

Ensuring sustainability of the energy sector and combating climate change - an activity based on energy efficiency policies and promotion of consumption of energy from renewable sources, based on community legislation, as well as financial means mobilized to support these activities. Thus, over EUR100 million will be invested between 2020 and 2025, just to finance the implementation of energy efficiency measures in the public sector, with the support of international financial institutions and other development partners. At the same time, in order to achieve national targets on 'electricity from renewable sources', the authorities are finalizing the legal framework and mechanisms necessary to mobilize, within three years, private investments of over EUR250 million.

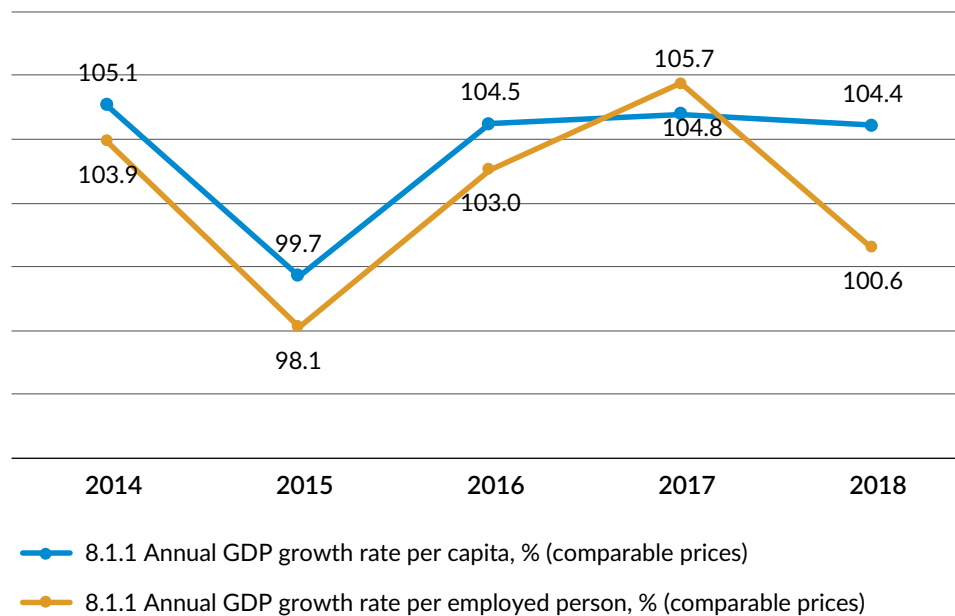
In addition to the above, with the development of the Integrated Energy and Climate Action Plan, as well as with revision of the Energy Strategy by 2030 - action planned for the end of 2020 – the Government will be able to develop a clearer vision on development of the field in the second part of the decade.

DECENT JOBS AND ECONOMIC GROWTH

Economic growth registers positive trends. Between 2012 and 2020, the Republic of Moldova aims to change the paradigm of economic growth.³⁸ The targeted economic development mo-

³⁸ Law no. 166 of 11.07.2012 approving the National Development Strategy 'Moldova 2020', http://www.legis.md/cautare/getResults?doc_id=48697&lang=ro



Figure: 28 ANNUAL GDP INCREASE RATE, %, 2015

Source: NBS

del will attract investment, develop export industries, and promote a knowledge-based society, including by strengthening research, innovation and technology transfer aimed at efficiency and competitiveness.

After a fall in 2015, the last three years registered annual growth of GDP of about 4 per cent per capita, as well as increasing GDP per employed capita.

During this period, several positive structural trends in GDP were registered. Thus, despite the share of final consumption of households in GDP remaining high (83.4 per cent in 2018), stable downward trends were registered. Domestic public consumption continued to be fuelled mainly by wages, social payments and remittances. At the same time, the national economy's dependence on remittances decreased, with their share of GDP falling from 30.2 per cent in 2010 to 23.7 per cent in 2015 and 12.4 per cent in 2018.³⁹ At the same time, certain qualitative improvements in foreign trade were found, with the negative balance of net exports falling from 32 per cent in GDP in 2010 to 26 per cent in 2018.

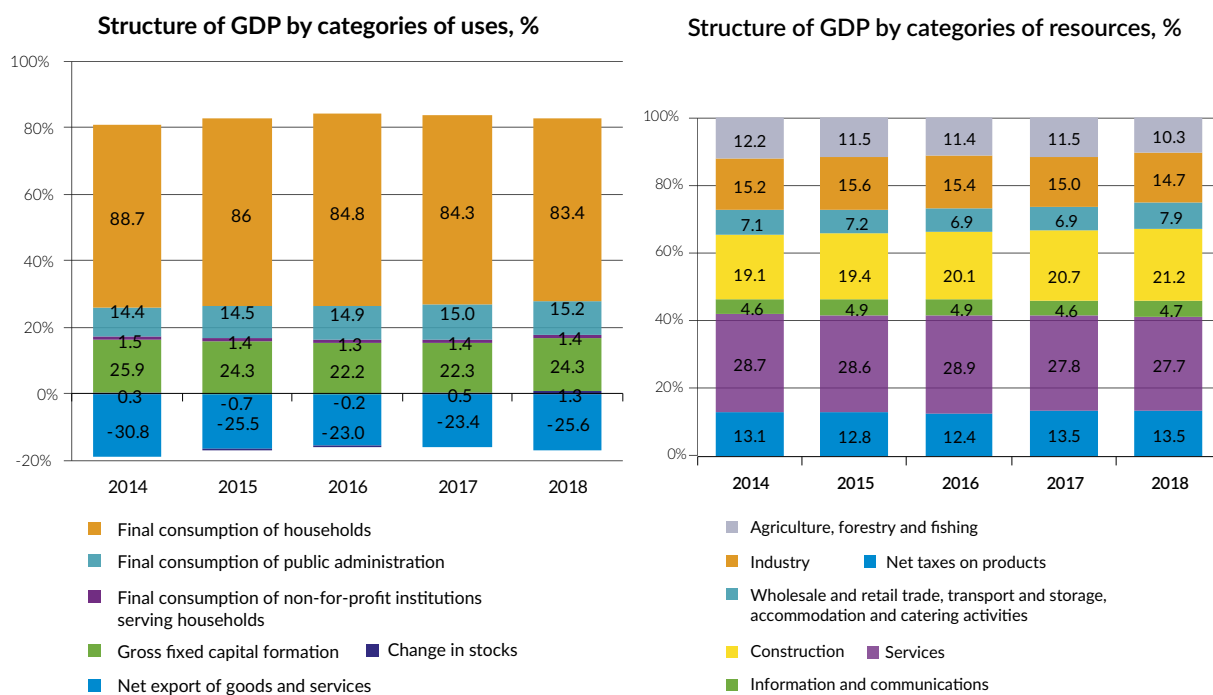
The proportion of GDP made up of productive sectors fell: agriculture decreased from 12.4 per cent in 2014 to 10.3 per cent in 2018, and industry from 15.2 per cent in 2014 to 14.7 per cent in 2018. The share of domestic trade in goods and services remains high (about half of GDP), indicating that economic development is still based on consumption rather than production.

In 2018, the major contribution of the 'Construction' sector to economic growth increased further. The increase of the Gross Added Value (GVA) in the 'Construction' sector resulted from increased investment in this sector, including in non-residential buildings (up 5 per cent) and engineering constructions (up 30 per cent). Both public and private investments have increased.⁴⁰

³⁹ NBM, Balance of payments

⁴⁰ NBS, Data Bank, Investments in fixed assets by types of fixed assets, 2017-2018



Figure: 29 COMPOSITION OF GDP, %, 2014-2018

Source: Calculation made on the basis of NBS, Data Bank, GDP and gross value-added data

The industrial sector also contributed to GDP growth. The most dynamic industries that led to the growth of the industrial sector in 2018 were the automotive industry, namely the production of electric wires and cables, parts for vehicles and engines (about 38 per cent of the increase in industrial production); energy production and supply (32 per cent), non-metallic mineral products industry (23 per cent); light industry (24 per cent); meat processing and preservation industry (16 per cent), beverage manufacturing (10 per cent); and furniture manufacturing (7 per cent).⁴¹ These branches, for the most part, correspond to those highlighted in SDG 8.2, which shows that the policies implemented are oriented in the right direction. The expansion of the activity of Free Economic Zones, especially in the automotive industry, active access to foreign markets and exploitation of opportunities provided by international economic cooperation agreements have all contributed to increased industrial activity.

The information technology industry is becoming increasingly valuable to the national economy. The GVA of this sector increased by about 2.8 per cent in 2018. This is partly due to the creation of the Information Technology Park 'Moldova IT Park', which provided the business environment with an organizational platform and a set of innovative mechanisms and facilities to drive growth of the information technology industry, create new jobs and attract local and foreign investment.

In addition to the National Development Strategy 'Moldova 2030', which is currently in process of being approved, the most important sectoral strategic documents in the economic field are: the SME Sector Development Strategy for 2012-2020,⁴² the Entrepreneurial Activity Regulatory Reform Strategy for 2013-2020,⁴³ the National Strategy for Investment Attraction and Export

41 <https://mei.gov.md/ro/documents-terms/situatia-macroeconomica-note-informative-privind-evolutia-social-economica>

42 Government Decision 685 of 13 September 2012 approving the SMEs Development Strategy for 2012-2020

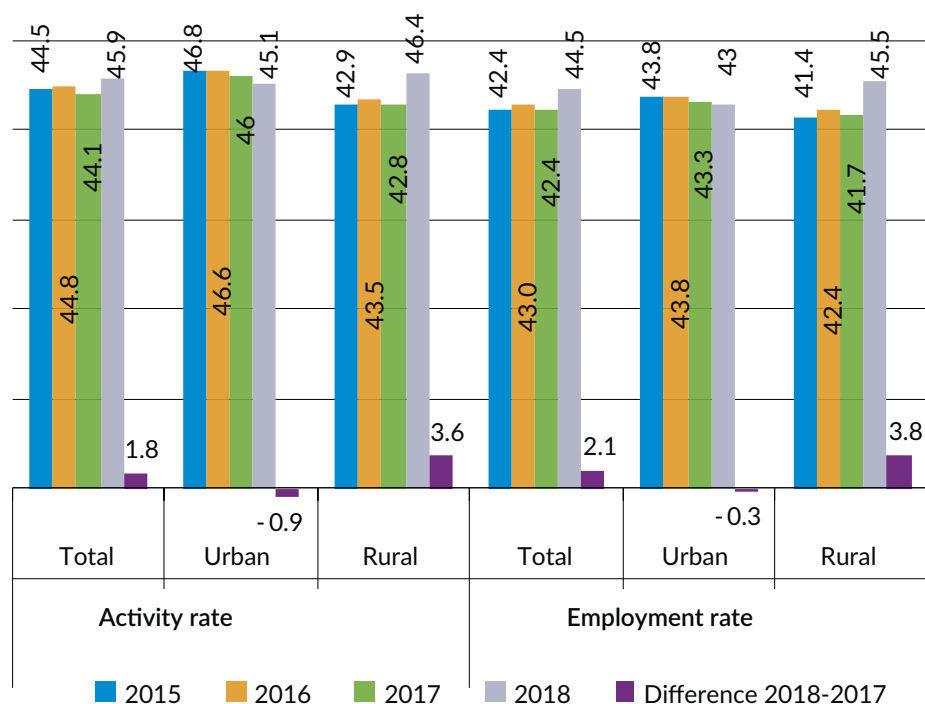
43 Government Decision 1021 of 16 December 2013 approving the Entrepreneurial Activity Regulatory Reform Strategy for 2013-2020

Promotion for 2016-2020,⁴⁴ the Strategy for the Information Technology and Digital Innovation Ecosystem Development Industry for 2018-2019 and the National Program on Competition and State Aid for 2015- 2020.⁴⁵

The labour market faces a series of challenges, while showing positive trends. The labour market in the Republic of Moldova faces multiple challenges, in terms of both labour demand and supply, such as the quality of employment, low levels of labour productivity and wages, and international labour migration. Labour migration led to de-skilling/disqualification and labour force deficits in a number of sectors. According to a 2019 IOM study, about 22 per cent of Moldovan labour migrants had precarious status in their EU countries of destination (short-term contracts, no contracts, irregular or informal work). Following the on-set of the COVID-19 crisis, the loss of jobs, but also because of the expiry of the 90 days of their visa-free stay in the EU, many labour migrants are exposed to risks of:

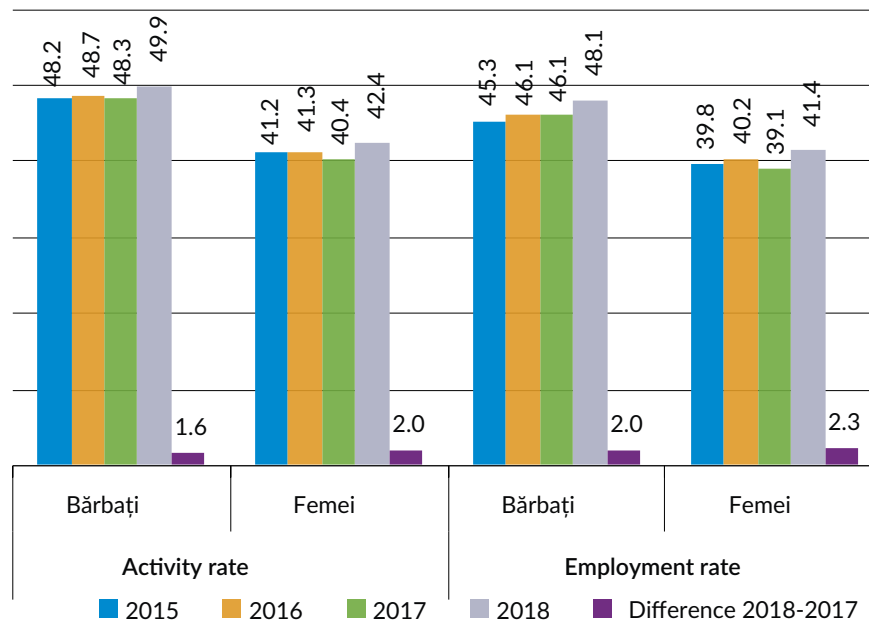
1. being stranded in countries of transit, following the imposition of travel restrictions;
2. becoming irregular, once they overstay the 90-day visa-free limit in the EU;
3. becoming destitute, especially those losing their jobs/means of existence: the estimated 45,000 Moldovan women migrants working in domestic care sector in Italy are particularly vulnerable, because they often stay with their host families, and following the onset of the COVID-19 crisis, many host families gave up their services, leaving the workers without means of subsistence, accommodation and access to basic livelihood facilities; meanwhile migrant men in the Russian Federation are facing difficulties due to the halting of many construction projects; and other groups include the employees of the retail and hospitality sectors, which are affected by the quarantine measures.

Figure: 30 ACTIVITY RATE AND EMPLOYMENT RATE, %, 2015-2018



⁴⁴ Government Decision 511 of 25 April 2016 approving the National Strategy for Investment Attraction and Export Promotion for 2016-2020

⁴⁵ Law 169 of 20 July 2017, approving the National Programme on Competition and State Aid for 2015-2020



Source: NBS, Data Bank, Activity, employment and unemployment rates by Rates, Sexes, Averages, Years

Also, often, many labour migrants face abuse and exploitative conditions in the recruitment process from private employment agencies, which charge exorbitant recruitment fees. Subsequently when starting their employment, many have no access to efficient complaint and resolution mechanisms, when facing exploitation and work accidents.

However, the labour market is showing signs of improvement. Both the activity and employment rates registered positive trends, with increases driven by changes in rural areas.

Men are more active than women in the labour market, with activity rates of 49.9 per cent for men and 42.4 per cent for women, and employment rates of 48.1 per cent men and 41.4 per cent for women.

Figure: 31 PROPORTION OF INFORMAL EMPLOYMENT IN THE NON-AGRICULTURAL SECTOR BY SEX (SDG INDICATOR 8.3.1), %, 2014-2018

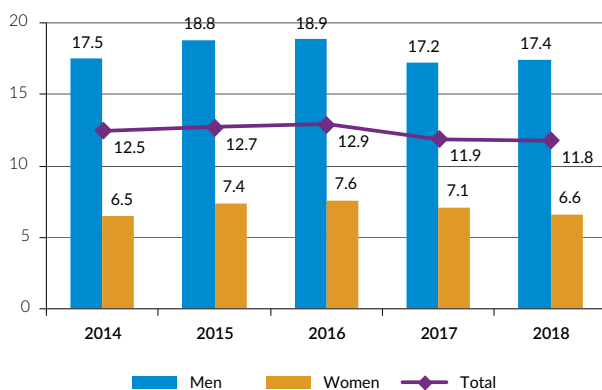
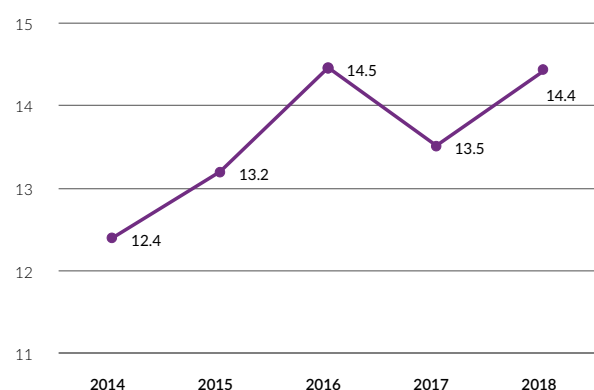
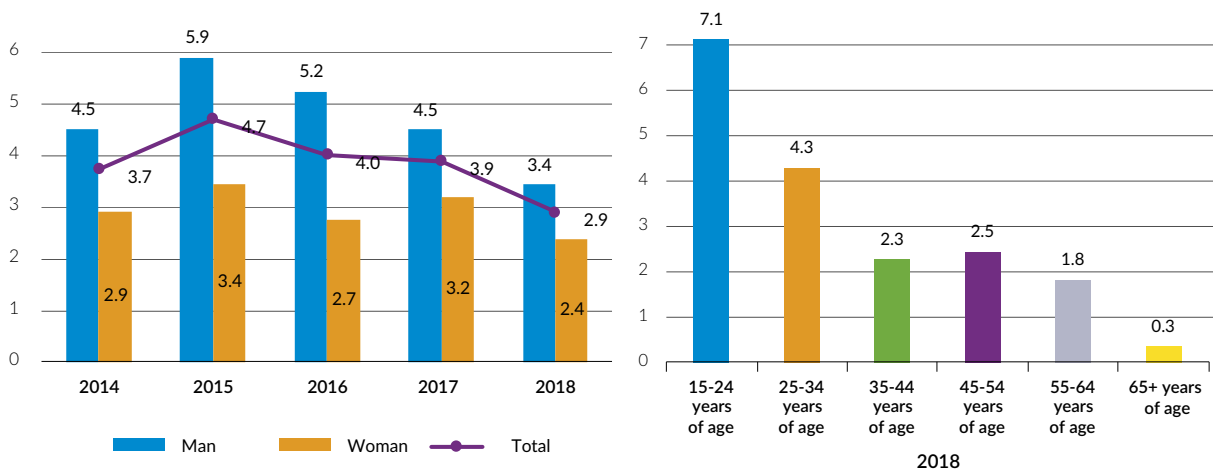


Figure: 32 GENDER-BASED SALARY GAP (SDG INDICATOR 8.5.1), %



Source: NBS

Figure: 33 UNEMPLOYMENT RATE BY SEXES, AGE GRUPS, % (SDG INDICATOR 8.5.2)



Source: NBS

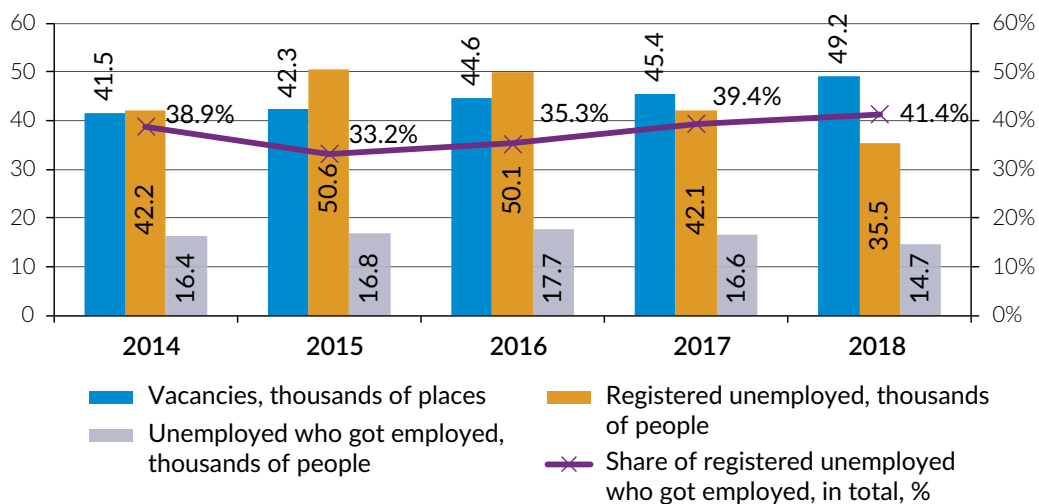
Informal employment remains one of the challenges for the country’s labour market, and persists even in less characteristic sectors of the phenomenon. One in ten people working in the non-agricultural sector is employed informally, more frequently in trade and construction.⁴⁶

Men are more prone to informal employment in the non-agricultural sector than women, the share of men is almost triple compared to that of women (17.4 per cent of men and 6.6 of women in the sector in 2018). It should be noted that there has been a slight decrease in informal employment registered in the last two years, among both men and women.

The gender salary disparity is persisting and continuously increasing, from 12.4 per cent in 2014 to 14.4 per cent in 2018.

The unemployment rate is declining, and unemployment is more pronounced among men than women. The most affected by unemployment are young people, with the unemployment rate reaching 7.1 per cent among people aged 15-24 and 4.3 per cent among people aged 25-34.

Figure: 34 VACANCIES, REGISTERED AND EMPLOYED UNEMPLOYED, 2014-2018

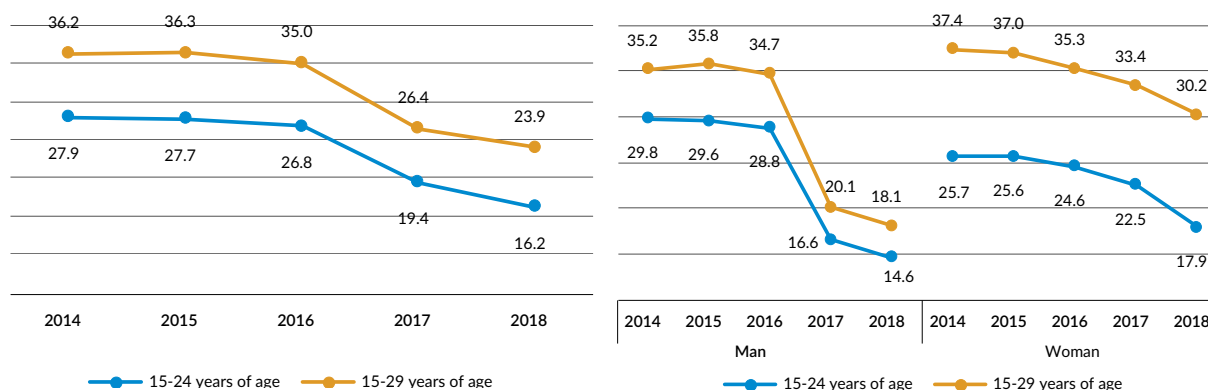


Source: MHMSP/ANOFM

46 NBS, Labour force in the Republic of Moldova: employment and unemployment in 2018, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6328>



Figure: 35 PERCENTAGE OF YOUNG PEOPLE NOT IN EDUCATION, EMPLOYMENT OR TRAINING (NEET) BY SEXES, AGE GROUPS (SDG INDICATOR 8.6.1)



Source: MHMSP/ANOFM

According to National Employment Agency (ANOFM) data, the number of registered unemployed fell by about 16 per cent between 2017 and 2018. At the same time, the number of job vacancies registered at ANOFM is increasing. Also, the proportion of unemployed people who found jobs increased in relation to the total number of registered unemployed, from 38.9 per cent in 2014 to 41.4 per cent in 2018.⁴⁷

Young people face employment problems, even if the percentage of young people not in education, employment or training (NEET) is declining. In 2018 they accounted for almost a quarter of young people aged 15-29 and about 16 per cent of those aged 15-24, much higher than the EU averages (12.9 per cent for those aged 15-29 and 10.5 per cent for those aged 15-24), but comparable to some EU countries. These figures are more pronounced among women, and the downward trends are lower; they fell by about 15 percentage points among men aged 15-24 between 2014 and 2018, but only by about 8 percentage points among women.

In the context of the Government's commitment to promote sustained, open and sustainable economic growth through full and productive employment and decent work for all, the need to promote decent work, including for the elderly, is noteworthy. Age discrimination is quite common on the labour market in the Republic of Moldova, affecting not only the youngest, newcomers to the labour market, but also the oldest, who are over 50. The main form of discrimination according to older employees concern the right to work (incentives to leave voluntarily, more limited access to training, difficulties finding work, etc.).⁴⁸

Testing of elderly-friendly jobs in 30 public and private workplaces in the Republic of Moldova,⁴⁹ show that two-thirds of the employers meet none or almost none of the needs of the elderly and only a third had a somewhat elderly-friendly environment. Improvements are needed in human resource planning, recruitment, training and professional development, and employment retention. Information and awareness campaigns should be organized for society and employers on integration of the elderly into the labour market, and human resources managers should be trained on increasing/adapting jobs for the elderly.

⁴⁷ MHMSP, final_annual_social_report_2018_.pdf

⁴⁸ Help Age International Moldova, Secretariat of Platform for Active Ageing

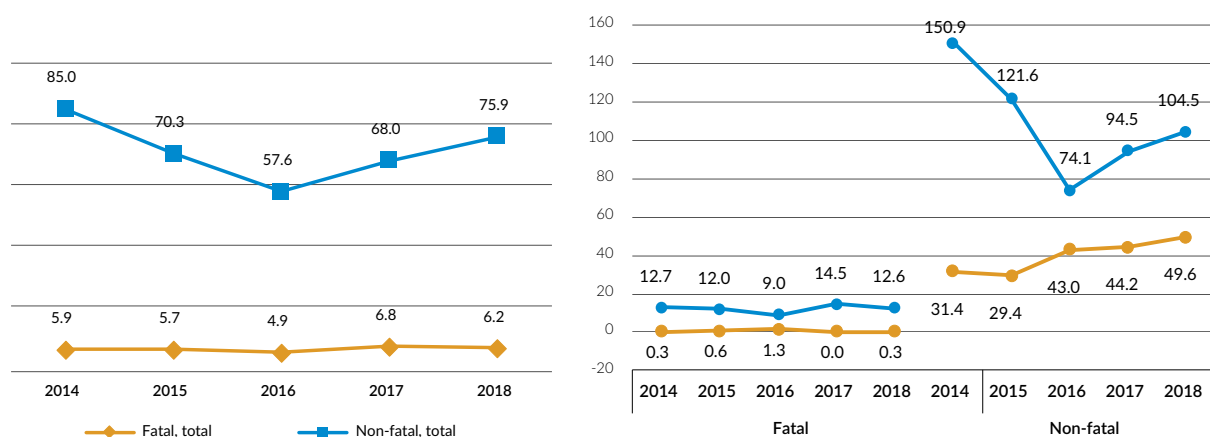
⁴⁹ Ministry of Health, Labour and Social Protection, HelpAge International Moldova, the results of testing elderly-friendly work practices in 30 companies/institutions in the Republic of Moldova



Thus, the Government must create employment opportunities and accessible jobs for people of all ages and adopt flexible retirement policies, so that older workers can continue working as long as they want. At the same time, it is important to create friendly jobs for the elderly, by adapting the working environment and work schedule, to enable employees of pre-retirement and retirement age to overcome barriers to continuing work and to benefit from more labour market inclusion options.⁵⁰

Accidents at work relate to the quality of work environments and the degree of job security. The rate of accidents at work per 100,000 employees has increased in the last three years, with non-fatal accidents increasing quicker than fatal accidents. Men are more affected by accidents, especially non-fatal accidents, at a rate twice that of women.

Figure: 36 RATE OF ACCIDENTS AT WORK, PER 100,000, TOTAL, BY SEX (SDG INDICATOR 8.8.1)



Source: NBS

The National Employment Strategy for 2017-2021 – the basic document on employment policy in the Republic of Moldova – provides for an integrated approach to employment policies, from the perspectives of both demand development and efficient management of offers in the labour market. The major objective of the Strategy is to increase the level of formal employment based on economic competitiveness, adequate skills and qualifications, in conditions of sustainable and inclusive development. The Strategy is being implemented from 2017 through the Annual Action Plans, focused on the four priorities of the Strategy: (i) Creating formal, non-discriminatory and productive employment opportunities, (ii) Developing human capital for increased employment opportunities, (iii) Better management of the labour market, (iv) Unlocking migration potential for sustainable development.

The Government of the Republic of Moldova supports entrepreneurial activities and is implementing policies to create a favourable business environment. The SME Development Strategy for 2012-2020, the Entrepreneurial Activity Regulatory Reform Strategy for 2013-2020, and the National Strategy for Investment Attraction and Export Promotion for 2016-2020 have been drawn up and implemented to favour and support business development in the Republic of Moldova.

The country's tourist heritage is insufficiently exploited. The Republic of Moldova is small with a great diversity of objects of touristic interest located at short distances from the main cities and

⁵⁰ Help Age International Moldova, Secretariat of the Platform for Active Ageing



hotel centres. This includes over 15,000 anthropic tourist attractions and over 300 important natural areas, over 1,000 protected architectural monuments, and about 50 Orthodox monasteries.

The immovable archaeological heritage of the Republic of Moldova includes over 9,000 sites of different categories and types, of which 180 are Palaeolithic; about 2,650 open settlements from the Neolithic to the late Middle Ages; 90 fortresses or fortified settlements from the Eneolithic, Iron Age and the Middle Ages; 5 ancient or medieval linear fortifications; 5,950 tumuli or burial mounds dated mainly to the Bronze Age; and 130 prehistoric, ancient and medieval flat cemeteries.

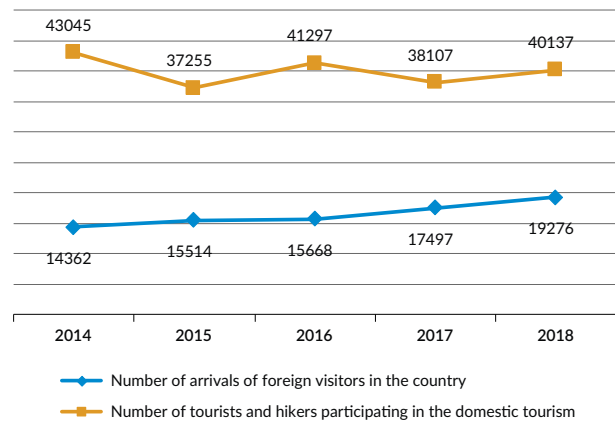
The tourist objects are relatively uniformly distributed around the country, and their value sufficiently motivates the tourist to visit such locations.

Forms of tourism are exploited and developed unevenly, with wine, business, rural, spa, religious and excursion tourism more widespread, and cultural, gastronomic, social, sports, automotive, weekend, urban, nostalgic and ecological tourism less exploited.

The Republic of Moldova is a tourist destination of interest to foreign nationals. In recent years, tourism has evolved, and the numbers of foreign visitors and domestic tourists are on the rise. However, the potential of tourism is insufficiently promoted and exploited, and the sector's contribution to development is low.

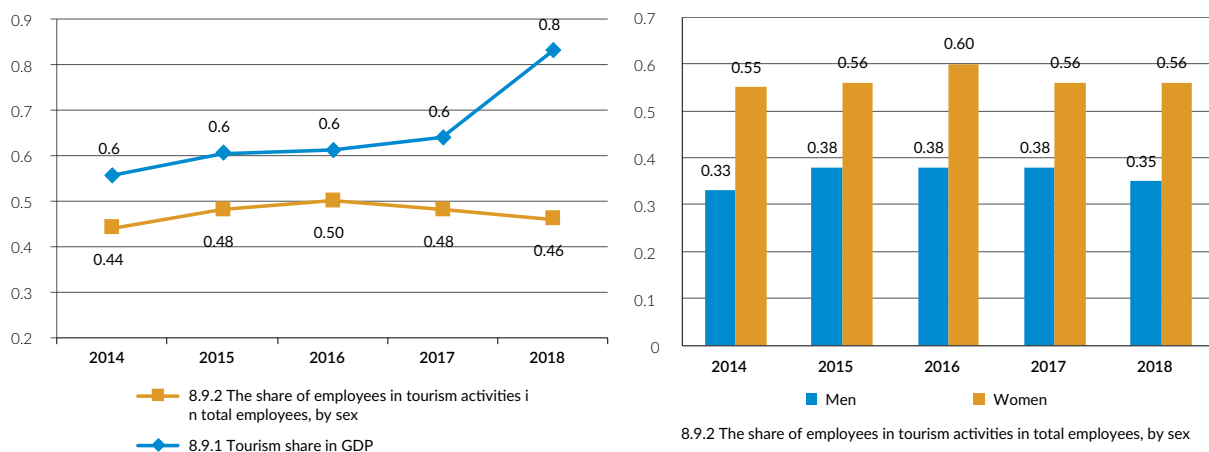
Thus, the share of GDP from tourism is limited, though a certain increase has been recorded in recent years. At the same time, labour supply is falling in the tourism sector, with a downward trend in the share of employees in the activities. The field of tourism is feminized, with more female than male employees.

Figure: 37 ACTIVITY OF TRAVEL AGENCIES AND TOUR OPERATORS



Source: NBS

Figure: 38 TRENDS IN SDGs RELATED TO TOURISM, %



Source: NBS

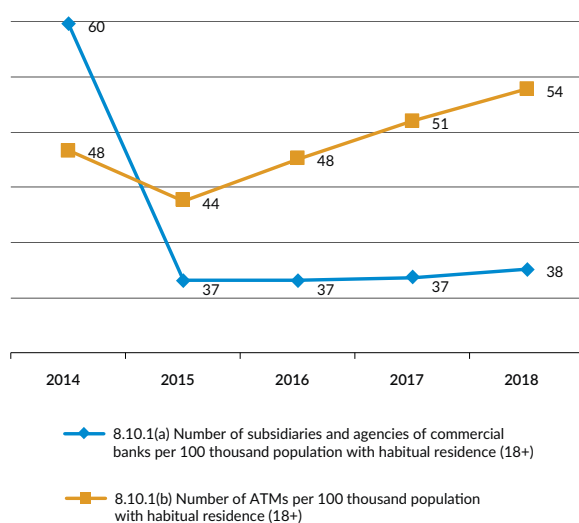
Boosting tourism in the Republic of Moldova through the development of domestic and inward tourism is the general objective of the Tourism Development Strategy for 2020. The strategy sets five specific objectives in this area: (i) improving tourism legislation in compliance with tourism market requirements, linked to European standards, (ii) exploiting national tourism potential and promoting the image of the Republic as a tourist destination, (iii) developing regional tourism, (iv) increasing the level of training of specialized staff and the quality of tourism services, and (v) modernizing the technology of the tourism industry by use of information technology. The actions envisaged to achieve these objectives are intended to contribute to increasing tourism income.

In order to increase tourist attractiveness, a series of regional development projects were implemented between 2009 and 2019, financed from the Regional Development National Fund.

Access to financial institutions is improving. There is a growing number of subsidiaries and agencies of banks, while there are 12 per cent more ATMs in 2018 than in 2014. The percentage of the population with bank accounts increased by 25 percentage points between 2014 and 2017. There are no major differences in gender. However, only a little over a quarter of people with primary education or less have bank accounts, an increase of about 19 percentage points between 2014 and 2017. Of those with secondary education or more almost half have accounts, and the increase was more pronounced, at about 26 percentage points. Meanwhile only about a third of the poorest 40 per cent have bank accounts (an increase of 20 percentage points), while over 50 per cent of the rest of the population have bank accounts, an increase of 30 percentage points. The proportion of people in rural areas with bank accounts has also increased considerably, from 15 per cent in 2014 to 42 per cent in 2017.

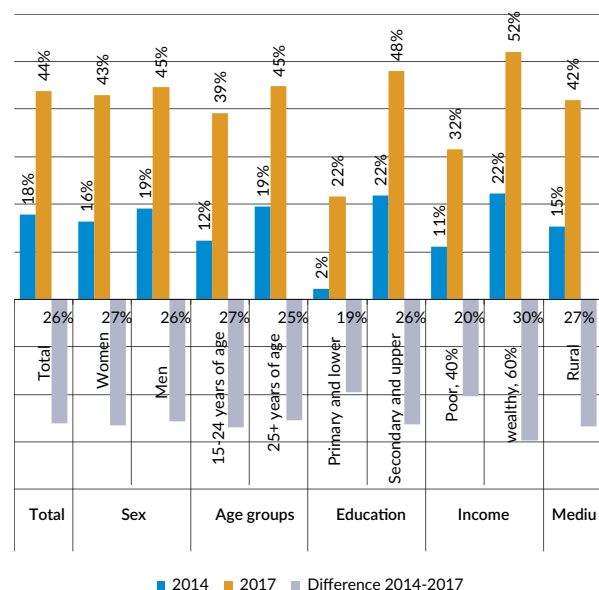
Bank deposits, made up of savings, including those accumulated from labour migration and remittances, are an important source for lending activity in the financial-banking system, but also of investing in the development of the national economy. In recent years, the volume and structure

Figure: 39 ACCESS TO FINANCIAL SERVICES



Source: NBM

Figure: 40 PERCENTAGE OF THE POPULATION (15+) WITH BANK ACCOUNTS (SDG INDICATOR 8.10.2.1)



of deposits in the Republic of Moldova have been influenced by several factors such as: confidence in local banks, the stability of the national currency, the rate of return, and the tendency to save of the population and companies. At the end of 2017, deposits accounted for 40.3 per cent of GDP, a slight increase of 0.8 percentage points on the previous year. This resulted from increased public confidence in the banking sector after the National Bank of Moldova's (NBM's) resuscitation measures⁵¹ to overcome the banking crisis.

On 1 January 2018, the Law on the Activity of Banks entered into force, which establishes a new main framework for regulating and operating these financial institutions, inter alia, foreshadowing the transition of institutions to the Basel III principles of prudential supervision. The NBM also approved the new Regulation on the bank management framework. In March 2018, the Single Central Depository of Securities (SCD) was established, which will replace the independent registrars. This progress has been appreciated by external partners, including the International Monetary Fund and the European Union.⁵²

Trade advanced rapidly after 2015 and grew by an average of 7.5 per cent a year between 2016 and 2018. As a result, the share of trade in GDP increased from 13.8 per cent in 2015 to 15.5 per cent in 2018.⁵³

The Republic of Moldova has 14 regional trade agreements with 45 partners, including: the European Union, Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, the Russian Federation, Georgia, Kazakhstan, Kyrgyzstan, North Macedonia, Montenegro, Serbia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The Republic of Moldova is also a signatory of the Central Free Trade Area (CEFTA). These agreements are complemented by preferential market access conditions in Canada, Japan, Norway, Switzerland, Turkey and the United States, which are established under the Generalized System of Preferences (GSP). The Republic of Moldova also enjoys preferential access to the European Union market in the context of the Association Agreement, which includes the Deep and Comprehensive Free Trade Area (DCFTA) which replaced in 2014 the Autonomous Trade Preferences (ATP) scheme.⁵⁴

However, the net impact of the DCFTA on the economy and foreign trade as a whole is still modest, with Moldovan producers still having much to do to fully exploit the trade opportunities offered by the European market. The main documents approved by the Government to develop trade and attract investments include the Domestic Trade Development Strategy in the Republic of Moldova for 2014-2020 (Government Document 948/2013); and the National Strategy for Investment Attraction and Export Promotion 2016-2020 (Government Document 511/2016).

51 Expert-Group (2018). 'Republic of Moldova 2018. Country's status report.' https://www.expert-grup.org/media/k2/attachments/Raport_de_Stare_a_Tarii_2018.pdf

52 Ibid

53 Expert-Group (2019). 'Republic of Moldova 2019. Country's status report.' https://www.expert-grup.org/media/k2/attachments/Raport_2019_ro_compilat.pdf

54 United Nations (2017). 'Regulatory and Procedural barriers to trade in the Republic of Moldova. Needs assessment.' Chapter 2. http://mei.gov.md/sites/default/files/all_study-for_publication.with_comments_integrated.final.pdf



Young people are an extremely vulnerable group in the labour market. Young people's access to the labour market is influenced by several barriers, such as: (i) longer and more insecure transitions from school to work; (ii) inability to meet the requirements of employers who, in a market economy environment, opt for a skilled, experienced workforce; (iii) insufficient correlation between the educational offer and the requirements of the labour market, which leads to young people being employed in jobs of lower quality in relation to the qualifications held; (iv) the salary level offered by employers below the expected level; and (v) the assumed migratory behaviour that has formed in Moldovan society over the last two decades.

Voice of Youth

Young people aspire to have attractive jobs at home, especially in rural areas, and demand effective measures to combat discrimination in entry level employment. The transition of young people from education to employment should be strengthened by the creation of state programmes supporting labour market reforms and aligning the education sector to the job market, and provision of paid internship opportunities, involving private sector and state institutions. In addition, the number of beneficiaries of state programmes to support young entrepreneurs in in the Republic of Moldova should increase.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

In order to increase access to and presence in the labour market, to develop entrepreneurial and employment opportunities among young people, especially those with reduced opportunities, the Government has approved a set of strategic documents, including: (i) the National Employment Strategy for 2017-2021, with Annual Action Plans providing for actions towards the employment of young people; and (ii) The National Youth Development Strategy for 2020 and its implementation Action Plan.

In order to implement state policy in the field of development of youth sector, the National Assistance Programme for the consolidation and development of the District/Municipal Youth Councils created conditions for inclusive participation of young people in community life. Over half (54.6 per cent) of local authorities involve young people in the decision-making process. In 2016, the National Network of District/Municipal Youth Councils was created, which by 2019 had expanded to 23 districts/municipalities. The Pool of European Youth Researchers, as well as the National Youth Correspondents, were organized in partnership with the Youth Partnership, a platform for cooperation between the Council of Europe and the EU. A National Conference of Youth Organizations was held with three training panels (Project Management, Social Media Marketing, Human Resources) attended by 80 participants from 39 youth organizations. In a project entitled 'Institutional strengthening of youth organizations through the development of planning and management capacities', supported through the 2018 MEQR Grants Programme for youth organizations, 143 representatives of 16 youth organizations received training for institutional development. The 2019 Grants Programme for youth organizations, supported the 'Promote Quality Non-Formal Education and Youth Work' project, in partnership with the 'Millennium Training and Development



Institute. In total around 120 young people were trained and more than 500 other young people were informed about the opportunities of Erasmus +: and the Youth in Action programme.

Within the 'Key competencies for the labour market project, supported through the 2018 MECR Grants Programme for youth organizations, 20 training courses were conducted to develop skills for the labour market, with 80 young people participating. In encouraging young women to choose non-traditional fields of study and activity, the Youth Department implemented the 'Development of entrepreneurial education opportunities and business start-ups among young people in the Republic of Moldova' project, in which the 'Start-up Grind: Female Founders' activity took place. The event was dedicated to women entrepreneurs globally, the direct beneficiaries were 143 young women.⁵⁵

INDUSTRY, INNOVATION AND INFRASTRUCTURE

The transport infrastructure network is sufficiently developed and covers the entire country, but requires major investments for rehabilitation and modernization. The Republic of Moldova has sufficient transport infrastructure, for its area and population: a main international airport, a main international seaport, 10,544 km of roads and 1,150 km of railways. At the same time, in some areas with economic potential the road infrastructure could be expanded to meet traffic requirements.

The public road network is the main transport infrastructure in the country. They make up 62.7 per cent of the entire road network. Over 90 per cent of national roads and almost half of local ones have permanent and semi-permanent surfaces (asphalt concrete, cement concrete and bituminous mixtures executed in situ).

A number of interventions have been carried out to rehabilitate road infrastructure, including through external financing in the form of loans or grants.

Thus, the prioritized Road Rehabilitation Project conducted interventions to rehabilitate more than 800 km, with a total investment of over EUR630 million. In 2020, rehabilitation and construction work on 1,000 km of roads is in progress or about to be launched, at an estimated cost of MDL13,950 million, and works in the medium run are planned for 850 km at an estimated cost of MDL15,300 million.

The Road Fund allocated MDL1,718 million for the maintenance and repair of national roads, and MDL660 million for district roads. The 'ROADS 2020' Programme has been launched for repairing national, local communal roads and streets at a cost of MDL1,000 million.

Recent years have seen an increase in transport activity. **Freight transport** increased by about 15 per cent, mainly due to road transport, which increased by about 23 per cent between 2014 and 2018. Road transport remains the main mode of transport in the Republic of Moldova, accounting for about 84 per cent of the total route of transported goods, followed by rail transport. **Passenger transport** has grown faster, with a 42 per cent increase. Air passenger transport has doubled, taxi usage has increased by a factor of 3.5, and minibuses and trolleybus usage by about 24 per cent.

⁵⁵ https://cancelaria.gov.md/sites/default/files/sinteza_raport_pnado_2018-2019_optimized.semnat-2.pdf



About half of the volume of road run by passengers is by minibuses, 37 per cent by aeroplane and 7 per cent by trolleybus (a mode of transport used mainly in Chisinau and Balti).

Figure: 41 TURNOVER OF GOODS, BY MODE OF TRANSPORT (AIR, ROAD, RAILWAY, FLUVIAL), MILLION TONS-KM (9.1.2)

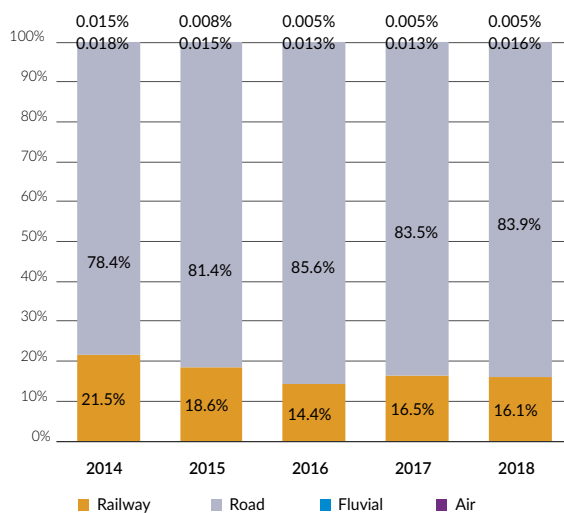
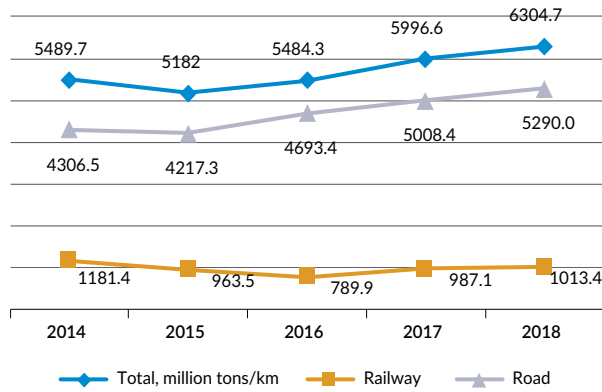
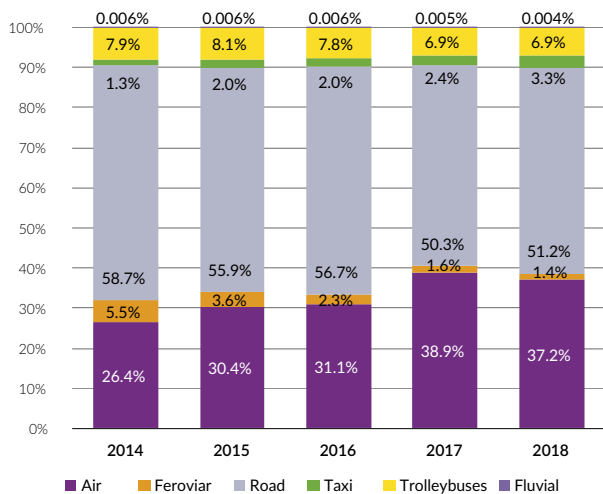
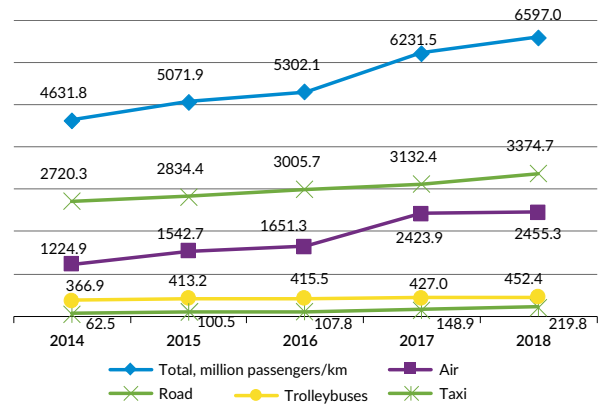


Figure: 42 PASSENGERS TURNOVER, BY MODES OF TRANSPORT (AIR, ROAD, RAILWAY, FLUVIAL), MLN PASSENGERS-KM (9.1.3)



Source: NBS

The vision of the Republic of Moldova in the field of transport is presented in the Transport and Logistics Strategy for 2013-2022.⁵⁶ The specific objectives of this Strategy are: (i) creating a legal, institutional and adequate environment for the transport and logistics sector to facilitate the sustainable economic development of the Republic of Moldova; (ii) ensuring a framework that would allow each type of transport to contribute to the economic development of the Republic of Moldova, oriented towards the development of foreign trade; and (iii) ensuring the transparency of decisions on infrastructure investments and expenditures, and establishing the basis for concluding agreements with Moldova's external partners, such as international financial institutions and the donor community.

56 GD 827/2013, <https://mei.gov.md/ro/content/transporturi>



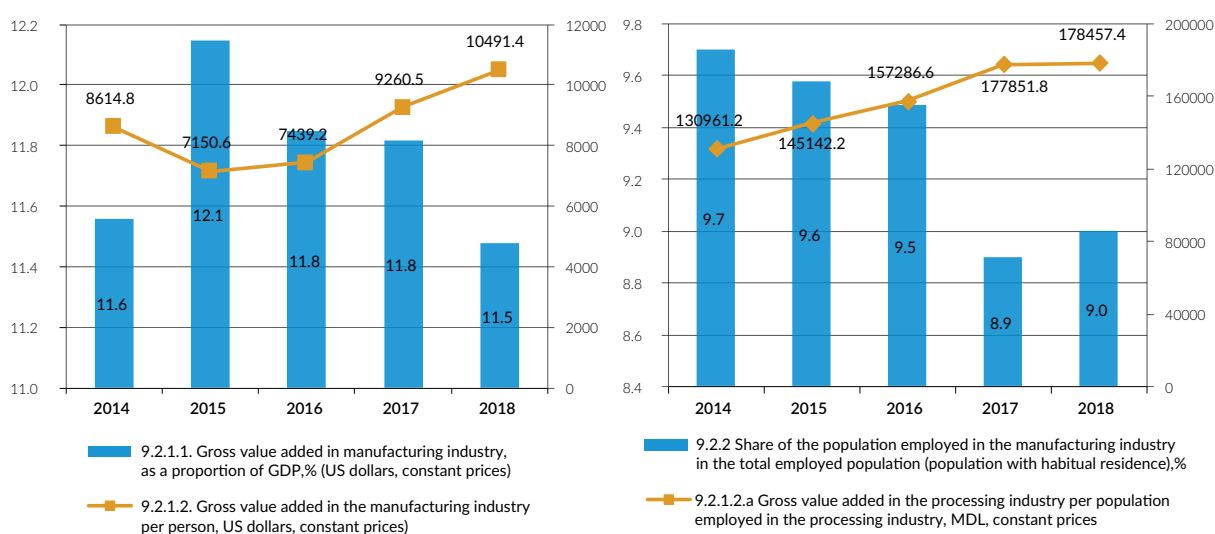
Industrial sector. The industrial sector in the Republic of Moldova is focused on four industrial dimensions: manufacturing industry (food and beverages, manufacture of clothing, textiles, etc.); supply of thermal/electric energy, gas water; water distribution and sanitation; and the extractive industry.

Production in the manufacturing industry makes up about 83 per cent of all industrial production, and a third of manufacturing industrial production is in the food and beverage industry. Light industry is another important branch of the industrial sector, with a share of about 10 per cent. Industry makes up less of GDP than in the EU, accounting for about 15 per cent of national GDP, compared to 19 per cent in the EU-28.⁵⁷ The growth rate of indicators in the manufacturing industry remained rather constant between 2014 and 2018. Gross value added in the manufacturing industry, as a proportion of GDP (US\$, constant prices) was about 12 per cent in that period.

Gross value added in the manufacturing industry per person (US dollars, constant prices) increased by about 20 per cent, and gross value added in the manufacturing industry per person employed in the manufacturing industry (MDL, constant prices) increased by almost 40 per cent.

At the same time, there has been a slight decrease in the proportion of people employed in the manufacturing industry in 2017 and 2018.

Figure: 43 DYNAMICS OF INDICATORS WITH REFERENCE TO THE MANUFACTURING INDUSTRY



Source: NBS

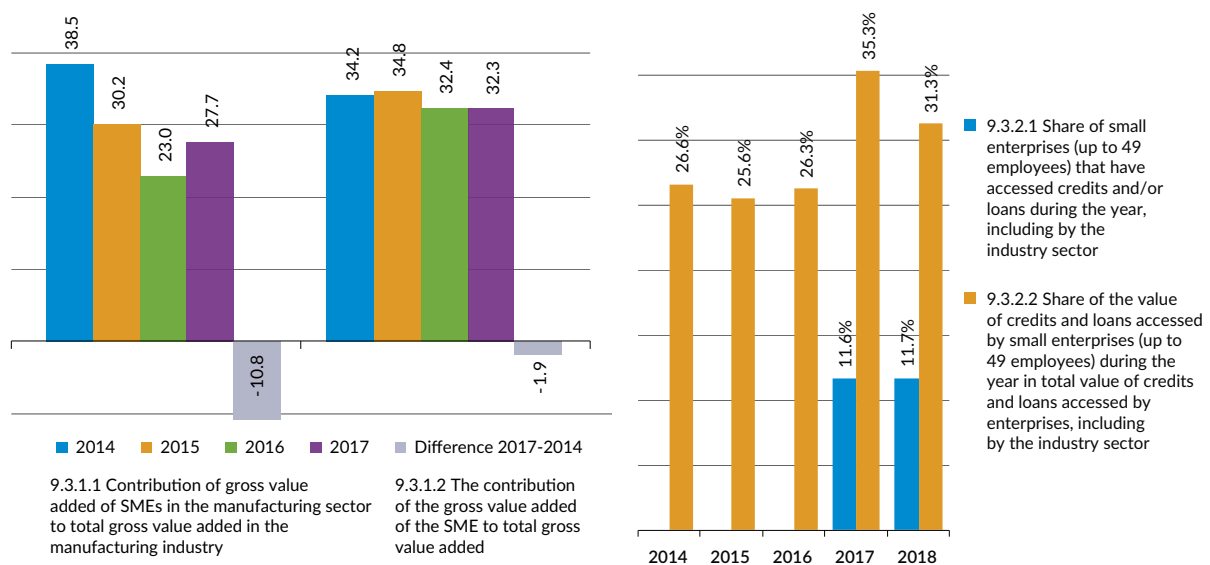
Small and medium enterprises. Access to finance is a key factor for facilitating economic growth and competitiveness. SMEs require access to finance at a reasonable cost to invest in equipment and other assets, which could help them improve their labour productivity and product competitiveness, finance their short-term needs in the business cycle, and adjust to changing market needs.

The contribution of SMEs to total gross value added in 2017 was about 32 per cent, and has fallen slightly in recent years. In the manufacturing sector, the contribution of SMEs is almost 40 per cent. About a third of all SMEs have accessed loans, and these loans make up about 12 per cent of all loans accessed.

⁵⁷ <http://ec.europa.eu/eurostat>,



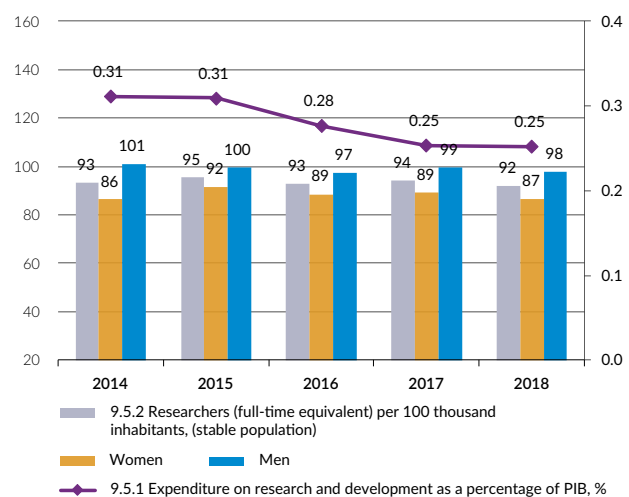
Figure: 44 TRENDS IN INDICATORS WITH REFERENCE TO SMES



Source: NBS

Improving access to finance has been a national priority since 2012, in the National Development Strategy 'Moldova 2020'⁵⁸ as well as in the Development Strategy of the small and medium enterprises sector for 2012-2020.⁵⁹ In order to facilitate access to finance and stimulate business development a number of entrepreneurial support programmes have been funded by the state and/or international development partners and new business financing instruments, such as: 'PARE 1+1' Programme on Attracting Remittances into the Economy, Programme for the development of business incubators in the Republic of Moldova, the 'Women in Business' Programme, the PNAET National Program for Youth Economic Empowerment, 'START for YOUNG PEOPLE: a sustainable business at home', the Programme to promote the participation of economic agents in fairs and exhibitions, Greening SMEs Programme, Loan Guarantee Fund managed by the Organization for the Development of the Small and Medium Enterprise Sector, the JNPGA Programme for supporting and developing the SME sector funded by the Government of Japan, the Improving Competitiveness Project, and so on. Small and medium-sized enterprises benefited from this support, which is in line with the needs of entrepreneurs and the global goals.

Figure: 45 RESEARCH AND DEVELOPMENT DATA



Source: NBS

The research and innovation sector is declining,

with expenditure on research and innovation making up only 0.25 per cent of GDP, and the number of researchers falling to the current 92 people per 100,000 inhabitants (87 per 100,000 for women and 98 per 100,000 for men).

58 Law 166 of 11 July 2012, approving the National Development Strategy 'Moldova 2020'

59 Government Decision no. 685 of September 13, 2012 approving the SME Sector Development Strategy for 2012-2020

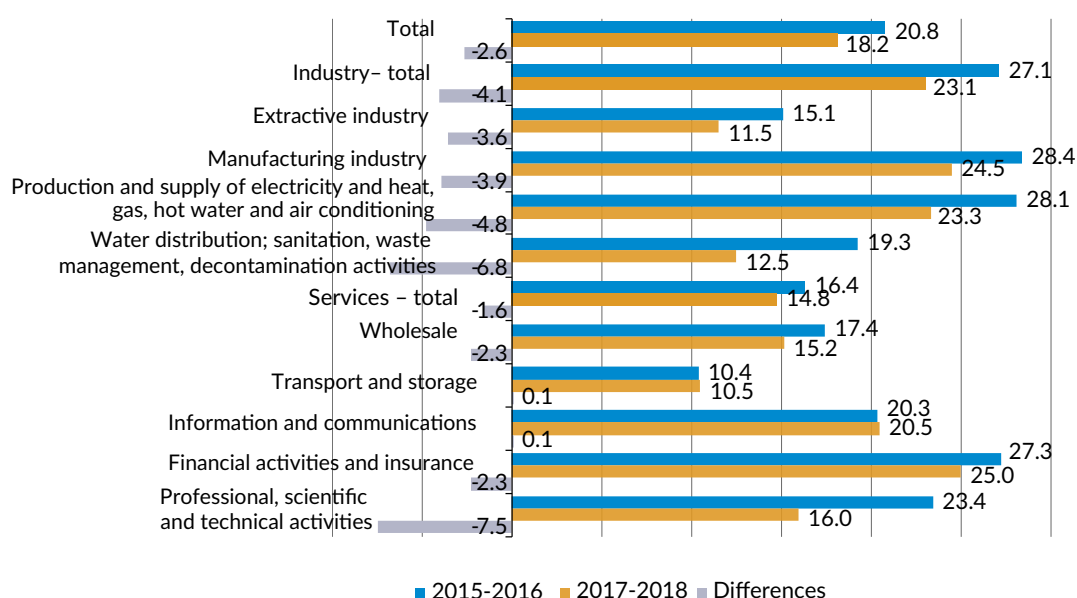


Innovation activity within enterprises is not very extensive and is tending to stagnation. NBS research in the field⁶⁰ found that the share of enterprises that have carried out innovation activities fell from 20.8 per cent in 2017 to 18.2 per cent in 2019.

Research in 2019 found that of all innovative enterprises, 40 per cent have achieved several types of innovations (products, processes, methods of organization and marketing), 20 per cent have achieved product and/or process innovations, and 40 per cent have been innovative in organizational and/or marketing methods.

The most innovative branches of the economy remain the manufacturing industry and the energy sector. About 24 per cent of manufacturing companies and 23 per cent of energy companies conduct innovation activities. In services, the most innovative branch is financial activities and insurance, in which 25.0 per cent of enterprises have carried out innovative activities (27.3 per cent in previous study data).

Figure: 46 INNOVATION IN ENTERPRISES, BY ECONOMIC ACTIVITIES, 2015-2018, %



Source: NBS, *Business Innovation Activity in the Republic of Moldova*

United Nations data show that the *proportion of medium and high-tech industry value added in total value added* (SDG indicator 9.b.1) in 2016 was about 16.38 per cent, about the same as in 2015.

The Government of the Republic of Moldova has approved a set of strategic documents that form the vision for development of the research and innovation field.⁶¹ These documents set out priorities and strategic development directions in the fields of research and innovation and aim to increase the efficiency of national research and innovation, ensuring optimal conditions for generating new knowledge from basic and applied research and implementing them to boost the national economy's competitiveness and the general level of welfare.

⁶⁰ NBS, Statistical research on innovation activity in industry and services, the 2019 research reference period was between 2017 and 2018, the 2017 research reference period was between 2015 and 2016.

⁶¹ 2020-2023 National Programme for Research and Innovation (Government Decision 381/2019), Roadmap for the integration of the Republic of Moldova into the European Research Area for 2019-2021 (Government Decision 10881/2018), Concept of cluster development of the industrial sector of the Republic of Moldova (Government Decision 614 of 20 August 2013), Strategy for the development of the information technology industry and of the ecosystem for digital innovation for 2018-2023 (Government Decision 904 of 24 September 2018)

Research and innovation activity are also regulated by a series of normative acts. The main legislative acts regulating innovation are the Code on Science and Innovation,⁶² the Law on Scientific-Technological Parks and Innovation Incubators,⁶³ and the Law on Industrial Parks⁶⁴.

The state has put in place various tools to encourage innovation. According to the Law on Scientific-Technological Parks and Innovation Incubators, residents of these parks and incubators, under the legislation in force, benefit from: a) tax and customs facilities; b) financing, obtained through competition under state science and innovation programmes and projects, granted also for the creation and/or development of the innovation infrastructure; c) investments and equipment from individuals and legal persons governed by public or private law and from external financial assistance; d) donations, sponsorships and investments; e) advantageous conditions for leasing, use of infrastructure and communications, including by paying in instalments; and f) exemptions or reductions in charges.

The Law on Industrial Parks also stipulates that industrial park activities can capitalize on scientific research and/or technological development in specific facilities in order to exploit the human and material potential of a region.

The main objectives of these instruments are to attract investment, create competitive sectors of industry based on modern advanced and innovative technologies, and conduct activities in line with the development opportunities specific to the area, including use of public assets in a more efficient manner and job creation.

Since 2014, the Republic of Moldova has been associated with the “Horizon 2020” European Union Framework Programme for Research and Innovation (2014-2020). This has considerably expanded opportunities for companies in the country to access European research and innovation projects. This partnership provides the Government with practical support to identify, implement and evaluate reforms needed to strengthen the quality of research and innovation systems.

In order to connect the national research and innovation system to the European research and innovation system, the National Roadmap for integration of the Republic of Moldova into the European Research Area for 2019-2021 set six priorities: (i) a more efficient national research system; (ii) optimal transnational cooperation and competitiveness; (iii) jobs accessible to researchers; (iv) gender equality in research; (v) optimal circulation of, access to and transfer of knowledge; and (vi) international cooperation.

The information and communication technology (ICT) sector is one of the priority economic sectors of the Republic of Moldova, contributing to about 11-12 per cent of GDP.⁶⁵ The gross value added of the ICT sector in the national economy was approximately MDL21.7 billion in 2018, 4.3 per cent higher than the previous year (current prices)⁶⁶.

62 Law 259-XV of 15 July 2004, adopting the Code on Science and Innovation

63 Law 138-XVI of 21 June 2007 on Scientific-Technological Parks and Innovation Incubators

64 Law 182 of 15 July 2010 on Industrial Parks

65 https://statistica.gov.md/public/files/publicatii_electronice/Femei_barbati_TIC/3_Antreprenoriat_pozitii_decizie_TIC.pdf

66 Government Decision 511 of 25 April 2016 approving the National Strategy for Investment Attraction and Export Promotion for 2016-2020.



Broadband internet access, with high data transfer speeds, is becoming increasingly accessible throughout the country. Companies have clear long-term predictability and can invest effectively in network development, and users enjoy advanced quality services in any corner of the Republic of Moldova.

Voice of Youth

Young people in rural areas are limited in their opportunities due to the lack of adequate infrastructure adapted to their needs (absence of services in rural areas and limited interurban connections). The road and architectural infrastructure is not adapted well for young people with disabilities, who face considerable barriers in access to goods and services, contributing to their exclusion from the socio-economic life of the country. ICT and digital tools, which can support young people to improve their lives and contribute to their development and social inclusion, are not accessible for all youth.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

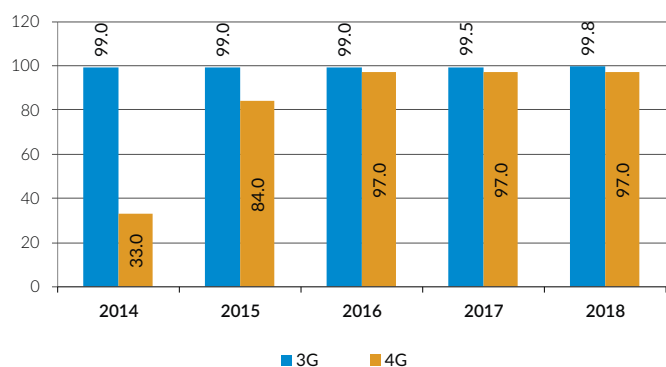
Date on the development of fixed broadband internet services market in 2019 revealed that 670,500 more subscribers preferred those services that year, a growth since 2018 of 7.6 per cent.⁶⁷ The penetration rate of fixed broadband internet services per 100 inhabitants, increased year-by-year by 2.2 percentage points, to 25 per cent.

In 2019, the number of subscribers who opted for connections that allowed high data transfer speeds, over 100 Mbps, increased by 64.4 per cent to about 103,000, and the number who contracted connections allowing speeds between 30-100 Mbps increased by 9.2 per cent to just over 370,000.⁶⁸

In recent years, considerable investments have been made in mobile communication services and networks, confirming the hypothesis that the Republic of Moldova chooses mobility and access from anywhere. The coverage rate of electronic mobile communications networks is about 100 per cent, with 4G reaching coverage of 97 per cent in the last three years. The penetration rate of mobile telephony services, reported per 100 inhabitants, reached 134.8 per cent.

In 2019, the main mobile broadband internet access services market indicators recorded the highest electronic communications sector growth rates in the country.⁶⁹

Figure: 47 PROPORTION OF POPULATION COVERED BY A MOBILE NETWORK, BY TECHNOLOGY (SDG INDICATOR 9.C.1)



Source: NRAECIT

⁶⁷ MEI data processed by the National Regulatory Agency for Electronic Communications and Information Technology (NRAECIT).

⁶⁸ MEI, according to ANRCETI data

⁶⁹ MEI, according to ANRCETI data



This dizzying increase is explained by the substantial expansion of 4G/LTE network coverage, affordable terminals (only 2-3 times more expensive than 3G terminals and modems) appearing in the market and the increased interest among users for the advantages of 4G/LTE technology versus 3G (UMTS/HSPA) technologies, especially for high speed data transmission.

Thus, in 2019 the total number of users who accessed the mobile internet using 4G technology was 51.6 per cent higher than in 2018, at 1,546,300 people. Of these, about 1,450,000 accessed the internet through smartphones, an increase of 55 per cent, and about 97,000 used dedicated mobile internet (via modems/cards).

According to data from mobile electronic communications providers, in 2019, the total number of mobile broadband Internet users increased by 9.8 per cent to about 2,382,000, and the penetration rate of mobile broadband internet access services increased by 9.4 percentage points to 88.8 per cent.

The development vision of the ICT sector is set out in the following strategic documents: the National Strategy for Development of Information Society “Digital Moldova 2020”, the Strategy for development of the information technology industry and of the ecosystem for digital innovation for 2018-2023, and the Broadband Network Development Programme 2018-2020.

REDUCED INEQUALITY

In 2018, the average monthly disposable income per person in total in the country was higher than the subsistence minimum. Average income per person was MDL 2,357, with the minimum total set at MDL1,891, a ratio of 1.25. In rural areas, average income per person was MDL1,996, 1.11 times more than the minimum subsistence estimated for rural areas, of MDL1,796.

At the same time, significant inequalities persist in disposable income per person between various population groups.

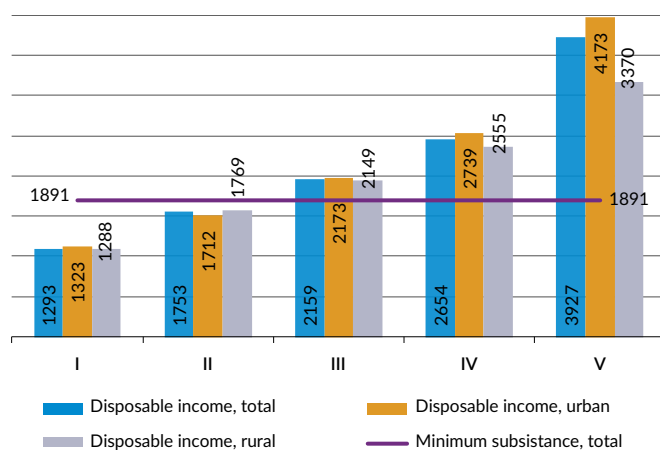
The income of the poorest 40 per cent of the population is below the subsistence minimum, in both rural and urban areas; that of the richest group is more than double.

Average monthly consumption expenditure per person exceeds income, in total in the country in 2018, amounting to MDL2,389, (in rural areas – MDL2,019).

The rate of increase in consumer expenditure per person is declining, but remains positive. For the poorest two quintiles of the population this indicator fell.

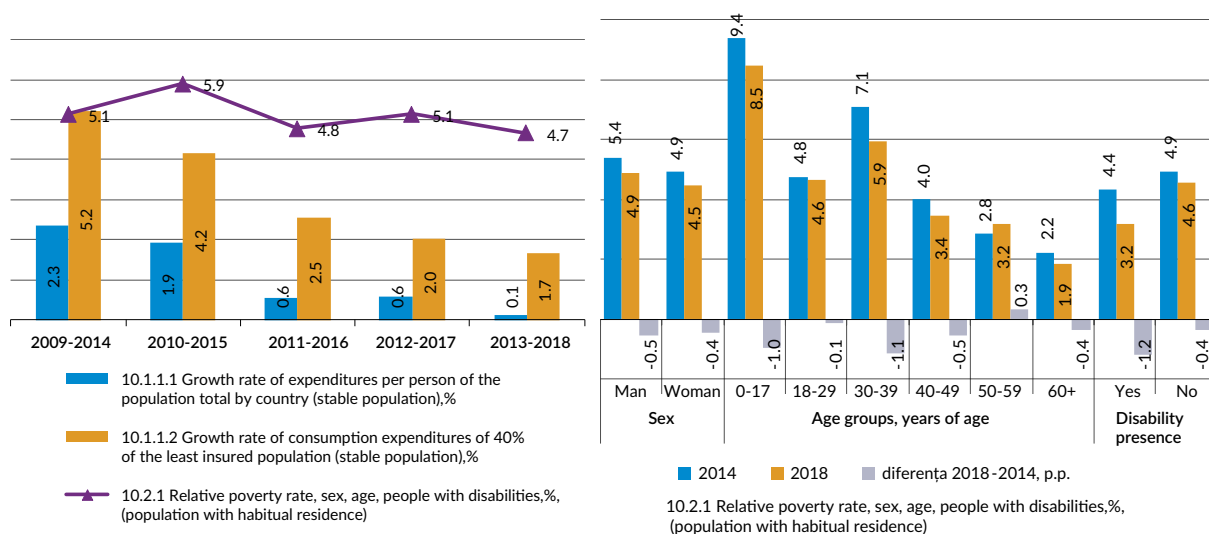
At the same time, the relative poverty rate is declining, which means that

Figure: 48 AVERAGE DISPOSABLE INCOME PER PERSON PER QUINTILE, MDL, 2018



Source: NRAECIT



Figure: 49 INDICATORS ON WELFARE LEVELS

Source: NBS

inequality is reducing. Inequality is more pronounced among people aged 0-17 and 30-39, who have the highest rates of relative poverty, suggesting higher risk of poverty among young families with children.

About a quarter of the disposable income of the 40 per cent less insured population comes from social benefits: pensions, child allowances and social assistance. They are thus mainly retirees and families with children.

Voice of Youth

“Social inequality is a major cause of dissatisfaction among individuals and social groups. Learn to respect and value people, whether they were born in urban or rural areas. Inequality is a fact. Equality is value,” Girl, 15 years old, Nisporeni.

Compared to their urban counterparts, young people in rural areas have fewer opportunities to access non-formal education, health and leisure services, as these are usually located in urban areas, and intercity public transport and infrastructure are insufficiently developed in many places. Inequalities also affect young people of Roma ethnicity and those with disabilities when accessing education, health or employment due to stereotypes, or inaccessible infrastructure for young people with disabilities.

Source: YReport on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

The negative effects of inequalities accumulate over a lifetime and have a disproportionate impact on old age, especially for women. Ensuring a legal framework for social protection is extremely important for upholding the fundamental right of older people to social security, especially with regard to decent and secure income and access to essential services, such as health and care services, in a way that promotes the rights and dignity of the elderly. For this reason, it is



important to ratify Article 23 of the revised European Social Charter to ensure the rights of the elderly to social protection.

The Government must empower the elderly to participate as full members of society by adopting social protection and health policies that reduce inequalities among the elderly.⁷⁰

The State is involved to a high extent in reducing poverty and promoting social inclusion of people from disadvantaged groups. Networks of social services, inclusion, rehabilitation and re-qualification have been developed, and access to social support of disadvantaged groups is being improved by the provision of relevant services, as needed.

An Action Plan implementing the National Programme for Social Inclusion of Persons with Disabilities for 2017-2022 has been developed and is being put in place. The National Programme for Deinstitutionalization of Persons with Intellectual and Psychosocial Disabilities from Residential Institutions for 2018-2026,⁷¹ managed by the National Social Assistance Agency, has been approved. This enables a process of deinstitutionalization of persons with disabilities from residential institutions by providing social services at community level and transforming residential institutions into regional centres with responsibilities to develop and provide alternative services at community level that respect human rights and social inclusion.

State policy in the field of protection and inclusion of the elderly is guided by Government Decision 1147 of 20 October 2017 on completing the Programme for the Integration of Ageing Related Policies (in force since 5 January 2018) with the Action Plan on implementation of the active ageing principle for 2018-2021. In recent years, there has been more reflection of the ageing phenomenon in national policies in the field of population and development, such as the National Development Strategy “Moldova 2030 National Development Strategy ‘Moldova 2030’, which is currently in process of being approved”, the annual Budget Laws, the Law on Employment Promotion and Unemployment Insurance.

The Strategy for Consolidating Interethnic Relations in the Republic of Moldova for 2017–2027 and the Action Plan for 2017–2020 on its implementation were developed. During 2018, the Interethnic Relations Agency financially supported about 380 activities to promote tolerance and respect for diversity, some with the support of international organizations. Actions for the inclusion of Roma people are being implemented, and the Interethnic Relations Agency prepares a report every year on the implementation of the Action Plan to support the Roma population in the Republic of Moldova for 2016–2020.

Tax, salary and social protection-related policies. In July 2018, a series of amendments were made to the tax legislation, on which basis the process of ‘tax relaxation’ was started. Thus, from 1 October 2018,⁷² the transition was made from a progressive individual tax system (7 per cent and 18 per cent) to one based on a single rate of 12 per cent.⁷³ At the same time, the ceiling of annual personal exemption for individuals doubled from MDL11,280 to MDL24,000 per year.⁷⁴

70 HELP AGE International Moldova, Secretariat of the Platform for Active Ageing

71 Government Decision no. 893 of October 12, 2018

72 Law no. 178 of 26.07.2018 amending certain legislative acts. <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=376849>

73 Article 15, letter a), Title II ‘Income Tax’ of Tax Code no. 1163 of 24.04.1997.

74 Article 33, para. 1, Title II ‘Income Tax’ of Tax Code no. 1163 of 24.04.1997.



As a result, people with gross incomes lower than the subsistence minimum (MDL1,895.7 per month in the first half of 2018⁷⁵) were exempted from paying income tax, the first time such a measure has been implemented in the Republic of Moldova.

Simultaneously with the decrease of tax rates, the rates of social contributions paid to the State Social Insurance Budget (SSIB) for certain categories of employers were also reduced. The rate for employers from the private sector, higher education and health care institutions fell from 23 per cent to 18 per cent; private sector employers with special conditions from 33 per cent to 26 per cent; and agricultural employers from 16 per cent to 12 per cent.⁷⁶

In terms of wage policy, efforts are being strengthened to increase sustainable wages, reduce the pay gap between sectors of the economy, and ensure increased economic competitiveness and labour productivity.

In the Republic of Moldova, the salaries of employees in financially autonomous units is regulated, regardless of the type of ownership and the form of legal organization. A minimum salary is guaranteed in the real sector, and certain rules and state guarantees have been introduced (such as payment of compensation for work performed in unfavorable conditions, payment for night hours, payment of overtime, payment for parking hours and for being in technical unemployment, etc.).⁷⁷ In 2018, the minimum guaranteed salary was set at MDL2,610 per month, 9.7 per cent higher than in 2017.

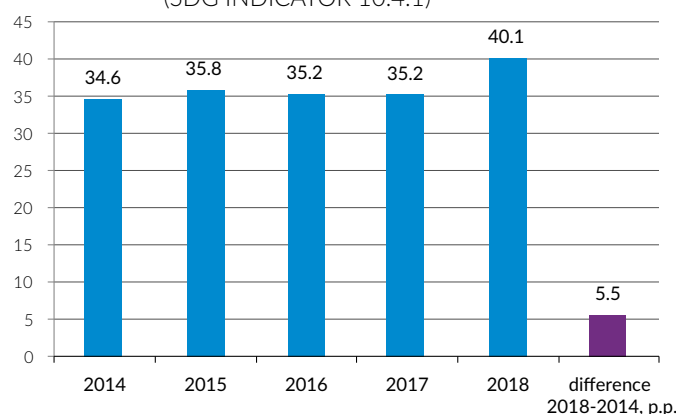
A series of actions are being implemented, such as increasing the salary registration quota; increasing employer responsibility for protecting employee rights; intensifying control to detect evasions and addressing 'undeclared work'; involving trade unions in the ending of 'undeclared work' and payment of 'envelope' salaries, and promoting legal education of employees.

As a result, in 2018, the average monthly salary in the national economy increased by 13.2 per cent from 2017 in nominal value, and 9.9 per cent in real terms (adjusted to the consumer price index), to MDL6,446, 4.

The share of GDP of workforce cost increased from 34.6 per cent in 2014 to 40.1 per cent in 2018, an increase of 5.5 percentage points.

Despite the annual increases, the salary level in the Republic of Moldova remains among the lowest in Europe (about EUR 334); this is a determining factor of low labour market participation, but also of international migration for work.

Figure: 50 SHARE OF LABOUR COST IN GDP, %
(SDG INDICATOR 10.4.1)



Source: NBS

⁷⁵ NBS (2018). 'Subsistence minimum in the first semester of 2018'. Press release. <http://www.statistica.md/newsview.php?l=ro&sidc=168&id=6129>

⁷⁶ Article 3 and Annex 3 of Law 281 On the State Social Insurance Budget for 2018, of 15 December 2017, including subsequent amendments <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=373499>

⁷⁷ Salary Law, Law 847-XV of 14 February 2002, Labour Code, Government Decision 743 of 11 June 2002 on the remuneration of employees in financially autonomous units, Government Decision 165 of 9 March 2010 on the minimum guaranteed salary in the real sector.

Analysis shows that these annual wage increases are not correlated with labour productivity which remains quite low, stagnating at the level of 20-23 per cent of the corresponding averages of Central and Eastern European and EU countries.⁷⁸

Broadly speaking, the current wage system is characterized by significant wage disparities between and within the economic sectors, but also the persistence of a wide gender pay gap. Thus, the lowest salaries in 2018 were registered in the following sectors: (i) arts, recreation and leisure activities; (ii) accommodation and catering activities; and (iii) agriculture, forestry and fish farming, which equated to just over two-thirds of the average gross monthly wage in the economy. At the same time, salaries in the information and communications sector were more than twice the average in the economy.

In order to reduce the salary disparities in the budget system and increase average salaries, in July 2017, the Government started the complex reform of the public sector salary system,⁷⁹ which resulted in the elaboration of the Concept on the Unitary Salary System in the Budget System⁸⁰ and the Law on the Unitary Salary System in the Budget System (adopted by the legislature on 23 November 2018⁸¹).

According to the provisions of the new Law, the ratio of compression⁸² of basic salaries in the budgetary sector is 1 to 15 compared to the previous one of 1 to 30. Also, a reference value corresponding to the salary coefficient 1.00 is established annually in the state budget law, for 2019 it was MDL1,500 (for some categories, by derogation, it varies from MDL1,300 to MDL2,600 depending on the category).⁸³ Article 27 (2) of Law 270/2018 guarantees a monthly salary calculated for a full-time job at MDL2,000, which can be considered the minimum salary in the budgetary sector.

According to government estimates, the cost of implementing this reform in 2019-2021 will be MDL3.9 billion. By 2021, the average monthly salaries of employees of state-financed institutions are expected to increase by 30 per cent and those in institutions financed from the local budgets by 55 per cent.⁸⁴

Against a background of economic growth marked by internal (increased balance of payments deficit, volatile inflation) and external (international trade tensions, Brexit) challenges, the financial system is contributing quite modestly to the recovery of the economic situation. Lending to the population (individuals) is increasing, with financing granted by both the banking and non-banking sectors, and mortgage lending increasing.

78 Expert Group/Friedrich Ebert Stiftung (2018). 'Republic of Moldova 2018. Country's status report', p. 9. https://www.expert-grup.org/media/k2/attachments/Raport_de_Stare_a_Tarii_2018.pdf

79 Government disposal 1-d of 16 January 2017. <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=368856>

80 Government disposal 80-d of 28 July 2017. <http://mf.gov.md/sites/default/files/Conceptul%20privind%20sistemul%20unitar%20de%20salarizare.pdf>

81 Law 270 of 23 November 2018, on the unitary salary system in the budgetary sector. <http://lex.justice.md/md/378184/>

82 Compression ratio - the ratio between the minimum value and the maximum value of the basic salary in the budget sector.

83 Article 10, paras. 1 and 2 of Law 303 On the State Budget for 2019, of 30 November 2018. <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=378600>

84 Government of the Republic of Moldova, <https://gov.md/ro/content/salariile-bugetarilor-vor-fi-majorate-guvernul-aprobat-reforma-salarizarii-sectorul-bugetar>

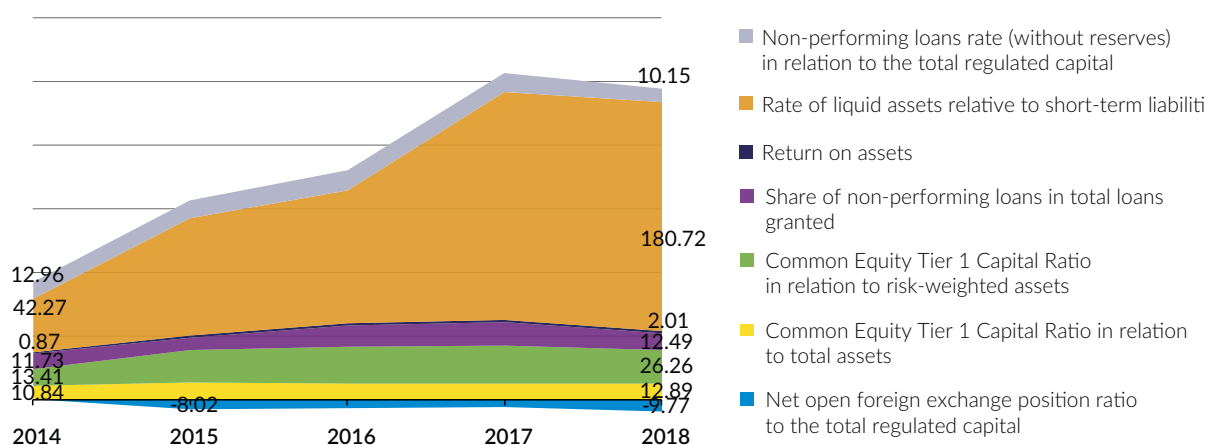


The banking sector has achieved satisfactory financial performance, maintaining its solid positions of profitability and solvency. The total assets of the banking sector at the end of 2018 were MDL82,152.3 million, 4.6 per cent higher than the 2017 figure. The banking sector remained profitable during 2018, with the aggregate profit increasing year-by-year by about 7 per cent.

Financial stability indicators improved during the reference period.

Conditions in the financial market underline the importance of aligning the regulatory and supervisory requirements of the banking and non-banking sectors with international standards and practices in the field. In the context of consolidating financial stability, the regulatory and banking supervision framework in Basel III was adjusted, the bank deposit guarantee scheme was improved, and the guarantee ceiling was increased to MDL20,000 in 2018 and MDL50,000 from 2020. The Law on Non-Bank Lending Institutions was approved.

Figure: 51 FINANCIAL SOUNDNESS INDICATORS, % (SDG INDICATOR 10.5.1)



Source: NBM

For a better risk management system, the Law On Recovery and Resolution of Banks was approved and the National Committee on Financial Stability⁸⁵ was established and placed in charge of coordinating macro-prudential policy, managing risk-threatening financial stability and managing financial crisis.

The Committee's tasks include presenting proposals for policies and measures to protect deposits, capitalize and recapitalize banks; approving actions to restore credibility in the financial system; and approving the crisis communication policy and plan.

The Committee also ensures that decision-making is made transparent and that decision-makers show a higher degree of responsibility for managing and minimizing risks at system level. All this is done to ensure the financial sector makes a sustainable contribution to economic growth.

The national legislative-normative framework has made significant progress in establishing a comprehensive basis for an efficient migration management system. State strategies and policies

have been developed and implemented in various areas related to migration: border management, reintegration of migrants, investment of remittances in development, development of SMEs, combating irregular migration, trafficking and integration of foreigners. The Migration Profile of the

⁸⁵ <https://www.bnm.md/ro/content/legea-privind-redresarea-si-rezolutia-bancilor-nr-232-din-03102016>



country was created, a support tool in migration management, the third edition of the Migration Governance Snapshot Report was developed, applying the Migration Governance Indicators (MGI). The 2020 MGI report highlights that the national migration governance, policy, legislative and regulatory framework has made significant progress with ensuring strengthened and efficient migration management. Strategies and state policies have been developed and implemented in various areas related to migration: border management, reintegration and return of migrants, investment of remittances in development, development of SMEs, combating irregular migration and human trafficking, and integration of foreigners. Policies and strategies related to migration are being coordinated and made coherent within an inter-institutional coordination mechanism established in 2017, which includes aspects related to Diaspora engagement, migration and development. The Republic of Moldova has mechanisms to protect immigrants working in the country and nationals working abroad. The State ensures, according to the legislation in force, the protection of immigrant workers irrespective of race, nationality, ethnic origin, language, religion, sex, opinion, political affiliation, wealth or social origin. Since 2015, country has facilitated immigration procedures for many categories of foreign nationals, valorizing their input to the country's development. In the COVID-19 context, residence permits issued for foreigners due to expire during the state of emergency were extended by 60 days, and the rights of foreigners who failed to meet immigration procedure deadlines were reinstated. The Government extended unemployment and social protection support to returning Moldovan migrants to facilitate their reintegration. The State Policy Coordination Mechanism in the field of diaspora, migration and development, established in 2017 is responsible for coordination and coherence of policies and strategies related to migration.⁸⁶

The state policy is intended to increase opportunities for legal employment abroad, regulate legal immigration of foreign citizens for work in the Republic of Moldova, and monitor the process of return and reintegration of Moldovan migrants.

Thus, bilateral agreements are being agreed to ensure social and labour security of migrants from the Republic of Moldova. In recent years, contribution-based social security agreements have been signed or are being negotiated with several countries of destination.⁸⁷ By 2018, 13 bilateral social security agreements had been signed with Romania, Luxembourg, Austria, Estonia, The Czech Republic, Belgium, Poland, Hungary, Lithuania, Portugal, Bulgaria, Germany and Turkey.

Agreements concluded between the Republic of Moldova and other states in the field of social security, establish a series of benefits, such as: (i) old-age pensions, disability pensions and survivors' pensions; (ii) disability benefits due to accidents at work or occupational diseases; (iii) allowances for temporary work incapacity and maternity (depending on agreement); (iv) child-birth and childcare allowances up to the age of three (depending on agreement) and (v) death and unemployment benefits (depending on agreement), (vi) benefits in kind in case of illness and maternity (depending on agreement); (vii) benefits in kind in case of accident at work (depending on agreement).⁸⁸

During 2018, based on agreements concluded between the Republic of Moldova and other countries in the field of social security and insurance, based on the principle of proportionality, pensions were

⁸⁶ Government Decision no. 725 of September 08, 2017

⁸⁷ BMA of MIA (2019) Extended Migration Profile of the Republic of Moldova 2014-2018

⁸⁸ MLSPF (2015). Annual Social Report 2014, p.69.



established for 106 people, of whom 84 received old-age pensions, 19 people disability pensions and 3 persons survivors' pension, compared to a total of 68 pension beneficiaries in 2017.⁸⁹

The Republic of Moldova has signed eight bilateral agreements in the field of labour migration with the Russian Federation, Ukraine, Azerbaijan, Belarus, Italy, Israel, France (in the field of reintegration of Moldovan citizens in the Republic of Moldova) and Bulgaria (the latest signed in 2018).

In 2019, bilateral dialogue was held: (i) *in the field of labour migration* to negotiate an Agreement between the Government of the Republic of Moldova and the Government of the Russian Federation on cooperation in the field of labour migration; and to negotiate a joint pilot programme between the Government of the Republic of Moldova and the Government of the State of Israel on the recruitment and employment of citizens of the Republic of Moldova as caretakers of elderly persons with disabilities in the State of Israel; (ii) *in the field of social protection* to sign an Agreement between the Republic of Moldova and the Republic of Belarus on social security was signed; to finalize Agreements with Greece, Spain and the Russian Federation; to launch a proposal to conclude such a treaty with Kazakhstan; to prepare an Agreement with Italy and Amendments to the Agreement with Estonia, the date and place of signing of which are to be identified according to the bilateral agenda; and to conclude an Agreement between the Republic of Moldova and the Federal Republic of Germany on Social Security and Administrative Arrangements for its Application.

Protection of Moldovan migrant workers is ensured in accordance with the provisions of Law 105/2018 on employment and unemployment insurance by registering, in an appropriate manner, the individual employment contracts of citizens of the Republic of Moldova employed abroad: (i) individually, based on an individual employment contract concluded with the applicant beneficiary before leaving the country; or (ii) through licensed private employment agencies. This is done in accordance with the provisions of bilateral agreements.

Over the last few years, upward trends have been noted in the number of people working abroad with legal employment contracts, from 1,590 people in 2014 to 4,544 people in 2018.⁹⁰ Of those employed abroad in 2018, 31.6 per cent were employed through ANOFM based on signed agreements, and 68.4 per cent through private employment agencies.

In the field of emigration, at the level of policy documents, actions are being directed towards implementation of the National Employment Strategy 2017-2021, as well as the National Migration and Asylum Strategy 2011-2020 and action plans thereto.

Measures are being implemented to increase the provision of information of migrants for work, such as hotlines to inform potential migrants **migratiesigura.md**, the Hotline for safe migration and anti-trafficking **0 800 77777**, and campaigns to prevent migration-related risks.⁹¹

Foreign citizens immigrate under Law 200/2010 on the Regime of Foreigners in the Republic of Moldova, including for work purposes. This normative act regulates the basic conditions for employment of categories of foreigners, according to the needs of the labour market. The basic immigration policy documents are the National Strategy on Migration and Asylum 2011-2020, and its implementation plan.

89 BMA of MIA (2019) Extended Migration Profile of the Republic of Moldova 2014-2018

90 ANOFM (2019) Activity Report for 2018, p. 16.

91 La Strada, http://lastrada.md/pic/uploaded/Lucr%C4%83torii%20migran%C8%9Bi%20ai%20RM_concluzii%20La%20Strada%202019_1.pdf



The State ensures, according to the legislation in force, the protection of immigrants regardless of race, nationality, ethnic origin, language, religion, sex, opinion, political affiliation, wealth or social origin. Since 2015, the Republic of Moldova has facilitated immigration procedures for many categories of foreigners, capitalizing on their contributions to the country's development.

SUSTAINABLE CITIES AND COMMUNITIES

Housing and living conditions. On 1 January 2019, the housing stock of the Republic of Moldova amounted to 87,751,300 m². Urban localities have 38,697,000 m² (or 42.1 per cent of the total housing stock, and rural localities 49,054,300 m² (57.9 per cent).⁹²

The degree of coverage of the population with housing space per inhabitant, on average in the country, was 24.8 m² (25.4 m² in urban areas and 24.3 m² in rural areas).⁹³

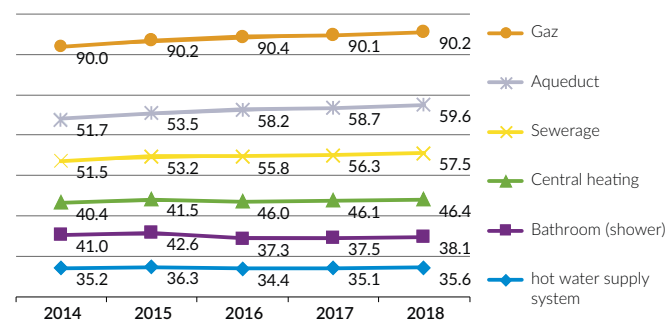
Analysis of data on the facilities of housing stock shows that 59.6 per cent of total housing stock at national level has drinking water supply, 57.5 per cent sewerage systems, 46.4 per cent central heating, and 90.2 per cent supply of natural and liquefied gas. These proportions are increasing every year.

There are major discrepancies between urban and rural localities, and between regions.

The degree of connection to water supply and sewerage exceeds 85 per cent in urban localities, while in rural localities it averages only about 36 per cent. The biggest discrepancies are seen concerning central heating (83.5 per cent in urban areas and only 17.1 per cent in rural areas). Smaller disparities are observed for provision of natural and liquefied gas (93.0 per cent in urban areas and 88.0 per cent in rural areas).⁹⁴ The lowest degree of coverage of most types of facilities is found in rural areas in the North region, with the most in urban areas in Chisinau and ATUG⁹⁵.

Expenditure on housing maintenance accounts for almost a fifth of the population's total consumption expenditure. At the same time, the proportion of the population spending more than 30 per cent of its monthly income on housing maintenance has been steadily falling and is about 16 per cent, or about 4 percentage points, lower in 2018 than in 2014.

Figure: 52 DYNAMICS OF THE DEGREE OF ENDOWMENT WITH UTILITIES OF THE HOUSING STOCK, %



Source: NBS, data Bank

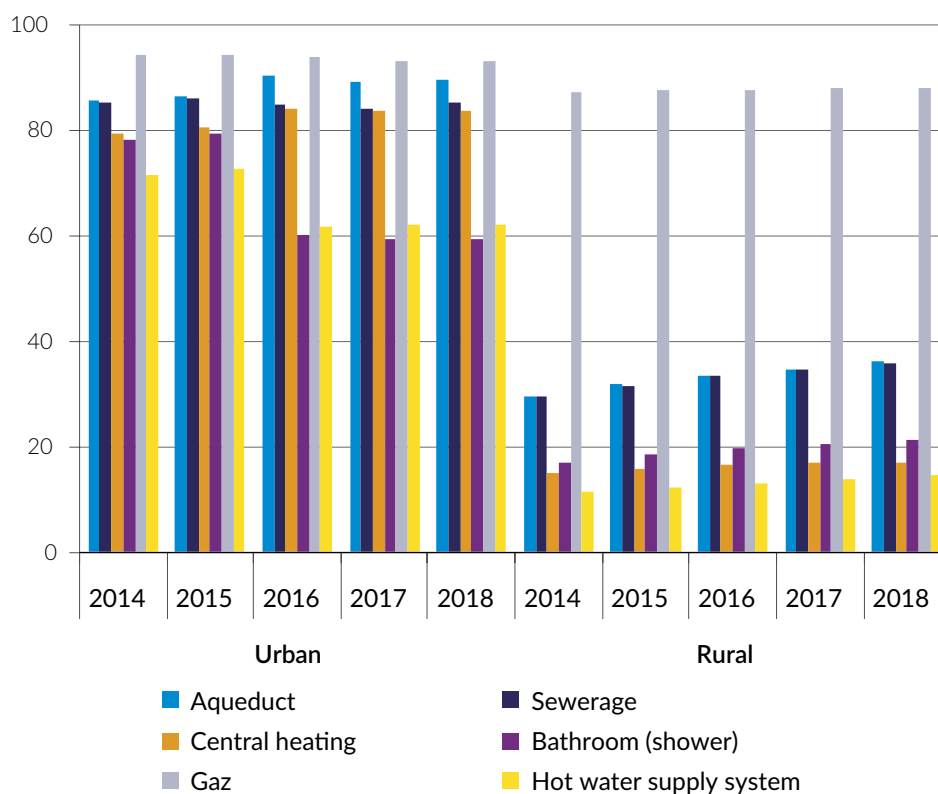
⁹² NBS, Housing stock of the Republic of Moldova on January 1, 2019, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6398>

⁹³ NBS, Statistical Yearbook 2019, 6.1. Housing stock (at the end of year)

⁹⁴ Law 438 of 28 December 2006 on Regional Development of the Republic of Moldova <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=320885>

⁹⁵ NBS, Housing stock of the Republic of Moldova as of January 1, 2019, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6398>



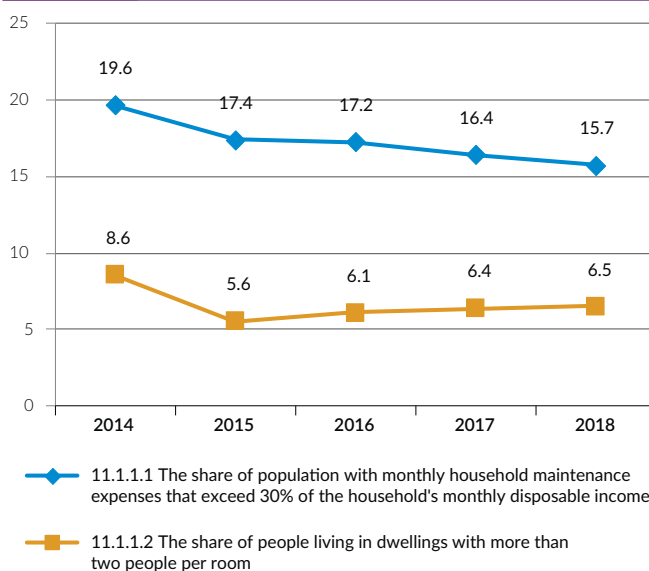
Figure: 53 DEGREE OF COVERAGE OF HOUSING STOCK WITH FACILITIES (URBAN/RURAL), %

Source: NBS, Data Bank

At the same time, overcrowding is growing slowly but steadily. In 2018 about 6.5 per cent of the population lived in homes with more than two people in one room. There are also some limitations on available housing space, particularly in urban areas.

In the Republic of Moldova, the norm in law for living space for social housing is 9m² per person.⁹⁶ Almost 15 per cent of urban households have less than 9m² per person. In Chisinau, this proportion is almost 20 per cent, and over 10 per cent of households have 7m² or less.

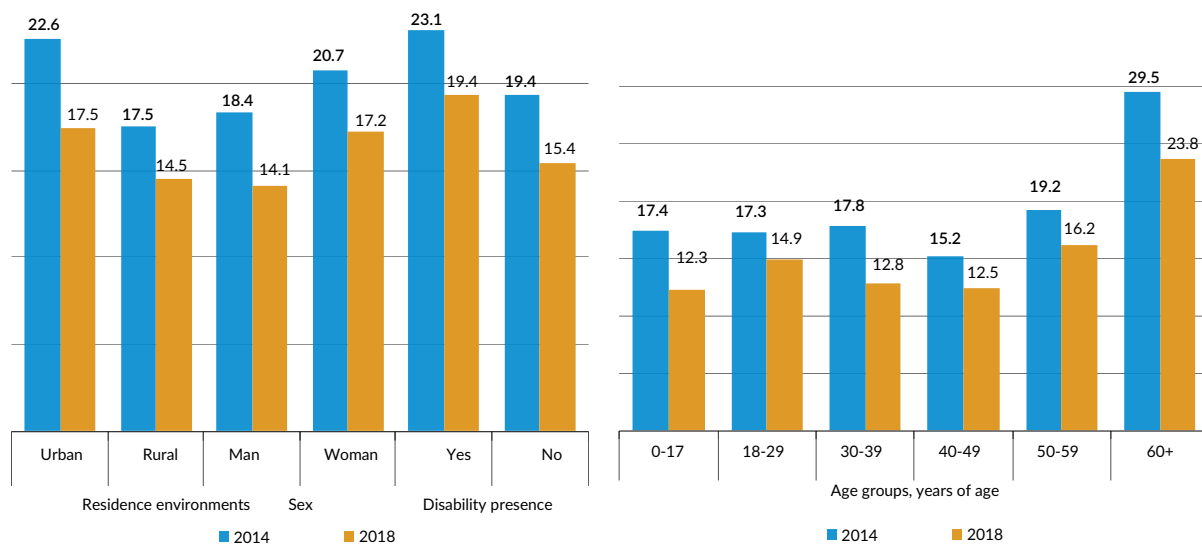
The most vulnerable groups when it comes to housing accessibility, from a financial point of view, are urban dwellers, women, people with disabilities, and people aged 60 and over. Of these groups, about a fifth spend more than 30 per cent of their disposable income on home maintenance.

Figure: 54 ACCESS TO HOUSING, %

Source: NBS, Data Bank

⁹⁶ Law 75 of 30 April 2015 on housing, <http://lex.justice.md/md/358764/>

Figure: 55 SHARE OF THE POPULATION WITH MONTHLY HOUSING EXPENSES THAT EXCEEDED 30 PER CENT OF THE MONTHLY DISPOSABLE HOUSEHOLD INCOME (ACCESSIBILITY - ADEQUATE HOUSING) (INDICATOR 11.1.1.1)



Source: NBS

Overcrowding is also characteristic of the urban environment, where one in ten people live in homes with more than two people in a room. Residents of overcrowded homes are mainly young people, who either live with their parents or rent homes. Overcrowding is also more pronounced among people in the poorest income quintile.

Voice of Youth

“A problem in my city is the lack of safe places designated for recreation and sports activities. There is only one such place, but it is intended only for children, the other places are functional, but old (some have even been destroyed, unfortunately ...). Young people have nowhere to spend their spare time except parks (in warm weather) and cafes,” Girl, 15 years old, Straseni.

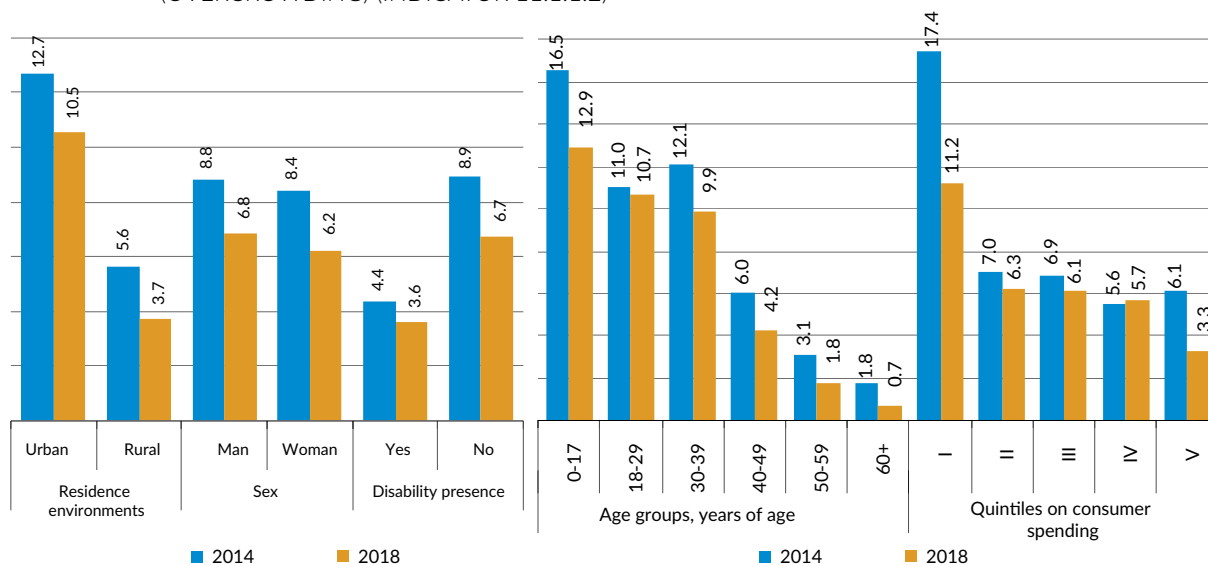
Young people are especially concerned about the lack of affordable housing, especially in urban areas. Many of them lack steady income to be able to afford to buy homes. In the 2017 “Youth Progress Index”, the Republic of Moldova scored 4.05 out of a possible 100 points for affordable housing, compared with Belgium to Georgia with 55 points, Denmark with 56.76 points and Bulgaria with 64.86 points, the highest score in the region.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

Due to high housing prices, over 9 per cent of households in urban areas and 13 per cent of households in Chisinau Municipality do not have houses or flats and live in rented housing. These are usually young families, mainly with children, who do not have the opportunity to buy a house, and rent small living spaces with one room. At the same time, owners who rent out rooms/flats are often people from vulnerable groups, with low incomes, mainly retirees, single mothers or unemployed, for whom this is supplements their pensions or low salaries.



Figure: 56 SHARE OF PEOPLE LIVING IN DWELLINGS WITH MORE THAN TWO PEOPLE PER ROOM. (OVERCROWDING) (INDICATOR 11.1.1.2)



Source: NBS, Data Bank

To improve access to housing and living conditions, the state 'First House' programme was launched to provide mortgages for private sector employees, for families with children, and for public sector employees. Any citizen of the Republic of Moldova aged between 18 and 50 years at the time of applying for the mortgage can be a beneficiary of the 'First House' programme, which provides a number of facilities including cash compensation for eligible persons.

Several social housing financing projects have been implemented to improve and increase the housing stock for socially vulnerable families. Phase II of the housing construction project for the socially vulnerable is at finalization stage.⁹⁷ The approved amount of the loan is EUR 13.4 million, and the total cost of the Project is EUR 20.4 million, of which the Council of Europe Development Bank (CEDB) is contributing 65 per cent of the cost and the Republic of Moldova 35 per cent.⁹⁸ Between 2013 and 2019, 524 social housing units were completed and distributed to the beneficiaries, and another 153 housing units should be completed in 2020.

CEDB has expressed its readiness to continue the collaboration for the realization of phase III, and a preconception of a new Project has been prepared, which contains several components in addition to construction of social housing, such as: renovation / reconstruction of student and professional hostels; reconversion of unused public buildings into housing; and reconstruction / renovation of private homes of vulnerable persons, with a substantial grant weight for the energy efficiency department for all components of the Project.

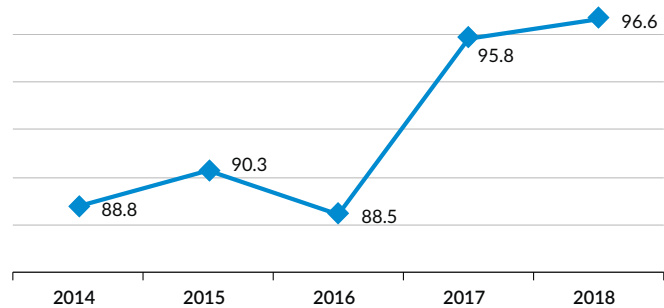
⁹⁷ Law 182 of 11 July 2012 ratifying the Framework Loan Agreement between the Republic of Moldova and the Council of Europe Development Bank to carry out the Housing Construction Project for socially vulnerable phase II

⁹⁸ The contribution of 35 per cent of the Republic of Moldova is made through local public authorities, on whose territory the housing is built and consists of non-financial contribution and financial contribution. The non-financial contribution of the local authority includes: the value of the unfinished construction, the cost of evaluating the unfinished construction, the value of the land, the cost of the project documentation, the cost of checking and providing expertise for the project documentation, and the cost of the technical expertise of the unfinished construction. If the non-financial contribution is less than 35 per cent, the local authority completes the financial contribution until it reaches the quota of 35 per cent.

Transport and road safety. Ensuring a safe and accessible transport system for the population that would meet the need of citizens in mobility is a precondition for ensuring sustainable socio-economic development.

Factors that impede road traffic in the country include: the quality of roads, the level of operation, the quality of vehicles that transport goods and passengers, and other subjective and objective factors. Cumulatively, these affect road safety. In recent years, the Republic of Moldova has had worsening trends in indicators that measure road safety. Thus, the road accident rate increased to 96.6 cases per 100,000 population in 2018, from 88.8 cases per 100,000 in 2014.

Figure: 57 RATE OF ROAD ACCIDENTS PER 100,000 POPULATION WITH USUAL RESIDENCE (INDICATOR 11.2.2.)



Source: PGI al MIA/NBS

The major challenges in towns, especially in Chisinau, include the unsatisfactory condition of bus stops, and the insufficient number of car parking spaces. People without a car are most at risk: including the elderly, persons with disabilities, young people and children.

Obsolete vehicles remain in use that affect the quality of life, especially in urban areas. According to the National Auto Transport Agency, only 59 per cent of the vehicles in the State Register have their periodic technical inspection every year; this endangers traffic safety. Thus, adoption of the new regulation for the Periodic Technical Inspection (PTI) of transport units to transpose EU Directive 2014/45 remains relevant.

In this context, it is worth mentioning that households made up exclusively or predominantly of the elderly still have limited access to community services and are less informed and consulted about the authorities' decisions on community issues than other age groups. It should be noted that only 14.6 per cent of households consisting only of the elderly have access to the sewerage network and only 37.4 per cent have access to natural gas.⁹⁹ Meanwhile, only 6.6 per cent of respondents over the age of 60 participated in the development of community strategic plans and only 7.9 per cent of respondents over 60 took part in developing community projects. The Government must ensure adequate development of the infrastructure of localities in the Republic of Moldova, by ensuring that all categories of the population have access to safe and affordable basic community services, and respect the principle of participation of citizens of all ages in the consultation stages of decision-making projects for urban and social infrastructure planning.¹⁰⁰

Ensuring access to safe transport systems, improving road safety, and other measures related to this aspect are found in several policy documents, such as the Transport and Logistics Strategy for 2013-2022, the National Regional Development Strategy for 2016-2020, the Regional Development Strategies, and the Road Safety Action Plan for 2020-2021.

⁹⁹ 'Joint Initiative for Equal Opportunities' Project, 2019, UNEQUAL MOLDOVA Study: Analysis of the most relevant inequalities in the Republic of Moldova, https://eef.md/media/files/files/raport_moldova_inegalita_final_2482506.pdf

¹⁰⁰ HelpAge International Moldova, Secretariat of the Platform for Active Ageing



In addition, the Programme for the Promotion of 'Green' Economy¹⁰¹ includes, among its planned actions, the development of a mechanism to stimulate and promote the renewal of the national car stock by: (i) developing tax incentives for the import of electric and hybrid motor vehicles and developing the necessary national infrastructure for electric motor vehicles; and (ii) restricting the movement of motor vehicles older than 15 years (of all types, including public and industrial/commercial transport).

Regional development and urbanization. The Republic of Moldova is implementing regional development policies that are intended to achieve balanced and sustainable socio-economic development throughout the country, reduce socio-economic development imbalances between and within regions, and strengthen financial, institutional and human opportunities for balanced socio-economic development of regions. At the regional level, regional development agencies and executive structures have been set up to implement regional development strategies.

The main document for planning regional development in the Republic of Moldova is the National Regional Development Strategy for 2016-2020, which reflects the national strategic framework in the field and introduces national mechanisms for this purpose. The Strategy's general objective is balanced and sustainable development in all development regions of the Republic of Moldova, to be achieved through three specific objectives: (i) ensuring access to quality public services and utilities; (ii) ensuring sustainable economic growth in the regions; and (iii) improving governance in the field of regional development.

It is important that the new Strategy focuses on the smart specialization process. International experience shows implementation of smart specialization of regions to be one of the key solutions for creating synergies between national and regional policies, as well as between public and private sector investments. This involves identifying and highlighting the competitive advantages of each region, with the purpose of reducing economic disparities and revitalizing rural areas by accumulating capital and resources in strategic areas. The new development vision must take into account the principles of sustainable development and drive the digitization and development of smart villages by: improving living conditions; developing digital skills; modernizing and adopting new technologies, especially in public services; developing local, human, environmental and economic potential; reviving traditional sectors through higher value-added activities; and exploiting new forms of innovation, such as open and user-oriented innovation, social innovation and service innovation.

The role of towns in the socio-economic evolution of a state is a determining factor of major importance. Generally, towns are where most economic activities take place, where the largest increases in productivity are registered and where most new jobs are created. Regional towns are a source of dynamism for the country and play a key role in improving the performance of the national economy and regional economies.

In the Republic of Moldova, urban development has always been closely linked to the administrative-territorial organization, and urban space is composed of: 1 municipality of rank 0, 2 urban localities of rank 1, 10 urban localities of rank 2, and 53 urban localities of rank 3.¹⁰²

101 Government Document 160 of 21 February 2018 approving the Programme on Promotion of the Green Economy in the Republic of Moldova for 2018-2020 and the Action Plan for its implementation, https://www.legis.md/cautare/getResults?doc_id=102127&lang=ro

102 Law 248 of 3 November 2016, Law 764-XV of 27 December 2001 on the territorial and administrative organisation of the Republic of Moldova



The degree of urbanization (SDG indicator 11.3.3) in the Republic of Moldova is the lowest in the region at 42.6 per cent, and has remained approximately unchanged in recent years. The Republic of Moldova is below the world average of 55.3 per cent.¹⁰³ At the same time, in the context of the decrease in the country's total population in recent years, the urban population is tending to increase, which reveals the concentration of the population in cities, especially in the capital.

In the general context of promoting regional development policy, the Ministry of Agriculture, Regional Development and Environment has initiated development of a distinct Programme designed to support the acceleration of the socio-economic development of the strongest regional urban centres, in order to transform them into regional development poles, able to support the dissemination of development in nearby rural areas as well.

Figure: 58 MAP ON THE RANK OF URBAN LOCALITIES IN THE REPUBLIC OF MOLDOVA

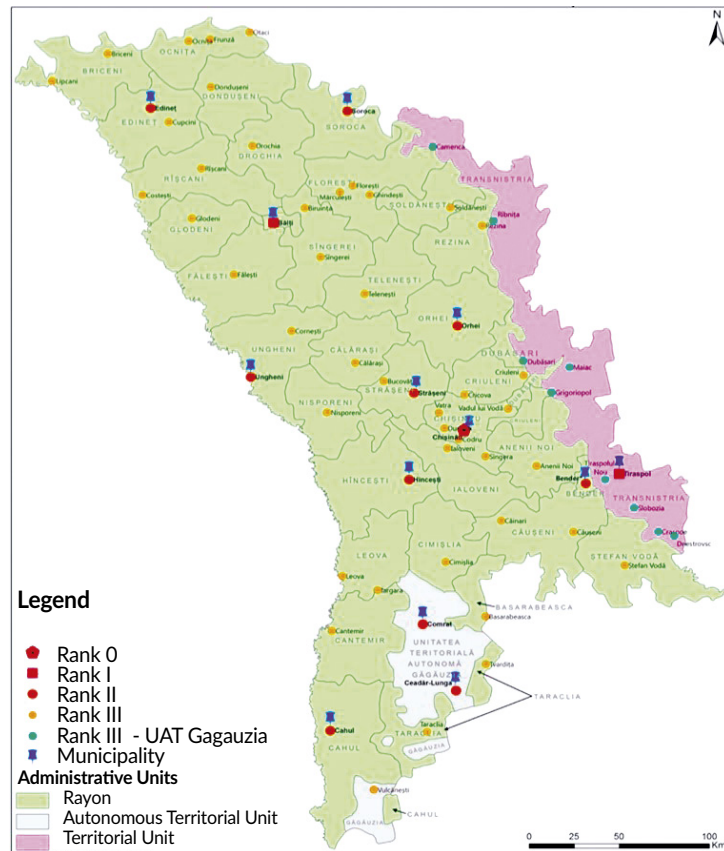
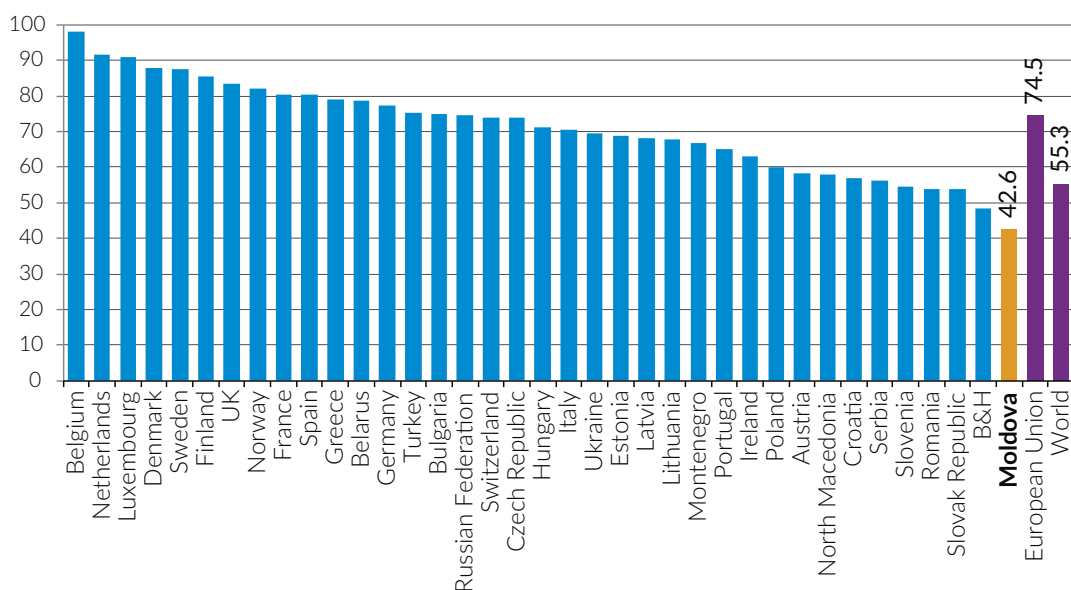


Figure: 59 URBANIZATION RATE, %, 2018



Source: WB, United Nations Population Division. World Urbanization Prospects: 2018 Revision, <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=MD>

103 <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>



The Programme is intended to create a network of attractive regional urban centres in the Republic of Moldova for residents, entrepreneurs and visitors that generate growth and employment, and stimulate the development of adjacent territorial areas. Activities provided for in the Programme are intended to: (i) improve the mobility and quality of access infrastructure of urban development centres and their connections with the surrounding areas; (ii) develop and equip the infrastructure and economic support services of urban development centres to boost competitiveness; and (iii) increase the attractiveness of urban development centres and their potential to increase the quality of life of citizens.

Achieving these activities will essentially contribute to the creation of a network of centres that reach a higher level of development, distributed relatively evenly throughout the country, ensuring cohesion, stimulating competitiveness and economic growth in their adjacent areas. At the same time, this network will help to ensure an institutional support structure for implementation of all other sectoral and general development policies.

In this context, under the 'Supporting local public administration of the Republic of Moldova in implementing the National Regional Development Strategy for 2016-2020 through integrated and sustainable urban development for 2017-2019' project, a document was developed to support the towns in the country to develop programmes for the revitalization of degraded urban areas: the 'Guidelines on urban revitalization in the Republic of Moldova. Based on this document, 14 towns have developed their own Urban Revitalization Programmes, and 16 pilot revitalization projects have been implemented.

Implementation of policies of central and local public administration authorities in the field of urbanism and spatial planning is regulated by Law 835/1996 on the principles of urbanism and spatial planning, under which urbanism and spatial planning operations are implemented in accordance with approved documentation and urbanism and spatial planning programmes. Urban activity in localities is directly managed by local authorities, in accordance with the urban planning and spatial planning documentation.

Cultural and natural heritage. The cultural heritage of the Republic of Moldova is one of the pillars on which the country's culture and identity are based. The proportion of total National Public Budget expenditure spent on conservation and protection of cultural heritage (SDG indicator 11.4.1) is 0.06 per cent.

The cultural heritage of the Republic of Moldova is of four types, as follows: (i) intangible cultural heritage; (ii) movable cultural heritage; (iii) immovable or archaeological cultural heritage; and (iv) constructed cultural heritage. In order to safeguard each of these types of heritage at national level, a well-defined institutional structure has been established and a legislative and normative framework defined in accordance with the six UNESCO cultural conventions to which the Republic of Moldova is party,¹⁰⁴ as well as other international commitments to multilateral collaboration in the field of culture.¹⁰⁵

104 The Republic of Moldova is an active member of six of the seven existing UNESCO cultural conventions: (i) the Convention for the Protection of Cultural Property in the Event of Armed Conflict together with Protocol I to the Convention, adopted on 14 May 1954 in The Hague; (ii) the Convention concerning the Protection of the World Cultural and Natural Heritage (1972); (iii) the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970); (iv) the Convention on the Protection of the Underwater Cultural Heritage; (v) the Convention for the Safeguarding of the Intangible Cultural Heritage (2003); and (vi) the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005).

105 MECR. Multilateral cooperation. <https://mecc.gov.md/ro/content/colaborare-multilaterala>



Thus, the safeguarding of *intangible cultural heritage* is regulated by **Law 58/2012 On the Protection of Intangible Cultural heritage**, which Integrates the principles, definitions and norms of the UNESCO Convention for the Safeguarding of Intangible Cultural Heritage, which the Republic of Moldova ratified in 2003 together with 130 other countries. Also, since 2012, at national level, the National Commission for the Safeguarding of Intangible National Heritage has been active, and the National Register of Intangible Cultural Heritage has been established and published. A special role in this context has been assigned to research and innovation organizations, as well as to the National Centre for Conservation and Promotion of Intangible Cultural Heritage, which ensures application of protection policies in the country, especially in heritage-bearing communities, which through concrete measures support the viability of the intangible cultural heritage and its transmission to the young generation, inventorizes its elements, and preserves the information on various modern media.¹⁰⁶

The Republic of Moldova has included three elements of this intangible cultural heritage on the representative list of the UNESCO Intangible World Heritage (IWH), namely *Carolling in men's band* (2013), *Traditional techniques for making carpets in the Republic of Moldova and Romania* (2016), and *Cultural practices associated with 1 March (Martisor)* (2017).

The Republic of Moldova has one site in the UNESCO World Heritage List, the *Struve Geodetic Arch* (2005), and two sites in the Tentative List of UNESCO World Heritage: *Chernozems in the Balti steppe* (2011) and *Orheiul Vechi Archaeological Landscape* (2017).

The safeguarding of the movable cultural heritage is regulated mainly by **Law 280/2011 On the Protection of National Movable Cultural Heritage**, and **Law 262/2017 on Museums**, which in turn are implemented through a set of secondary normative acts. At the same time, the National Commission of Museums and Collections has been active at national level since 2012, as a scientific consultative and endorsement entity, with specific duties in the field of museums and the safeguarding of movable cultural heritage. Four registers have been created: (i) the National Register for Movable Cultural Heritage; (ii) the Register of Museums of the Republic of Moldova; (iii) the Register of restorers accredited in the field of movable national cultural heritage; and (iv) the Register of experts accredited in the field of movable national cultural heritage.

Activities to safeguard the *national intangible or archaeological heritage* are regulated by Law 218/2010 On Protection of the Archaeological Heritage, and Law 161/2017 On the Regime of War Graves and Memorials, which is implemented through a series of secondary normative acts. The National Archaeology Commission is active at national level, representing the scientific-methodical authority in the field of protecting archaeological heritage. In addition, implementation of state policy in the field of protection and capitalization of the archaeological heritage is ensured through the National Archaeological Agency and institutions with an archaeological profile. Three registers are established: (i) the National Archaeological Register; (ii) the Register of Archaeological Research Authorizations; and (iii) the Register of Archaeologists of the Republic of Moldova.

Activities to safeguard the built *historical heritage* are regulated by Law 1530/1993, regarding the protection of monuments. At national level, the National Council of Historical Monuments has been active since 2014 and is the scientific authority for the state protection of historical monuments. At the same time, the Agency for Inspection and Restoration of Monuments (AIRM) conducts field inspections of monuments of history, art and architecture and their protection areas, as well as control/supervision of compliance with the legislation in force for the protection of monuments. A National Register of Historical Monuments has been created.¹⁰⁷

106 MECR. Cultural heritage. Intangible cultural heritage. <https://mecc.gov.md/ro/content/patrimoniul-cultural>

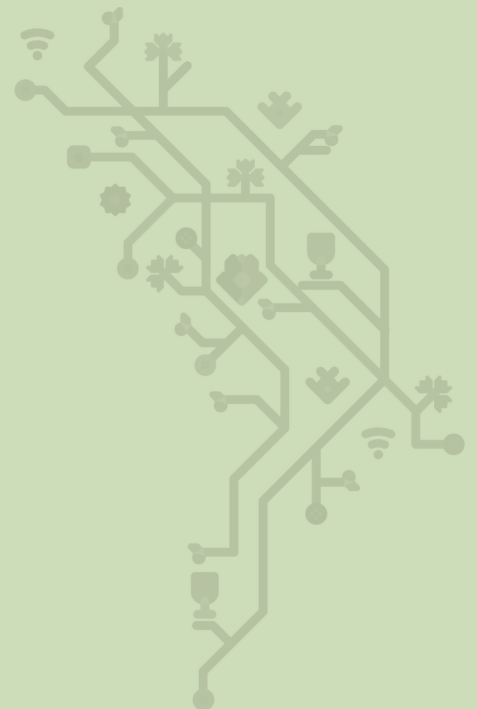
107 MECR. Cultural heritage. Built historical heritage. <https://mecc.gov.md/ro/content/patrimoniul-cultural>





Chapter **III**: **PLANET**

We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.



CLEAN WATER AND HYGIENE

Water security is vital for economic development, environmental sustainability and social inclusion in the Republic of Moldova. The intensity of water security challenges is influenced by Moldova's natural endowment with water resources, the country's vulnerability to climate change, the emigration of many citizens, urbanization, regional relations and the state of its institutions, water-related information and infrastructure. Though country has made some progress in reforming its water and environment institutions and harmonized its laws and instruments with the European Union's Water Framework Directive, the country's socio-economic development is still challenged by the imperfect management of water resources and under-performance of water supply for citizens.¹⁰⁸

The Republic of Moldova's water resources are relatively limited compared to other countries in the region. It is the country with the largest water deficit in the region, with about 3,000 m³/capita/year of renewable water resources, of which only 400 m³/capita/year is formed within the territory of the country. Moldovan water resources largely depend on the volumes of water in the Prut and Dniester rivers, accumulated mostly outside the country. This is of particular importance given that the main source of water supply for the population and for the needs of the economy is surface water, which accounts for 85 per cent of total water consumed. The remaining 15 per cent comes from underground water sources. In these circumstances, measures to prevent pollution, and ensure rational consumption and proper management of water resources are imperative. The relationship with neighboring countries – Ukraine and Romania, with the Republic of Moldova shares the two river basins – and how these water resources is managed across borders are also very important.

In 2012, the Republic of Moldova and Ukraine signed the Agreement for the Protection and Sustainable Use of the Dniester River, which entered into force in 2017 when it was ratified by Ukraine. This Agreement provides the legal basis for a common dialogue platform for the integrated management of water resources of the Dniester river basin, from which the Republic of Moldova meets 83 per cent of its total water needs for water supply and for the economy, in a cross-border context. Thus, initiation of this dialogue is a step forward for the Republic of Moldova to improve the management of water resources.

To better manage water resources, a trilateral Agreement should be signed between the Republic of Moldova, Romania and Ukraine to protect the Prut River, enabling a dialogue similar to that for the Dniester River. Discussions have been launched towards this end.

At the same time, with foreign support, the Republic of Moldova has begun to strengthen its internal capacities of integrated water resources management by establishing national Basin and Sub-Basin Committees and by developing and adopting River Basin Management Plans. River basin district management plans for both the Danube-Prut and the Black Sea (cycle I, 2017 - 2022), as well as for the Dniester river (2017 - 2022) underscore the need to improve the environmental status of water bodies and to restore river basins upstream. However, many challenges persist

108 World Bank Group, Policy Notes, Moldova 2019, Sustaining Stability and Reviving Growth: Moldova Policy Notes 2019 <http://documents.worldbank.org/curated/en/588661563433427807/pdf/Sustaining-Stability-and-Reviving-Growth-Moldova-Policy-Notes-2019.pdf>

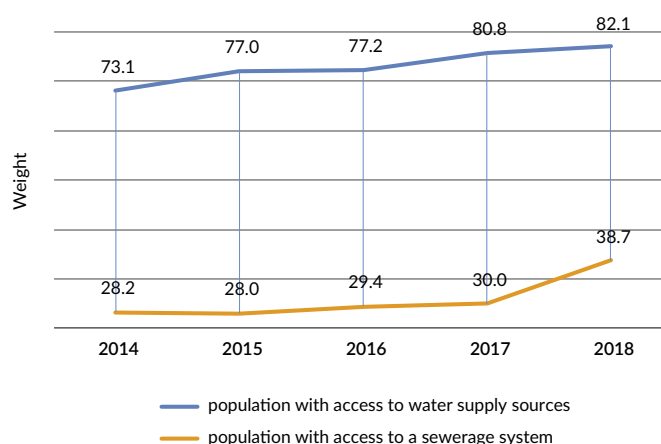


in water resources management because of insufficient funding and the need to complete the reform of the institution responsible for this sector - the “Apele Moldovei” (“Moldova’s Waters” Agency).

The Republic of Moldova faces many challenges in providing sustainable and quality water and sanitation services for all citizens, in particular in rural areas where the population is declining. Despite the progress made by the Republic of Moldova in recent years, it has the largest urban-rural gap and the lowest level of access to water supply and sanitation services in the Danube region.

Thus, according to official data, between 2014 and 2018, public access to water sources gradually increased by 9 percentage points, to 82.1 per cent in 2018. Although investments in water supply systems have mainly been made in rural localities, and the proportion of the rural population with access to water supply sources increased from 56.9 per cent in 2014 to 71.17 per cent in 2018, this is still much less than the 97.0 per cent figure in urban areas in 2018.¹⁰⁹

Figure: 60 PROPORTION OF THE POPULATION WITH ACCESS TO WATER SUPPLY SOURCES, URBAN/RURAL, %



Source: NBS

Voice of Youth

“In the absence of a treatment facility, for more than 20 years wastewater has been discharged from the sewerage system of Soroca municipality into the Dniester [the main source of drinking water in the Republic of Moldova]. This is a real environmental bomb.” Boy, 16 years old, Soroca.

According to the “Youth Progress Index” in 2017, the Republic of Moldova has a score of 56 out of a possible 100 for access of youth to improved water sources and satisfaction with water quality compared with 94 points registered by Belgium or 95 points by Finland and The Czech Republic.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

On the other hand, those with access to public water supply service do not always enjoy drinking water meeting the sanitary norms, as the water supplied through the systems is often not potable. Thus, of the samples taken by the National Public Health Agency in 2017, 54 per cent failed to meet the sanitary-chemical norms. The proportion of the samples not meeting the sanitary-chemical norms reflects a direct link with the extension of water supply systems in rural areas. This is because the water supply for the population in rural localities is mainly sourced from groundwa-

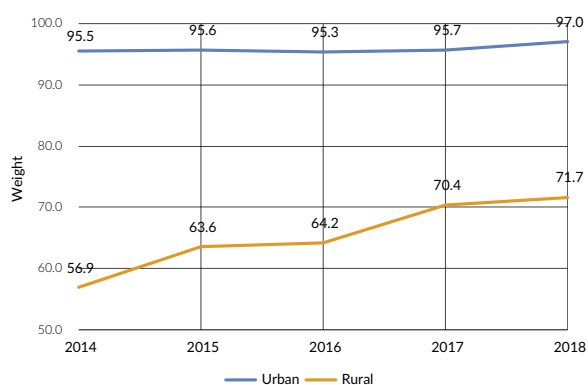
109 Data provided by the National Bureau of Statistics



ter, which is very often affected by natural or anthropogenic pollution. However, as the budgets of rural localities are quite modest, they cannot afford to invest in water treatment plants, which are expensive and would increase tariffs for water supply services; these are not always affordable for rural population whose incomes are mainly from agricultural activity and are lower than for those living in urban localities.

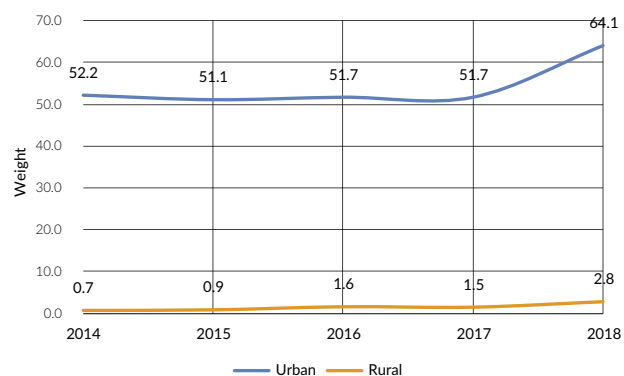
While access to water supply is generally high at national level, there are significant shortcomings in the share of population with access to public sanitation service. Thus, in 2018, only 29.3 per cent of the stable population in the Republic of Moldova was connected to a centralized sewerage system, including 64.1 per cent in urban localities and only 2.8 per cent in rural localities.¹¹⁰ There was a small increase in investments in sewerage systems until 2017, followed by a jump of 6.2 percentage points in 2018, mainly due to expansion of the sewerage system in urban localities. In rural areas, the increase was insignificant. Although during this time investments were made in sewerage systems, from both national and external sources, these proved to be ineffective because of the population's refusal to connect to the network. This reluctance is both for economic reasons and because gaps in the legislation, but also because of the low understanding in the population of the need for proper wastewater management. Thus, the authorities must urgently review their approach in all three dimensions, in order to ensure that investments in sanitation infrastructure are efficient and sustainable, a precondition for increasing the quality of water resources in the country.

Figure: 61 PROPORTION OF THE POPULATION WITH ACCESS TO WATER SUPPLY SOURCES AND CONNECTED TO A SEWERAGE SYSTEM, URBAN/RURAL, %



Source: National Bureau of Statistics

Figure: 62 PROPORTION OF THE POPULATION CONNECTED TO A SEWERAGE SYSTEM, URBAN/RURAL, %



Source: National Bureau of Statistics

The studies show that when the population connects to water supply systems, water consumption increases. In the absence of sewage and wastewater treatment solutions, these systems become major sources of water pollution, as is the case of the Republic of Moldova.

In addition to the gap between urban and rural areas, there is a significant difference in the Republic of the Republic of Moldova between the population with access to public water supply service and the population with access to the public sewerage service: this difference of 41.4 per cent in 2018 means there is a very high risk of pollution.

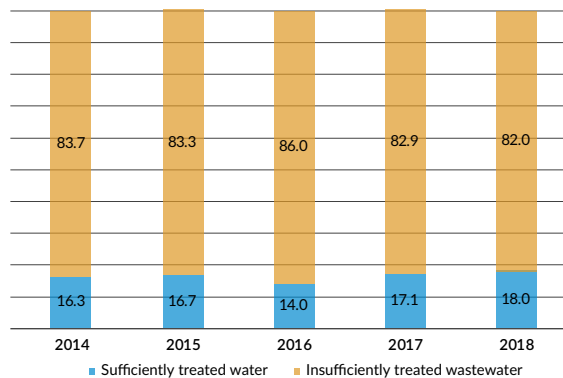
¹¹⁰ suna Data provided by the National Bureau of Statistics



Wastewater is the main source of surface water pollution in the country, a fact recognized and stipulated in the National Development Strategy 'Moldova 2030', which is currently in process of being approved. The Republic of Moldova must focus all its efforts on building and rehabilitating sewerage systems and treatment plants, most of which are dilapidated and obsolete. Statistical data show a slow increase in the volume of wastewater discharged into water basins, with a modest share of wastewater treated according to the regulations in force. Thus, in 2018, of the 677m³ of wastewater discharged into the emissary, only 123m³ (18.17 per cent) was sufficiently treated.¹¹¹ The rest was partially treated wastewater, often only the mechanical stage, and untreated wastewater.

Figure: 63 SHARE OF NON-HOUSEHOLD

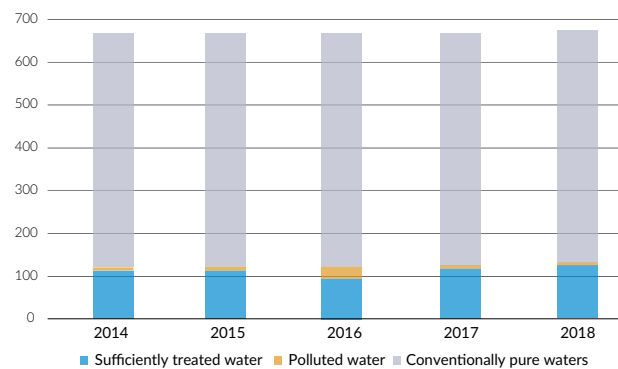
WASTEWATER IN SECTOR THAT IS TREATED, %



Source: National Bureau of Statistics

Figure: 64 WASTEWATER DISCHARGE IN SURFACE

WATERS, MILLION M3



Source: National Bureau of Statistics

Proper operation of municipal wastewater treatment plants requires proper management of industrial wastewater, which today is rather ignored. Thus, despite a regulatory framework being in force, oversight of compliance with environmental legislation is too soft, failing to make the business sector accountable and jeopardizing the operation of wastewater treatment processes, which are the responsibility of local public authorities.

Analysis of data on the treatment or pre-treatment of industrial wastewater shows a very modest increase, recorded over recent years, in the proportion of industrial wastewater that is treated.

The Republic of Moldova has not made any progress over the last five years concerning the proportion of surface water bodies classed as "good quality" according to microbiological parameters. In this context, both decision-making and oversight authorities should focus on increasing investment in the wastewater management sector and strengthening control over compliance with legislation. These measures, if strictly followed, will significantly increase the quality of both surface water and groundwater, and thus improve the quality of water supplied to consumers.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Integrated waste management is at its initial stage of development in Moldova. There are many challenges, including an almost non-existent infrastructure or infrastructure that fails to meet

¹¹¹ Data provided by the National Bureau of Statistics



current environmental protection requirements, insufficient funding, an underdeveloped regulatory framework, inconsistent statistics, and increasing volumes of waste generated.

The sporadic and insufficient development in this area stems from a lack of funding to meet the investment needs. However, the signing in 2019 of a Financing Agreement between the Republic of Moldova and the European Investment Bank for waste management enabled an integrated waste management system to be established, in accordance with the practices of European Union countries. The regulatory framework governing this area is still being drafted, although the Waste Management Law is already in force, partially transposing the European Union's Waste Framework Directive.

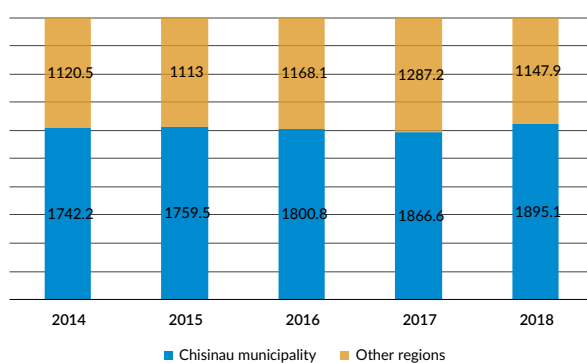
Thus, the responsibility for waste management activities lies with the generators, in accordance with the "polluter pays" principle or, as the case may be, with the producers, in accordance with the "producer responsibility" principle.

Waste management services have been established in urban settlements and less often in rural settlements. Even if available, these services do not cover all waste management cycle processes. They are often limited to collection, transport and storage. Regulation is being developed of the waste disposal and storage process by storage in line with the environmental protection requirements, and storage is currently performed in the classic manner, which makes it a major source of soil and water pollution.

Waste collection has been recording slightly upward trends, and in 2018 was 3.4 per cent higher than in 2014. Despite the overall rising trends in municipal waste collection, municipal waste collected from the population as a proportion of municipal waste has been falling slightly, from 69.81 per cent in 2014 to 67.03 per cent in 2018.¹¹²

Figure: 65 SHARE OF NON-HOUSEHOLD

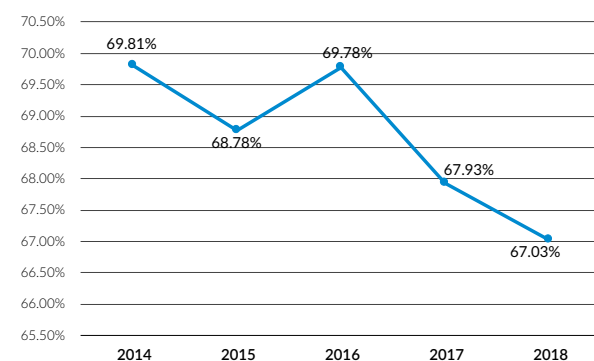
WASTEWATER IN SECTOR THAT IS TREATED, %



Source: National Bureau of Statistics

Figure: 66 TREND IN MUNICIPAL WASTE

COLLECTED FROM THE POPULATION, 2014-2018, %



Source: National Bureau of Statistics

The main waste generator is Chisinau municipality, where the highest proportion of the Republic of Moldova's population is concentrated. Thus, on average, in the municipality of Chisinau, about 1.5m³ of municipal waste are collected per inhabitant every year, compared to an average of about 0.6 m³ of waste per capita per year nationally. At the same time, the waste management infrastructure is much more advanced in Chisinau than in other localities, and some recovery of

¹¹² Data provided by the National Bureau of Statistics



fractions of municipal waste such as plastic, paper, glass and metal for recycling also occurs. As the voluntary registration of economic operators generating or managing waste is still in progress, the statistical data currently available are not conclusive. Therefore, waste management experts recommend analyzing the waste recycling indicators in Chisinau only, as this is the only place in the country with a functional municipal waste sorting line, and as it records waste transported to the sorting line, the reported data are closer to reality. The share of total municipal waste sorted in Chisinau in 2018 that was recycled was 11 per cent.

As noted above, there are many challenges in the waste management area, which need to be addressed for the Republic of Moldova to make progress in this regard. Statistical indicators, which do not cover the full range of required indicators, are a shortcoming in measuring progress. In some cases, certain indicators are collected sporadically, in various studies, and not regularly, so their data are irrelevant for monitoring progress and the impact of implementing national environmental protection policies. Also, some data are inaccurate or missing, such as those on the volumes of collected waste, the share of waste recycled, wastewater management, the share of the population that died or suffered as a result of natural disasters and so on, which casts a shadow of doubt on how well public policies reflect the current situation and address the real challenges faced by society.

A no less important challenge for enhancing the efficiency of recycled waste and reducing the volume of waste put in landfill is educating the public. At present, public awareness campaigns are carried out by civil society and less by the authorities, which is why these campaigns are sporadic and their impact fails to meet the expectations. A well-structured campaign for all target groups in society carried out at national level to increase the share of waste recovered either by recycling or for energy is essential in the face of permanent environmental pollution, a consumption-based economy and limited internal mineral resources. Some skills are being built in the school education system under environmental protection or some optional subjects. At the same time, increasing environmental responsibility requires a systemic and constructive approach to educating young people, including by enhancing curricula with a sustainable development education subject, to prepare young people for new life challenges, such as the effects of climate change, the effects of pollution, recycling, rational consumption and others.

CLIMATE ACTION

The Republic of Moldova's historical responsibility for greenhouse gas emissions has been low. In 2016, the Republic of Moldova emitted about 14.58 Mt of CO₂ equivalent (excluding the land use and forestry sector) and 13.68 Mt of CO₂ equivalent (including the land use and forestry sector), which is less than 0.04 per cent of total global emissions. Total and net emissions per capita were twice as low as the global average (3.8 t of CO₂ equivalent/capita compared to 6.4 t of CO₂ equivalent/capita, and 3.6 t of CO₂ equivalent/capita compared to 6.8 t of CO₂ equivalent/capita). The Republic of Moldova also has a low level of historical emissions recorded since 1990, below 0.05 per cent of global emissions (without the land use and forestry sector) and below 0.04 per cent of global emissions (with the land use and forestry sector). Between 1990 and 2016, total greenhouse gas emissions fell by around 67.5 per cent: from 44.92 to 14.58 Mt of CO₂ equivalent.¹¹³

113 Second Biennial Update Report on the Republic of Moldova under the United Nations Framework Convention on Climate Change, 2018



Voice of Youth

“Heal the Earth, make a decision in favor of nature! Nowadays, plastic surrounds us, no matter in which direction we look, in the sky, in the water, on the ground, plastic is present as small particles that we inhale and that get into our food, thereby damaging our immune systems, leading to a high risk of disease and making the entire planet vulnerable to various diseases and epidemics,” Boy, 22 years old, Riscani.

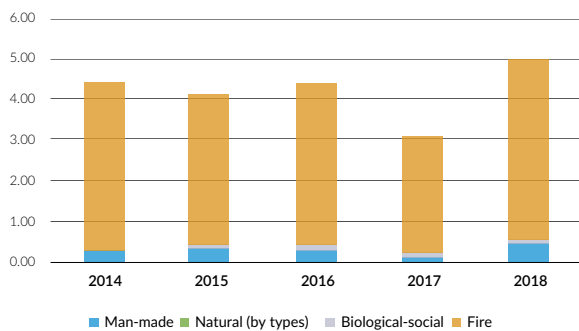
Young people should play a bigger role in the political decision-making process on environmental issues. Formal mechanisms should be put in place to hear the voice and integrate the views of youth at all levels of government, and youth should be empowered through capacity building, grants and initiatives designed to enhance their role in protecting the environment.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

Even if, on the one hand, the Republic of Moldova is not a major generator of greenhouse gases, on the other hand, the country is affected by the consequences of climate change and, as it has limited financial resources, it can hardly implement climate adaptation measures.

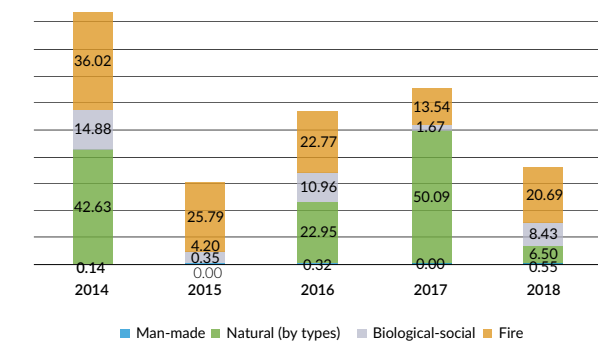
The most frequent consequences of climate change are abnormally high temperatures in certain seasons, heavy rainfall, which can lead to floods in large territories, long-lasting droughts, storms, or heavy snows like were recorded at the end of April 2017, in full vegetation.

Figure: 67 NUMBER OF PEOPLE INJURED FOLLOWING EMERGENCY SITUATIONS PER 100,000 POPULATION



Source: National Bureau of Statistics

Figure: 68 NUMBER OF PEOPLE DIRECTLY AFFECTED BY EMERGENCY SITUATIONS PER 100,000 POPULATION



Source: National Bureau of Statistics

Climate researchers have also noted that the frequency of natural disorders has increased, compared to previous years, thus worsening the Republic of Moldova’s vulnerability to these phenomena and their consequences.

At the same time, between 2014 and 2018, no deaths resulting from natural disasters or emergency situations caused by climate change were registered in the Republic of Moldova. On the other hand, natural disasters often cause material damage, with a particular impact on agricultural production, as country is a predominantly agricultural country.



Thus, the number of people affected by the phenomena caused by climate change is fluctuating and unpredictable due to the uncertainty of these manifestations and the high degree of vulnerability of farmers and others.

CLIMATE ACTION

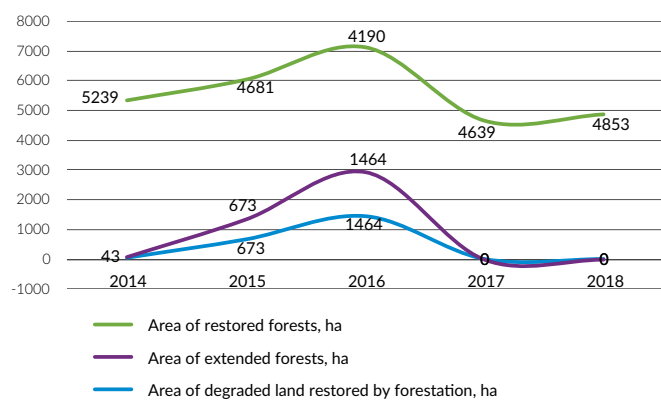
Specific challenges are related to the management of forests and of protected areas; insufficient funding, which prevents focusing on protecting forests and expanding the area of forested land, and leads to them being seen as income sources, mostly from cutting down trees; and institutional reform being delayed.

Thus, the Republic of Moldova has the smallest area covered with forests in the region – about 11.2 per cent of the total area of the country – and there has been no net rate of change in forested area between 2014 and 2018, which means that any efforts to plant new areas are offset by the felling of trees.

Most land in the Republic of Moldova is privately owned. The land under state control is too small to be used to expand forest vegetation. On the other hand, because of the intensive exploitation of land for agricultural purposes, soil is subjected to continuous degradation and would have to be restored and protected by forest plantations. Unfortunately, the country does not have a registry of degraded lands, while better management and efficient implementation of soil rehabilitation measures requires a record system to be established for this purpose. According to unofficial information from environmental civil society organizations, degraded land accounts for about 30 per cent of the country's area. With the support of development partners, certain afforestation works are being carried out on degraded land in various projects, but they only last for as long as the projects and only to the extent allowed by project funding. Thus, between 2014 and 2018, work to expand the area of forested land only took place until 2016, on 2,180 ha of degraded land. Within the framework of the annual dedicated fund, reforestation work is taking place, and the trend of this works was decreasing until 2016, then slightly increasing, but to a lesser level in 2018 than in 2014.¹¹⁴

In total, 5.61 per cent of the Republic of Moldova is protected areas; this figure remained constant between 2014 and 2018. Of this area, 2.22 per cent is wetlands of international importance, while 3.39 per cent is areas with multifunctional management, resource reservations, landscape reservations, nature reservations, and so on.

Figure: 69 FOREST EXTENSION TRENDS



Source: National Bureau of Statistics

114 Data provided by "Moldsilva" Agency



The third edition of the Red Book of the Republic of Moldova was published in 2015 and included almost double the number of rare or endangered species than the previous edition, published in 2002. The number increased from 242 to 427, of which 208 are plants (from 126) and 219 are animals (from 116). This growth emphasizes the challenges in the field and the need to increase the level of investment in biodiversity protection and conservation and in the field of the environment.

However, the main challenge to achieving the proposed environmental protection objectives is the lack of funding. The funds allocated annually from the national budget are significantly lower than the needs, which are estimated, according to sectoral strategies and programmes, at hundreds of millions of euros. Thus, financing of this sector should be reassessed, and budgetary allocations streamlined so that financial sources are used in a transparent manner and in accordance with the priorities set out in the policy documents.

On the other hand, the technical and financial assistance provided by the European Union and partner countries in the field of environmental protection is important and urgently needed for proper performance in the sector. Thanks to such external assistance through funding and exchange of experience programmes in the field of environmental protection, several normative acts governing this sector have been developed. Important sources of funding have also supported the construction of water supply and sanitation systems.

At the same time, for environmental policies to yield visible results, the approach to environmental protection needs to be revised and placed at the top of the Government's agenda, given that natural resources and environmental quality are preconditions for the existence of life and the quality of human life. The institutional reform initiated in 2017 has weakened the state institutions empowered to manage the field of environmental protection and climate change, the biggest challenge that the system must solve. The liquidation of the central environmental authority and its integration into a mega-institution, responsible for managing three complex areas: environmental protection, agriculture and regional development, has caused many delays and sometimes even decline in the management of environmental protection. The reform has not been completed, and several institutions subordinated to the Ministry of Agriculture, Regional Development and Environment, responsible for environment protection need to be reorganized, strengthened and have their capacity improved in order to be able to fulfill their mission. Recovery and strengthening of the central environmental authority is imperative for improving the quality of the environment and guaranteeing environmental security for the population.

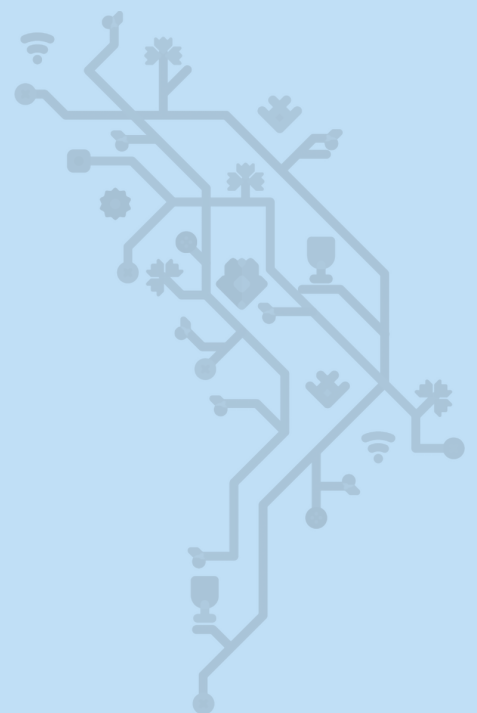
The latest data provided by the Copernicus Sentinel-5P satellite show an unprecedented decrease in air pollution on the planet, caused by the cessation of several economic activities worldwide due to the COVID-19 pandemic. Force majeure of an extent the planet never faced before has managed to reduce global pollution. But this must be done by implementing climate change and environmental protection policies, and by promoting the green economy, the circular economy and environmentally responsible business. Therefore, environmental performance does not depend on the number of laws and strategies developed to achieve certain theoretical objectives, but on the quality of the implementation of these strategies and laws.





Chapter **V**: PEACE

We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.



SECURITY

Physical safety and psychological comfort in the community, family, school and virtual environment are key dimensions of quality of life, while personal security has a positive impact on development. In this regard, in the reference period and with the support of development partners and civil society, the authorities have implemented a series of crucial reforms to improve citizens' safety and mitigate any risks to the security and fundamental rights of people in the Republic of Moldova.

The Transnistrian issue is high on the priority list on all government programmes.

The Transnistrian conflict continues to be the main challenge to the country's territorial integrity and a key barrier to uniform implementation, throughout the country, of structural reforms, assumed by the Republic of Moldova. The Chisinau authorities are firmly determined to find a peaceful, sustainable and comprehensive settlement of the conflict, based on the country's sovereignty and territorial integrity, within its internationally recognized borders with a special legal status to the Transnistrian region.

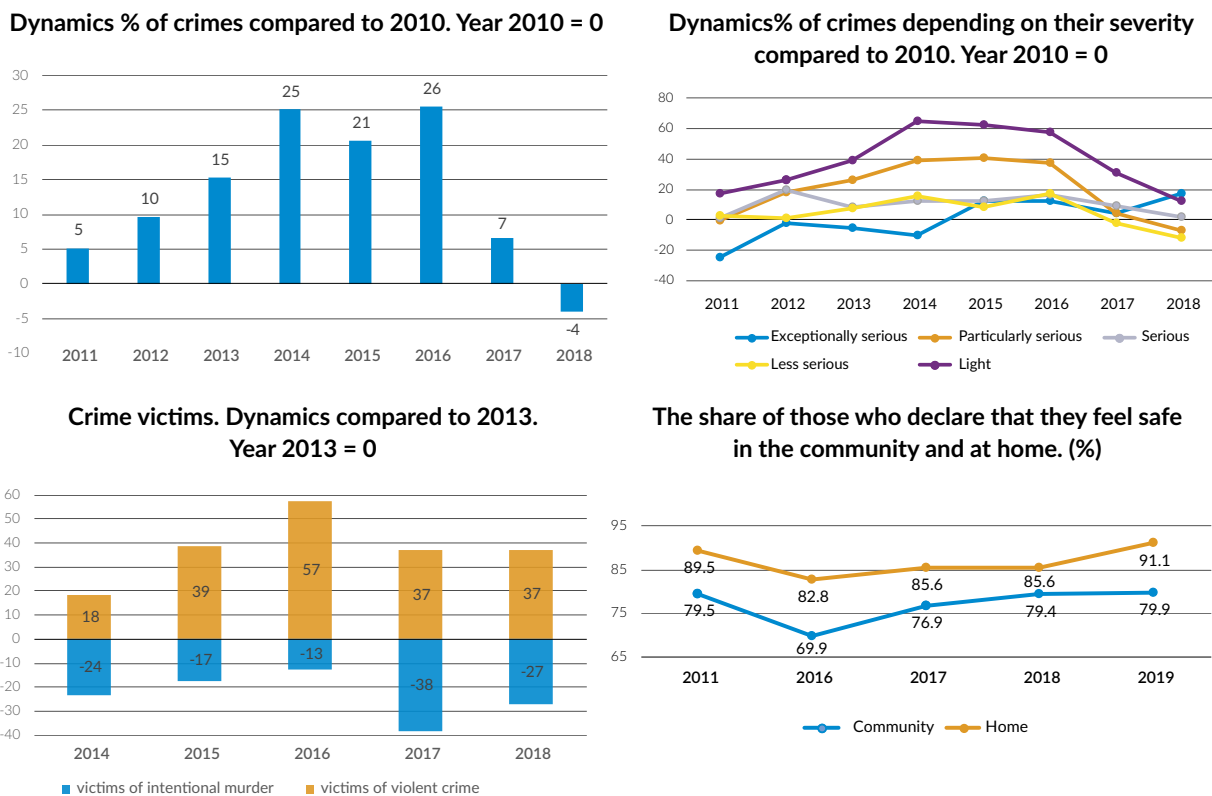
To this end, a proactive dynamic has been ensured within the current negotiation formats, including in the 5+2 format. Foreign partners' efforts have been mobilized to support the settlement process, and projects are being conducted to promote confidence-building measures and reintegrate the country, with concerted measures being taken to ensure observance of human rights and find a viable solution to issues caused by the lack of settlement of the conflict, and to enable democratization and demilitarization of the Transnistrian region under the monitoring of relevant international actors with a view to ensure regional stability and contributing to world peace and security.

Institutional capacities for ensuring public order and safety, state border protection, efficient management of migration processes, and the response to emergency situations, have been strengthened in the reference period. More so, legislative measures have been adopted to increase public safety, particularly for vulnerable and underrepresented groups, such as victims of domestic violence, victims of human trafficking and children. Thus, in order to consolidate the mechanism for protecting victims of domestic violence, the following measures were taken: broadening the circle of subjects of domestic violence; protecting victims and members of family regardless of their residence status; criminalizing infringements by aggressors of restriction orders imposed by the court; and giving the police the right to issue emergency restraining orders against aggressors. The punishments for human trafficking have been made stricter. The authorities, together with development partners and CSOs, have drafted and implemented several initiatives concerning children, including: the Child Protection Strategy 2014-2020; Law 140/2013 On Special Protection of Minors at Risk and Unaccompanied Children; inter-sector cooperation mechanisms for identification, assessment, reference, assistance and monitoring of child victims and potential victims of violence, neglect, exploitation and trafficking and primary prevention of risks to child well-being; Law 299 On Measures and Services for Children with Deviant Behaviour; and measures to protect children in the online environment.



The crime level is falling. In recent years, crime levels have had a bell-shaped dynamic. Compared to 2010, overall recorded crime was trending steadily upward until 2016, then, from 2017, it declined sharply. In 2018, the country attested a drop-in crime levels compared to 2010. A similar dynamic was attested for all types of crimes, save exceptionally serious crimes, the trend in which (as well as the indicator per se) has turned out to be more volatile. The number of victims of violent crimes increased in the same way, although, compared to 2013, the number of victims of intentional homicides has continuously decreased each year. The public's perception of security (in the locality and at home) followed a somewhat similar trajectory – it fell between 2011 and 2016 (though to a comfortable level of 70 per cent), and continually rose thereafter until 2019, the latest year for which data are available.

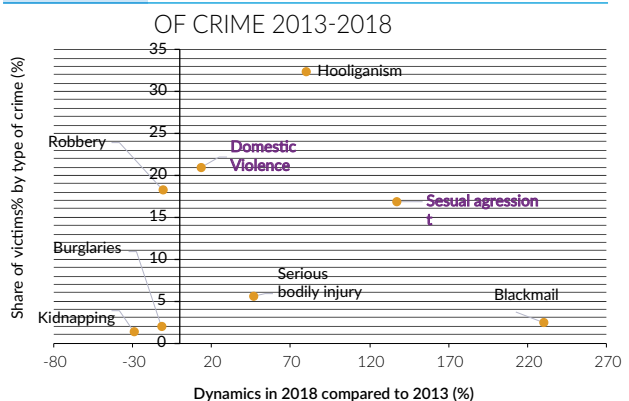
Figure: 70 INDICATORS ON THE DYNAMIC OF CRIME LEVELS AND SAFETY IN THE REPUBLIC OF MOLDOVA



Source: National Bureau of Statistics

More and more women are being affected by crime. The figure above illustrates this. The number of victims of domestic violence and sex-related offences increased by 13 per cent in 2018 and by 137 per cent compared to 2013. These were approximately 38 per cent of all victims of crimes recorded in 2018. This situation must be further examined in greater detail to understand the underlying factors. One such factor that may at least partially explain this spike is that these offences

Figure: 71-A TRENDS IN VICTIMS PER CATEGORY



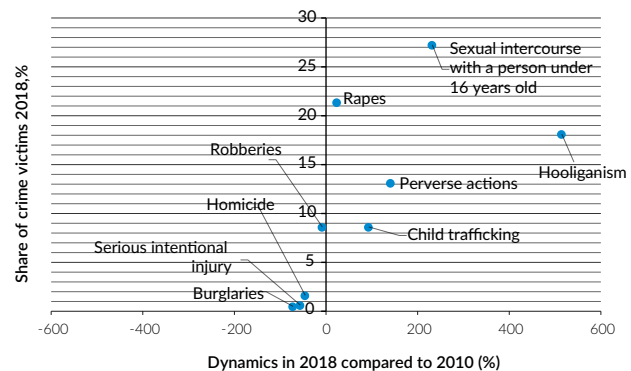
Source: National Bureau of Statistics



are beginning to be better documented by the police¹¹⁵ and specialized services (Specialized Centres, Social Assistance, and so on).

Crimes against children are on the rise. In 2018, these have increased by approximately 130 per cent compared to 2010. Though crimes such as homicides and intentional serious bodily injuries fell in number, trafficking of children, rapes and other sexual-related offences have gone up significantly.

Figure: 71-B TREND OF CRIMES AGAINST CHILDREN



Source: National Bureau of Statistics

Voice of Youth

The pathway of a child through the criminal justice system of the Republic of Moldova

In 2017, *Terre des hommes Moldova* reviewed¹ the *de facto* and *de jure* situation in which juveniles suspected of committing crimes may find themselves, caught in the crosshairs of the justice system of the Republic of Moldova. The review concluded:

- The absence of clear protective measures in the case of delinquent juveniles;
- Inadequate social services in the field of juvenile delinquency prevention;
- The absence of a legal mechanism to place a juvenile in conflict with the law, in difficulty or at risk;
- The absence of re-education and ongoing psychosocial counselling services;
- The absence of a separate justice system that is specialized in investigating and prosecuting cases concerning minors; and
- The absence of a national policy and long-term plan of action to address issues relating to juvenile delinquency.

In 2016, the National Centre for Child Abuse Prevention (NCCAP) promoted and advocated for the idea of setting up Barnhaus-like (Children's House) services in the Republic of Moldova. This would involve giving legal, healthcare and psychological assistance to children victims/witnesses of crimes, under one roof, in order to prevent revictimization of this vulnerable category.

The idea of setting up Barnhaus-like services was included in the Government Decision 835/2016 of 4 July 2016 regarding approval of Action Plan 2016-2020 concerning the implementation of the Child Protection Strategy 2014-2020. This Decision provided for the drawing up of a normative framework regarding the organization and functioning of the Integrated Services Centre to accompany the child victim in legal proceedings. The Ministry of Health, Labour and Social Protection (MHLSP) is the body responsible for its implementation.

In 2018, with a view to opening the first Barnhaus-like service in the country, CNPAC, together with MHLSP, drew up drafts of the Regulation of the Regional Service Integrated Assistance to children victims/witnesses of crimes, the Standards of quality for this Service, certification and the financing mechanism.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals



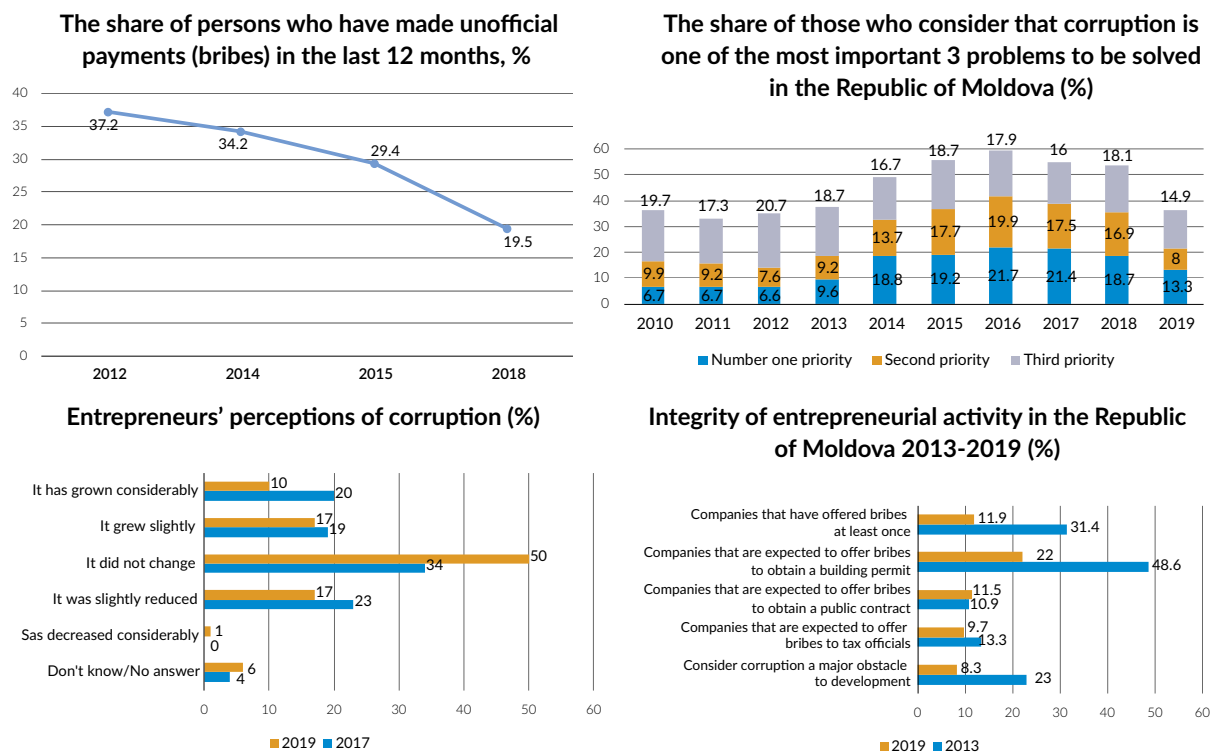
In order to attain security commitments in compliance with the 2030 Agenda, the authorities shall strive to achieve:

- Continuous and dynamic reduction of all forms of violence, specifically domestic and sexual violence (SDG target 16.1);
- A stop to abuse, neglect, exploitation, trafficking and all forms of violence and torture of children (SDG target 16.2);
- Combatting any forms of organized crime and arms trafficking (SDG target 16.4).

INTEGRITY AND THE RULE OF LAW

Although still widespread, the occurrence of bribes is falling slightly, among both the general public and **entrepreneurs**. The share of people considering corruption to be one of the most pressing issues that must be addressed is declining (a proxy indicator for the universality of corruption in citizen's lives), from 60 per cent in 2016 to 38 per cent in 2019. Meanwhile, a smaller number of entrepreneurs in 2019 consider that corruption has increased than in 2017. Data from 2013 show that a larger number of companies used bribery in their dealings with public institutions, and more companies viewed corruption as an impediment to development of their businesses. This slight decrease can be explained by the impact of reforms aimed at reducing the administrative burden on companies, sector reforms (education and police reform), and by the fact that more citizens and companies are using electronic services in their interaction with public institutions.

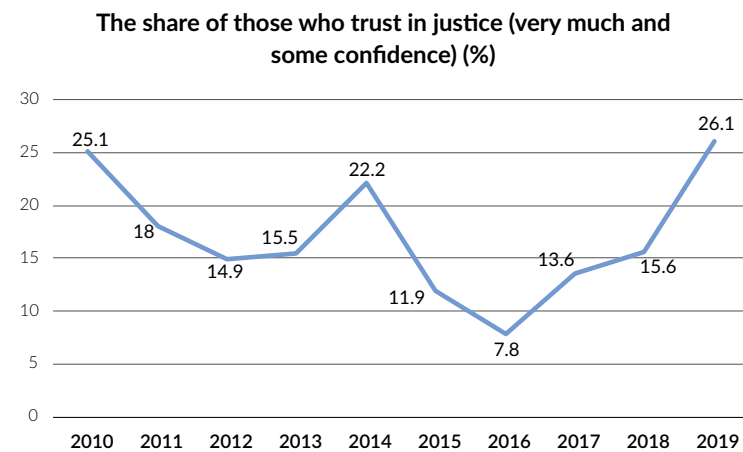
Figure: 72 SELECTED INDICATORS ON CORRUPTION



Source: Transparency International Moldova, Barometer of Public Opinion (IPP), UNDP Moldova, World

Despite many reforms to the system, major results in fight against corruption are yet to occur. The Republic of Moldova has registered moderate progress in the fight against everyday corruption, but significant cases of corruption have not been resolved and are not being dealt with effectively and impartially. The weakness of specialized anti-corruption institutions has had a significant impact, which materialized most clearly in the 2014 banking fraud, in which the equivalent of 12 per cent of the country's GDP was embezzled from the biggest banks in the country. This meant that in 2016 only 8 per cent of the population had trust in the justice system.

Figure: 73 LEVEL OF TRUST IN JUSTICE 2010-2018



Source: Barometer of Public Opinion

Voice of Youth

"Cases of violence are increasing significantly, people in my community are also suffering ... Children very often experience violence because they didn't do their homework, got bad grades, lied ... and parents often use violence, which is completely wrong! As a result of aggression, they suffer only negative consequences for their physical and mental health. Parents should explain in a friendly way to their children how to behave so that they understand what they need to correct," Girl, 15 years old, Straseni.

Young people often do not feel safe in their community, and they have a lack of confidence in the Moldovan legal system due to the suspicions that hover in the society that the legal system is corrupt or that the phenomenon of "cumatrism" (cronyism/patronage) persists. Public confidence in the judiciary is declining, and the Government of the Republic of Moldova is frequently fined by European Court of Human Rights.

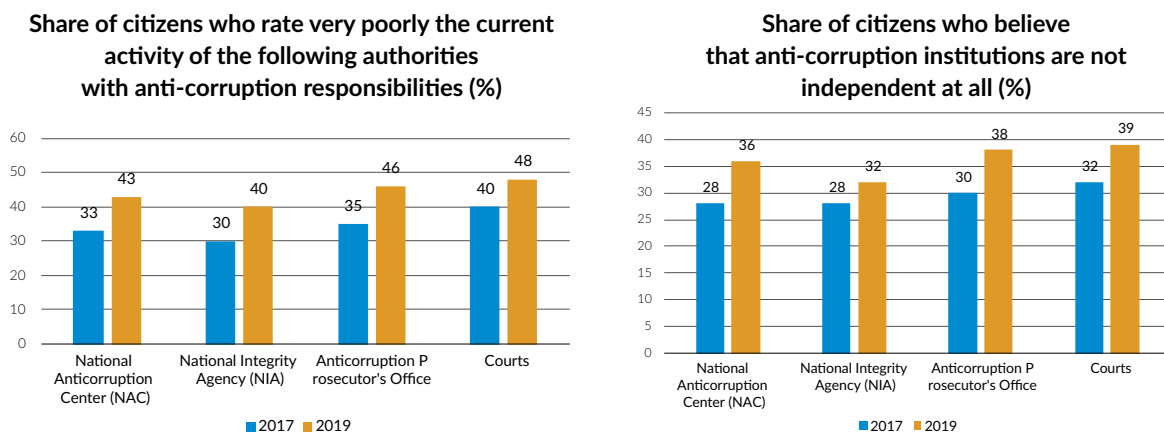
Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

Key specialized anti-corruption institutions are not yet perceived to be efficient and independent. In 2019, the International Commission of Jurists (ICJ) carried out an assessment mission¹¹⁶ of the Moldovan judicial system. The first ICJ assessment mission took place in 2012. This mission concluded that – despite the adoption of a number of strategies, policies and relevant legal amendments – in practice the relevant institutions in the Republic of Moldova's judicial system remain ineffective and not independent. This belief is shared by a significant number of citizens (Figure: 74).

116 The unfulfilled promise for an independent judicial system in Moldova, CRJM 2019



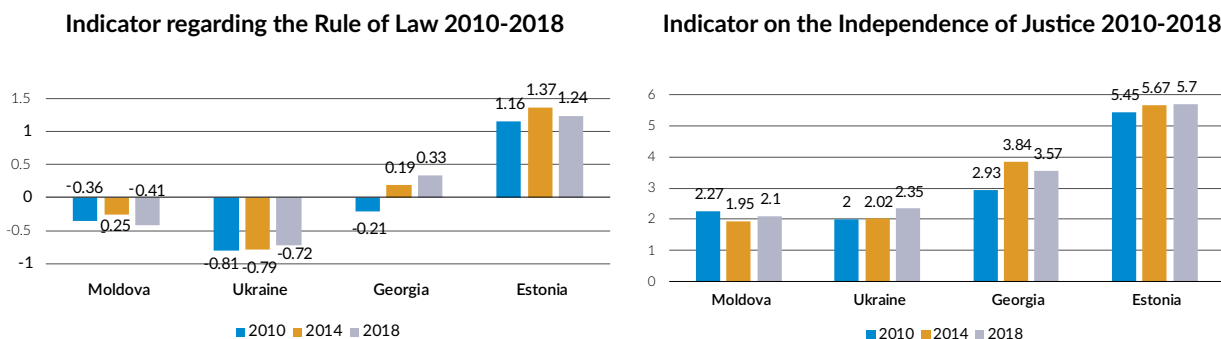
Figure: 74 PERCEPTION OF ANTICORRUPTION INSTITUTIONS



Source: UNDP Moldova

Comparison with other countries from the region has revealed a need for reform in order to ensure the rule of law in the Republic of Moldova. For comparison purposes, two key indicators have been selected: *Rule of Law* and *Judicial independence*. The first represents perceptions of the extent to which various actors have trust in and respect society's rules, specifically the quality of execution of contracts, property rights, police and courts, as well as the likelihood of crime and violence. This indicator ranges from -2.5 (absence of rule of law) to 2.5 (strengthened rule of law). The second indicator shows to what degree the judicial system is independent of influences of members of government, citizens or companies. This indicator ranges from 1 (heavily influenced) to 7 (completely independent). The Figure 75 shows that the situation in the Republic of Moldova is similar to that of Ukraine. An illustrative example is the trend in the Republic of Georgia, which from being similar to that in the Republic of Moldova in 2010, has made consistent progress for both indicators.

Figure: 75 INDICATORS ON RULE OF LAW AND JUDICIAL INDEPENDENCE IN REGIONAL CONTEXT, 2010, 2014, 2018



Source: World Bank, World Economic Forum

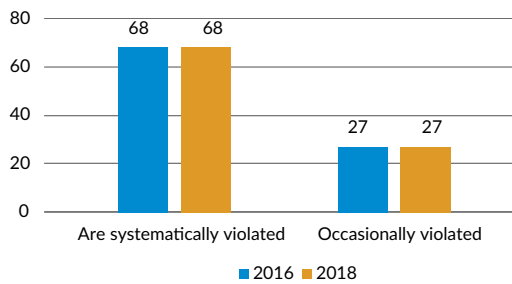


HUMAN RIGHTS AND ACCESS TO JUSTICE

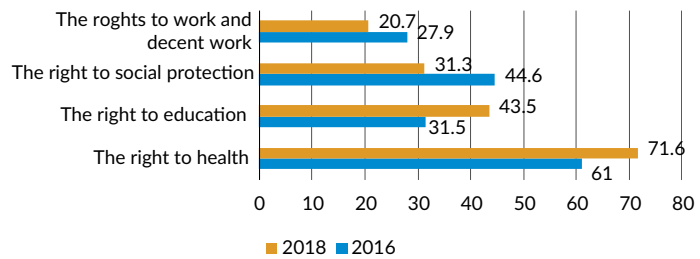
Most citizens believe that human rights in the Republic of Moldova are being violated. The perception that human rights are systematically being violated has not changed in 2018 compared to 2016 and remained at 68 per cent. Most citizens continue to be concerned about the right to health, which can be explained by the fairly significant prevalence of unofficial payments (bribes) for persons interacting with the healthcare system.

Figure: 76 CITIZENS' PERCEPTION OF RESPECT FOR HUMAN RIGHTS IN THE REPUBLIC OF MOLDOVA, 2016,2018

Indicator regarding the Rule of Law 2010-2018



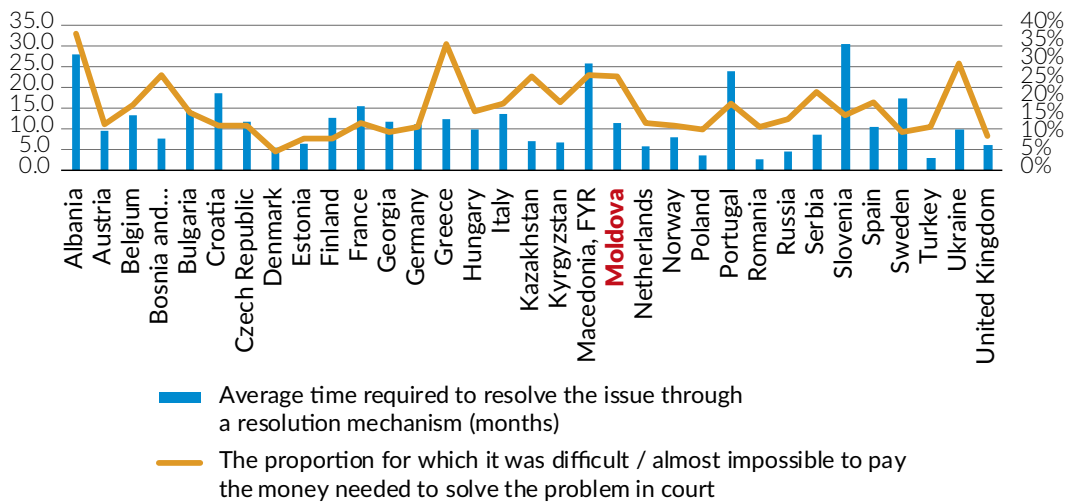
In your opinion, what are the 3 main human rights and freedoms in Moldova that need increased attention from society? 2016 and 2018,%, multiple answer



Source: PNUD, UN OHCHR, UNFPA

Effective justice seems to be too costly for many citizens. Compared to other countries in the region, the act of justice seems to be fairly expensive: approximately 26 per cent of people going to justice institutions affirm that it was practically impossible to cover the financial cost associated with it. This indicator is well above the regional average. With regards to the actual time taken to address a problem, the Republic of Moldova's performance is comparable to the regional average.

Figure: 77 INDICATORS ON EFFECTIVE ACCESS TO JUSTICE AT THE REGIONAL LEVEL



Source: <https://worldjusticeproject.org/>

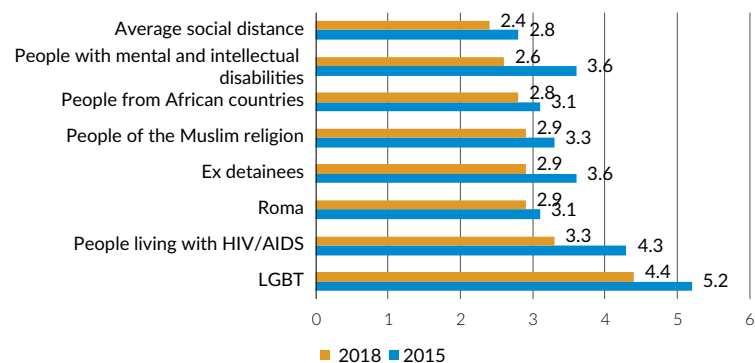


Measures aimed at increasing access to justice for vulnerable persons. Victims of domestic violence and human trafficking **have** gained the right to receive state-guaranteed legal assistance, and victims of domestic violence are exempted from paying the state tax in court proceedings that request the application of protective measures. A major achievement is the granting of the right to free and full access to justice to persons with mental disabilities.

The level of social exclusion of minority groups is falling.

Acceptance of minority groups in the Republic of Moldova has been measured with the help of Bogardus social distance scale¹¹⁷ (social distance) in 2015 and 2018. This revealed that the average social distance index decreased from 2.8 to 2.4. Although we attest certain improving trends with respect to the feeling of social exclusion, in the cases of LGBT individuals and persons living with HIV and AIDS, we still witness significant levels of exclusion.

Figure: 78 INDEX OF SOCIAL DISTANCE TO VARIOUS MINORITY GROUPS IN THE REPUBLIC OF MOLDOVA, 2015- 2018

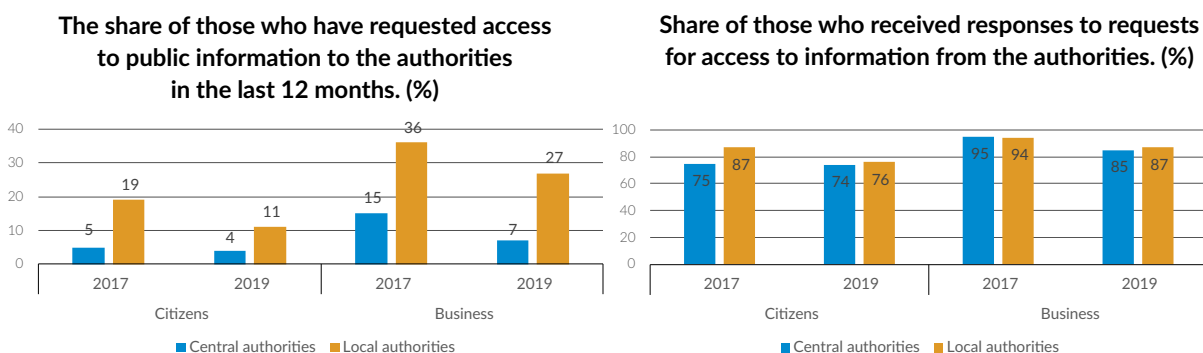


Source: Council for the prevention and elimination of discrimination and ensuring equality in the Rep. of Moldova

GOOD GOVERNANCE AND CITIZEN PARTICIPATION

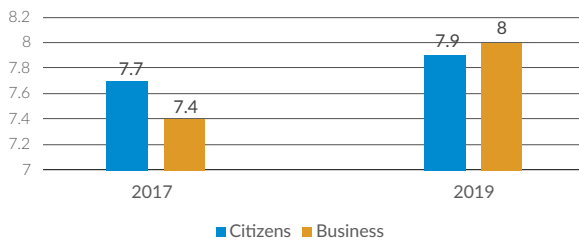
Citizens and companies have a relatively satisfactory level of access to information. This conclusion is based on four criteria. Firstly, many citizens have two sources of everyday information (television and internet). Secondly, more public interest data are made available by the central authorities: in the *Open Data Index*, the Republic of Moldova ranked 22nd out of 122 countries in 2015. Thirdly, most requests for information addressed to central and local government are examined (see figure below). Fourthly, the quality of responses provided by the authorities seems to be adequate – with an average score of 7.4 and 8 out of a maximum of 10 (see figure below).

Figure: 79 INDICATORS ON CITIZENS' AND COMPANIES' ACCESS TO INFORMATION

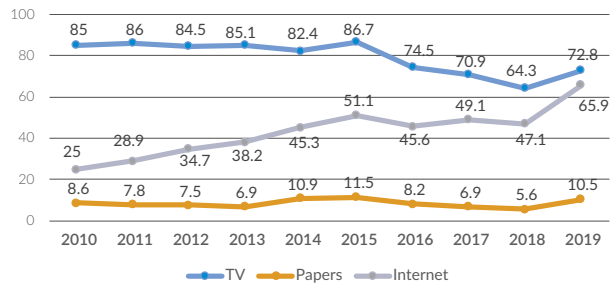


¹¹⁷ The scale is designed to gauge the level of acceptance by establishing contacts with people from minority groups who are accepted by respondent. The highest level of acceptance has an index of 0 and shows that the respondent would accept a person from a minority group to becoming a part of his/her family. At the same time, the lowest level of acceptance has an index of 6 and denotes that the respondent would opt to expel members of a certain group from the country.

Level of satisfaction of respondents who requested information from public institutions at central or local level in the last 12 months and received a response. (%)



The share of those who are informed daily from various sources. (%)



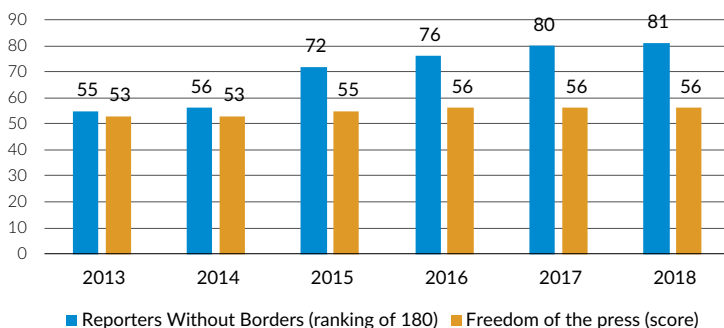
Source: Transparency International Moldova, Barometer of Public Opinion (IPP), UNDP Moldova, World

The risk of misinformation is rising. According to a recent survey,¹¹⁸ only 16 per cent of media consumers stated that they get their information from independent and trustworthy sources. Approximately 45 per cent of citizens do not know if the sources they get their information from are independent and unbiased.

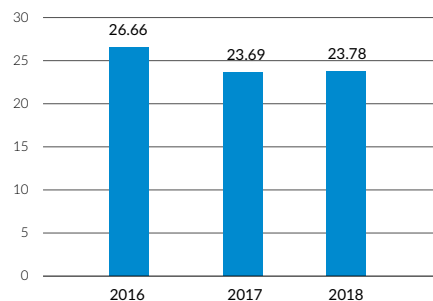
The state of the mass media in the Republic of Moldova is deteriorating. Compared to 2013, the *Press Freedom Index* has deteriorated, and as of 2016 is stagnating. An *Index* closer to zero indicates a favourable situation for the press, while one closer to 100 points is unfavourable. The rankings by country compiled by Reporters Sans Frontières (a higher ranking denotes a less positive state of mass media) show a more noticeable decrease in free mass-media in the Republic of Moldova. Country-wide assessments point to the same trend. According to the Press Freedom Index compiled by the Centre for Independent Journalism, the press situation in the Republic of Moldova is marked by major challenges. By using a method of points ranging from 0 (negative) to 60 (positive), in 2018 the score was 23.78, worse than in 2016. Mass media organizations in the country face significant problems preserving their financial and editorial independence.

Figure:80 INDICATORS OF FREEDOM OF PRESS IN MOLDOVA, 2013-2018

The situation of the Moldovan press according to the international evaluations 2013-2018



Press Situation Index



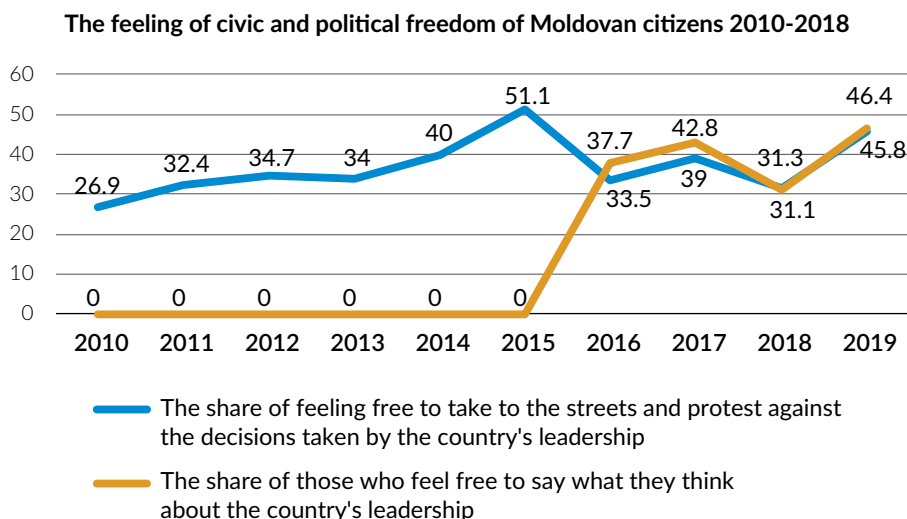
Source: Freedom House, Reporters Sans Frontières, Centre for Independent Journalism Bank

118 National Survey on Perception of Media in Moldova, Internews in Moldova https://internews.org/sites/default/files/2019-02/03_INTERNEWS_Final%20report_25.10.18_EN-web.pdf



Only half the citizens of the country feel free. A basic precondition for citizens to participate in the decision-making process (apart from access to relevant and accurate information) is a feeling that they have the freedom to criticize the authorities without any repercussions. In other words, criticism of the authorities must be cost-free. Data from nation-wide surveys indicate that, though the proportion is increasing, only half of citizens feel they can exercise this right freely.

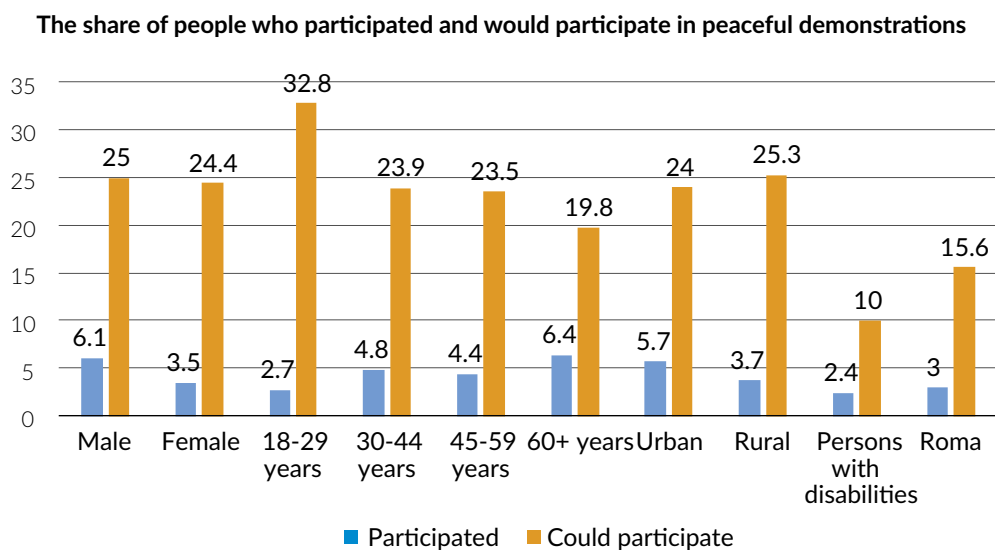
Figure: 81 CITIZENS' FEELING OF CIVIC AND POLITICAL FREEDOM 2010-2018



Source: *Barometer of Public Opinion, IPP*

Effective participation is quite low. The level of participation is low, especially in the context of the participation gap. The latter is defined as difference between the share of those willing to participate in activities useful for the community and effective participation. A wider gap indicates many significant barriers to participation. The figure below shows that the biggest gap is among

Figure: 82 PARTICIPATION GAP



Source: *CPD/EEF 2019*

young people (between 18-29). The level of constructive citizenship among young people aged 18-29 is quite low at 5.0 (out of 10) in the Republic of Moldova Social Cohesion and Reconciliation Index (SCORE).¹¹⁹ In this respect, youth participation is a strategic objective of the National Youth Strategy 2020. One worrying aspect is that the willingness of persons with disabilities and Roma people to participate is much less than that of other demographic groups. This suggests significant barriers that contributed directly or indirectly to the marginalization of these groups. Thus, participation in the Republic of Moldova must become much more inclusive of youth and of persons with disabilities and Roma people.

In order to attain the commitment to Peace specified in the 2030 Agenda, the authorities shall achieve the following strategic targets:

- Promotion of supremacy of law and ensure equal access to justice for all women, men and children, especially from vulnerable groups (SDG targets 16.3 and 5.2);
- Significant reduction of corruption and bribery in all its forms (SDG target 16.5);
- Development of efficiency, responsibilities and transparency of institutions at all levels (SDG target 16.6);
- Ensure a receptive, inclusive, participative and representative decision-making process at all levels (SDG target 16.7).

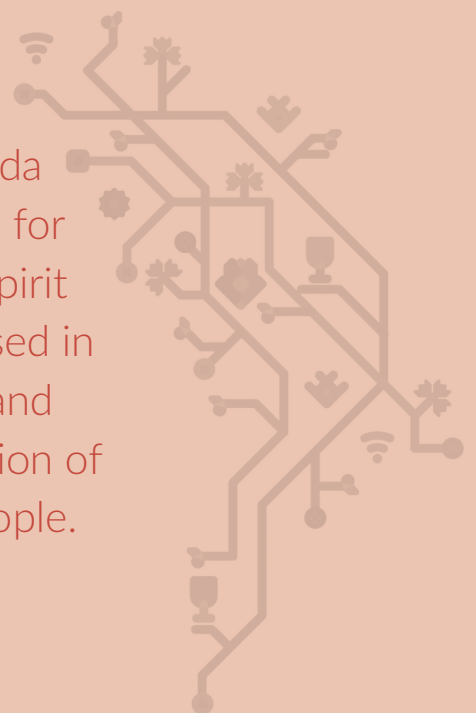
119 <https://www.scoreforpeace.org/en/moldova/2018-General%20population-1>





Chapter **IV: PARTNERSHIPS**

We are determined to mobilize the means required to implement this Agenda through a revitalised Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focussed in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.



FINANCES

The national tax system has been modernized, and national capacity to collect duties and revenues have been considerably strengthened following improvements to the tax and customs legal framework, and implementation of the Development Strategy of the State Tax Service (2016-2023), the IT Development Strategy of the State Tax Service 2016-2020, the Communication Strategy of the State Tax Service 2016-2020, the Professional Development Strategy of the State Tax Service 2017-2020 and the Taxpayers Service Strategy 2018-2020.

The restructuring of the *State Tax Service (STS)* fostered the efficiency and modernization of the tax administration system, and increased budget revenues and taxpayer compliance. Electronic tax services were developed such as *'e-application'*, *'Taxpayers' current account'*, the *Single Account payment invoice generation module*, the *online tax and duty payment service*, and the *system for settling tax liabilities through the local tax and duty collection services*. Currently, 61.7 per cent of the services provided by the STS are available in electronic format. As a result, in 2019, the number of electronically filed returns was 29 percentage points higher than in 2015. Of all the tax returns submitted in 2019, 87.2 per cent were filed online. Following the structural and operational changes, between 2016 and 2019, the operational processes were standardized, and the *Catalogue of Business Processes* of the STS was prepared and developed, which currently contains 269 processes. All the reforms and measures referred to above fostered a dynamic increase in revenues to the Public National Budget (PNB). Thus, while in 2015 the PNB revenues amounted to MDL25.1 billion, by 2019 the PNB gathered revenues from the STS of MDL39.1 billion, an increase of 55.7 per cent.

All reforms implemented by the State Tax Service were carried out also with the support of external partners within the international cooperation projects: The World Bank, The International Monetary Fund, The US Treasury, The Swedish Tax Agency.

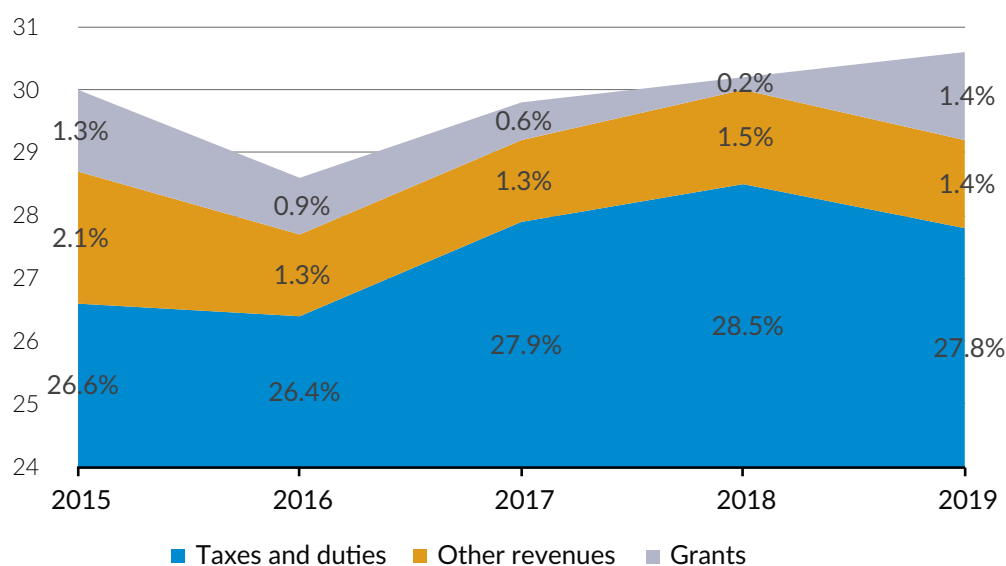
The *Customs Service* was reformed in line with the commitments assumed under the Republic of Moldova-European Union Association Agreement. Simplified customs procedures were put in place, and the *e-Customs* concept was developed. Between 2015 and 2020, measures were taken to ensure businesses voluntarily complied with customs in order to ensure that customs taxes and duties were collected in full, and undeclared import duties rapidly detected. Simplified customs clearance programmes such as the *Customs Clearance Procedure at Home (CCPH)*, the *Authorized Economic Operator Programme (AEOP)* and the *Approved Exporter* are used for companies that voluntarily comply with legal requirements. The customs infrastructure was upgraded, and state border crossing points were provided with high-performance modern equipment (fixed scanners to inspect commodities transported by road and rail and to check luggage at the Chisinau International Airport customs checkpoint), capacity was developed to detect undeclared commodities, and to calculate and collect import duties for them, thereby increasing revenues from commodities brought into the country. This was achieved to the internal resources and foreign aid provided by the European Union, the World Bank, the Netherlands, Sweden, the United States and China, through five cooperation and assistance projects.

Between 2014 and 2019 the Republic of Moldova's GDP was constantly growing. However, unlike other transitional or developing economies, this growth is modest. In the 2014-2018 period, PNB revenues ranged from 28.6 per cent of GDP in 2016 to 30.1 per cent in 2018. The PNB revenue



mainly comes from 'taxes and duties' (18.0 per cent of GDP in 2015 and 19.6 per cent in 2018), and the share of 'grants' was continuously decreasing (1.3 per cent of GDP in 2015 and 0.2 per cent in 2018). Meanwhile 'other revenues' made up 2.1 per cent in 2015 and 1.5 per cent in 2018. The falls in 'Grants' and 'Other revenues' could be caused by the banking crisis and is depicted in Figure 83. The banking crisis of 2015 increased the risk for development partners, and made them re-evaluate their current and potential grants; many partnerships were suspended due to the approach to the crisis of the authorities and the poor management of the financial and banking system. However, the PNB significantly increased in 2018, mostly as a result of collection of duties and taxes, and this led to a budget deficit of less than 1 per cent of GDP. It should be noted that the target budget deficit for 2018 agreed with the IMF was 2.8 per cent of GDP. The increase in PNB revenues from duties and taxes can be seen in Table 3, which highlights that most duty categories increased during this period.

Figure: 83 SHARE OF REVENUES OF THE NATIONAL PUBLIC BUDGET IN THE GDP (% BY SOURCES)



Source: Ministry of Finance. NBS

Table 03. TOTAL PNB REVENUES IN 2015-2019 BY CATEGORY AND SHARE OF GDP, (%)

	Share of PNB revenue in GDP	2015	2016	2017	2018	2019
Total PNB revenue		30.0%	28.6%	29.8%	30.1%	30.0%
Taxes and duties		18.0	18.2	19.3	19.6	19.1
	Personal income tax	1.9%	2.0%	2.0%	2.1%	1.9%
	Corporate income tax	1.9%	2.1%	2.3%	2.8%	2.6%
	VAT	9.4%	9.1%	9.4%	9.7%	9.6%
	Excise duties	2.6%	2.8%	3.3%	3.0%	3.0%
	External trade taxes	0.9%	0.9%	0.9%	0.9%	0.9%
	Property taxes	0.2%	0.3%	0.3%	0.3%	0.3%
	State social insurance contributions and compulsory health insurance premiums	8.3	8.3	8.7	8.9	8.8
Other revenues		2.1%	1.3%	1.3%	1.5%	1.4%
Grants		1.3%	0.9%	0.6%	0.2%	0.8%

Source: Ministry of Finance.



The share of the national public budget financed from taxes and duties increased. 'Taxes and duties' accounted for 64.9 per cent of the total revenues of the NPB in 2018, followed by 'Other revenues' of 4.8 per cent, 'Grants' had fallen to 0.7 per cent in 2018, compared to 4.4 per cent in 2015. Value added tax made up the highest proportion of NPB revenue between 2015 and 2018, ranging from 31.4 per cent in 2015 to 32.1 per cent in 2018. The second largest source of PNB revenue by value was social insurance contributions, which contributed between 21.2 per cent (2015) and 22.5 per cent (2018) of the budget. These were followed by excise duties, personal income tax and corporate income tax and compulsory health insurance premiums.

Figure: 84 PNB REVENUES BY SOURCES (%)

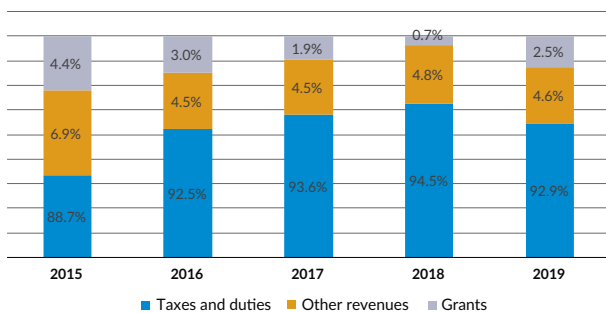
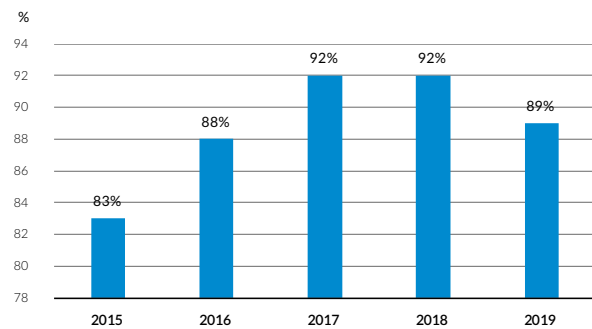


Figure: 85 PERCENTAGE OF THE PNB EXPENDITURE COVERAGE FROM TAXES AND DUTIES



Source: Ministry of Finance

The level of coverage of public expenditures out of the total collected duties is satisfactory, but provides poor flexibility to the authorities in implementing large-scale investment programmes.

Between 2015 and 2018 the proportion of PNB expenditures funded from taxes and duties increased from 56.6 per cent to 63.2 per cent.¹²⁰ While in 2019 PNB revenues from duties and taxes increased by 6.4 per cent compared to 2018, the proportion of PNB expenditure funded by taxes and duties fell by 2.5 per cent in 2019. This is because of the 10.7 per cent increase in PNB expenditure in 2019 compared to 2018. The national public budget had a deficit of MDL 3,026.4 million in 2019, almost twice the 2018 deficit of MDL 1,613.0 million.

The funds transferred by Moldovan migrant workers also made a substantial contribution to development. **Remittances accounted for 18.7 per cent of GDP in 2015 and 15.2 per cent in 2018.** Though the proportion of GDP from remittances in the GDP is decreasing, their value increased by US\$293.4 million to US\$1,743.3 million in 2018 from US\$1,449.9 million in 2015.¹²¹

Additional resources beyond national resources were mobilized and used to implement reforms in various fields, but the value distributed per year decreased between 2015 and 2019.

The total volume of assistance provided to the Republic of Moldova during this period was US\$ 418,804,909.¹²² The amount disbursed in 2015 accounted for 35.4 per cent of all the funds disbursed in the five-year period, compared to only 0.14 per cent in 2019. The political situation in the Republic of Moldova coupled with the bank fraud led to this decrease in foreign aid disbursed.

120 Author's calculations based on the 'Information on the execution of the NPB for the years 2015-2019' provided by the Ministry of Finance

121 Source: National Bureau of Statistics

122 Source: Foreign Aid Management Platform

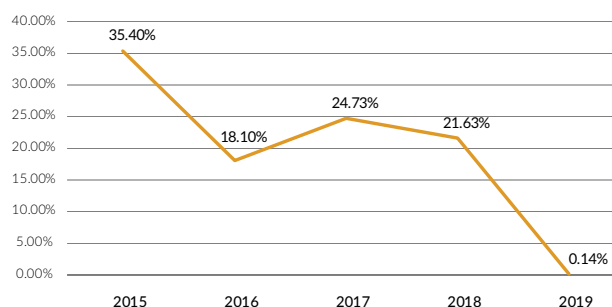


Table 04. VALUE OF FOREIGN AID PROVIDED TO THE REPUBLIC OF MOLDOVA BETWEEN 2015 - 2019

Year	Planned disbursements	Actual disbursements
2015	US\$70,660,544.3	US\$148,263,125.4
2016	US\$30,616,900.1	US\$75,820,267.4
2017	US\$18,076,448.6	US\$103,551,681.3
2018	US\$8,669,478.9	US\$90,600,880.5
2019	0	US\$568,954.4

Source: Foreign Aid Management Platform (February 2020).

According to OECD statistics, the Republic of Moldova receives the sixth largest sum of foreign aid for development in Europe, with an average for 2015-2017 of 3 per cent of the total aid in the region, surpassing Albania, North Macedonia, Montenegro and Belarus.

Figure: 84 PNB REVENUES BY SOURCES (%)

Source: Ministry of Finance

Table 05. OECD RANKING OF THE TOP 10 COUNTRIES BENEFITING FROM FOREIGN AID FOR DEVELOPMENT

	Country	2015	2016	2017	Average over 3 years	% of total support
1	Turkey	2,145	3,613	3,142	2,967	38%
2	Ukraine	1,449	1,523	1,166	1,380	18%
3	Serbia	312	633	1,688	878	11%
4	Bosnia and Herzegovina	355	445	441	414	5%
5	Kosovo	438	370	392	400	5%
6	The Republic of Moldova	313	262	241	272	3%
7	Albania	334	169	157	220	3%
8	North Macedonia	214	168	150	178	2%
9	Montenegro	100	86	117	101	1%
10	Belarus	105	-22	-253	-57	-1%
	Other recipient countries	1,019	908	1,130	1,019	13%
	Total	6,784	8,155	8,371	7,770	100%

Source: Foreign Aid Management Platform (February 2020)

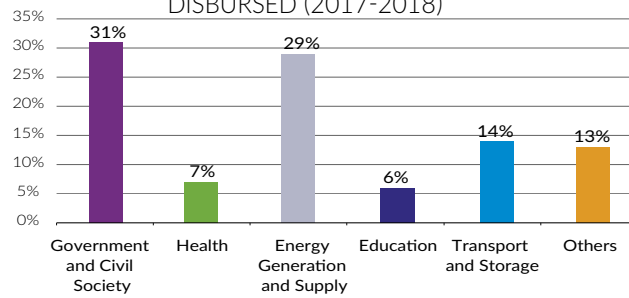
The main donors during this period were the European Union, the United Nations agencies, the World Bank, USAID, the Austrian Development Agency, the Council of Europe, Switzerland, the Government of the Federal Republic of Germany, the Government of Sweden, the Government of Japan, the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the EBRD and the EIB. According to Aid Management Platform data, the aid received during 2017-2018 was mainly disbursed in the fields of government and civil society (31 per cent), energy generation and supply (29 per cent), health (7 per cent), education (6 per cent), and development of transport and storage capacities (14 per cent) (Figure 85¹²³).



Foreign financial aid made up 8.8 per cent of the PNB and 13.9 per cent of the State Budget in 2017. This share decreased in 2018 to 4.9 per cent of the PNB and 7.8 per cent of the State Budget (Figure 85¹²⁴).

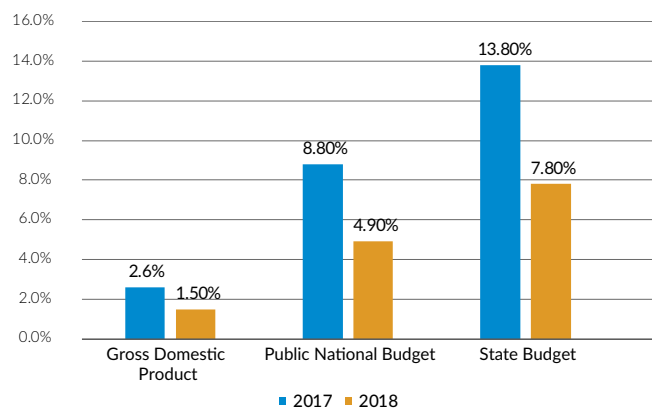
About EUR 145 million of foreign financial aid was disbursed to the PNB in 2018. The sectoral coordinators of foreign aid and/or national beneficiaries reported that in 2018, EUR120 million of foreign financial aid came into the country. This reported difference in the value of foreign aid highlights the existing gaps in the foreign aid management system in the Republic of Moldova. The fact that the amount reported by the sectoral coordinators is lower than the amount actually disbursed shows that the sectoral coordinators are not fully informed of the foreign aid projects in their sectors. Beneficiaries do not report, or implementers/donors do not share information about the amount of funds raised. Several projects are being implemented with direct donor management. The lack of accurate information about the volume, nature and purpose of the foreign aid could be explained by some basic conclusions: weak technical capabilities of the AMP; low institutional and personal capacities in the AMP management; and poor strategic management of foreign aid.

Figure: 85 TOP SECTORS WHERE 66.4M EUR WERE DISBURSED (2017-2018)



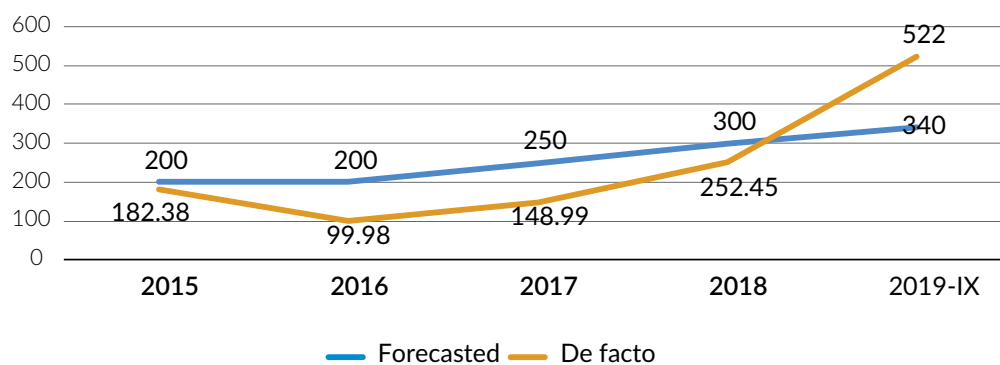
Source: Foreign Aid Management Platform (February 2020).

Figure: 86 SHARE OF INFLOWS OF FOREIGN FINANCIAL AID IN THE GDP/PNB/SB IN 2017-2018



Source: Foreign Aid Management Platform (February 2020).

Figure 87. NET INFLOWS OF DIRECT INVESTMENTS IN THE NATIONAL ECONOMY (MLN. USD)



Source: National Bureau of Statistics.

124 Source Figure 6: Report of state budget execution, as of 31 December 2017 and 31 December 2018



(Net) direct foreign investments in the national economy in the first 9 months of 2019 made up US\$522.25 million, exceeded the forecasts of the Ministry of Economy and Infrastructure for 2019 by about US\$182 million. In comparative terms, in 2019 and 2017, the Ministry of Economy and Infrastructure forecast foreign investments to be about US\$100 million more than the investments actually made in the years referred to above¹²⁵.

National capacities for ensuring long-term debt sustainability were developed through upgrading electronic management systems; improving the capacities of civil servants responsible for reporting public debt within public authorities, public enterprises and Administrative Territorial Units; improving reporting of actual public debt volume by implementing the 'Medium-Term Public Debt Management (2017-2019, 2020-2022)' Programme; and improving the mechanisms for communication with donors for real planning of foreign financial support.¹²⁶ Refinancing risks were mitigated by extending the maturity of the state securities portfolio by issuing, for the first time in March 2018, five-year maturity government bonds. Some foreign government loans were reorganized from US dollars to Euros, thus considerably reducing the external public debt service and reducing state budgetary expenditure in this regard. This effect was achieved following conversion operations carried out for the first time in March 2019 with certain foreign creditors, such as the World Bank and the EBRD.

The public and publicly guaranteed external debt service as a proportion of total exports of goods and services was within safe limits in 2015-2019, and did not entail risks for the macro-economic sustainability of the Republic of Moldova. This is also confirmed by the conclusions of the Debt Sustainability Analysis Report of the Republic of Moldova prepared by the IMF.¹²⁷ According to the report, the public and publicly guaranteed external debt service-to-exports ratio ranges between 3.5 per cent and 8.1 per cent, well below the maximum allowed limit for the Republic of Moldova of 21.0 per cent under the framework of the World Bank and the IMF.

The public and publicly guaranteed external debt service increased by a factor of 2.1 times or by US\$112.5 million in the last five years, from US\$98.4 million in 2015 to US\$210.9 million in 2019. The share of the public and publicly guaranteed external debt service in total exports of goods and services increased by 1.8 per cent in the same period, from 4.0 per cent in 2015 to 5.9 per cent in 2019, 0.2 percentage points lower than in 2018. The increase of this indicator between 2016 and 2018 also reflects the growth rate of the public and publicly guaranteed external debt service, which during this period exceeded the growth rate of exports of goods and services. In 2019, the export of goods and services, however, had a higher growth rate than the public and publicly guaranteed external debt service, and the indicator improved accordingly (Table 6).

125 Source Figure 7: Statistical Yearbook 'International Accounts of the Republic of Moldova' 2018, page 73 and NBM International Accounts of the Republic of Moldova in 2019 (preliminary data), page 35

126 Report for the implementation of the DSPFM 2013-2020. 2016. http://mf.gov.md/sites/default/files/raport_de_realizare_2016.pdf

127 https://imf.md/press/SR_1MDAEA2020001.PDF



Table 06. EVOLUTION OF THE PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT SERVICE AS A PROPORTION OF TOTAL EXPORT OF GOODS AND SERVICES IN 2015-2019 AID FOR DEVELOPMENT

Indicator	Unit	2015	2016	2017	2018	2019
Public and publicly guaranteed external debt service	US\$ million	98.4	127.4	161.1	205.8	210.9
Total export of goods and services*	US\$ million	2,488.42	2,624.47	3,120.34	3,451.54	3,650.85
Public and publicly guaranteed external debt service as a share of the total export of goods and services	%	4.0	4.9	5.2	6.0	5.8

Source: Data according to the Payment Balance. <http://bnm.md/bdi/pages/reports/dbp/DBP17.xhtml>

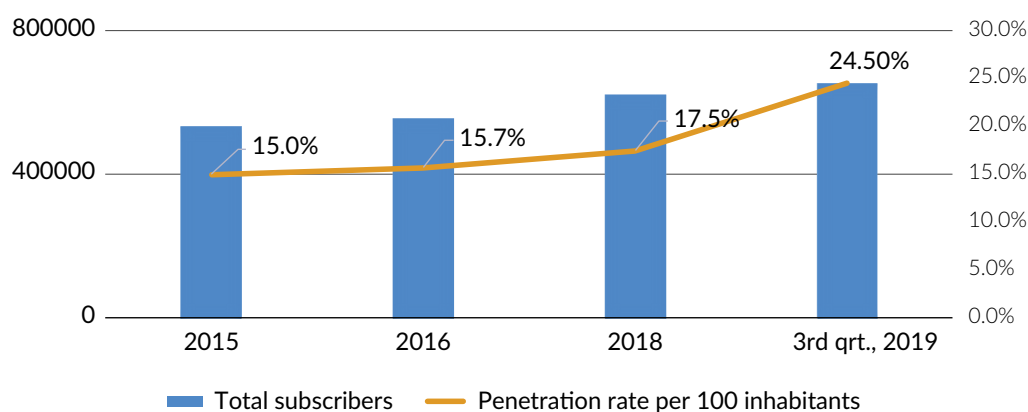
TECHNOLOGIES

The innovation and research sector is one of the priority objectives of the Government of the Republic of Moldova, established by the National Development Strategy 'Moldova 2030', which is currently in process of being approved. The development indicators for the sector fell during the reporting period, and only a fifth of enterprises reported innovation activities. In 2017, the volume of specified resources (from grants) for the research and innovation sector amounted to MDL65,457,000, of which MDL23,495,000 were disbursed, 35.9 per cent of the amount planned for that year. At the same time, in 2018, the volume of resources allocated per year increased (compared to 2017) to MDL97,001,000,¹²⁸ but only MDL29,176,000 was used, 30 per cent of the amount specified for the year.

In 2014, the Republic of Moldova associated with the Horizon 2020 programme, enjoying the same rights of participation and application as the European Union countries. To foster progress in the field of research and innovation, in 2019 the Government approved the National Plan in the Fields of research and Innovation 2020-2023, which aims to increase the efficiency of the national research and innovation system and ensure optimum conditions to generate and use new knowledge based on fundamental and applied research, in order to increase the national economy's competitiveness and the general level of welfare. The Government established partnerships and took part in various international projects in the field of research, innovation support and promotion of international co-operation on access to science and technology. Thus, between 2015 and 2019 the following documents were signed: i) 74 memoranda, agreements and protocols of specific cooperation in the fields of education, culture and youth; ii) the Agreement on the accession of the Republic of Moldova to the Statutes of the International Centre for Genetic Engineering and Biotechnology, which fosters partnership for promotion of science, education and innovation in a unique technological and educational platform to achieve progress in implementing the 2030 Agenda, and facilitates transfer of technologies and expertise in the field of genetic engineering and biotechnologies, in order to develop research in the field of medical and agricultural biotechnologies in our country, develop the domestic pharmaceutical industry, exports and provide the internal market with pharmaceuticals; and iii) 4 protocols, 5 memoranda and 9 agreements for academic and training cooperation in the field of law and training of employees of police institutions and services for exceptional situations.

128 Source: Treasury System of the Ministry of Finance



Figure 88. SHARE OF SUBSCRIBERS WITH FIXED BROADBAND INTERNET ACCESS

Source: Treasury System of the Ministry of Finance.

During these years, **hardwired internet access services were among the most dynamic markets in the electronic communications sector** with subscribers accounting for 30.5 per cent of the population aged over 16 or 24.5 per cent of the total population with ordinary residence of the Republic of Moldova.¹²⁹ The proportion of the population who subscribe to connections that allow speeds from 2 Mbps to over 100 Mbps, increased by 9.5 percentage points between 2015 and 2019 to 24.5 per cent. The main indicators of this market (number of users, data traffic, sales volume) increased significantly. The upward trend in that market was dictated by increased demand for Internet access services, the development of global network access infrastructure based on fiber-optic technology, and greater competition between providers. The reduction in the proportion of connection with lower speeds is because they are being replaced by high speed connections (xDSL connections are replacing FTTx connections).

Table 07. NUMBER OF SUBSCRIBERS WITH ACCESS TO THE BROADBAND INTERNET AT FIXED POINTS (BY ACCESS SPEED)

	2015	2016	2017	2018
Total number of subscribers	534,393	557,403	584,330	623,135
Penetration rate per 100 inhabitants, of whom subscribers to connections that allow speeds of:	15.0%	15.7%	16.5%	17.5%
- up to 2 Mbps	0.6%	0.6%	0.7%	0.5%
- between 2 Mbps and 10 Mbps	1.5%	0.9%	0.8%	0.2%
- between 10 Mbps and 30 Mbps	5.1%	5.5%	5.4%	5.5%
- between 30 Mbps and below 100 Mbps	6.9%	7.7%	8.6%	9.5%
- over 100 Mbps	0.9%	0.9%	1.2%	1.8%

Source: Ministry of Economy and NRAECIT

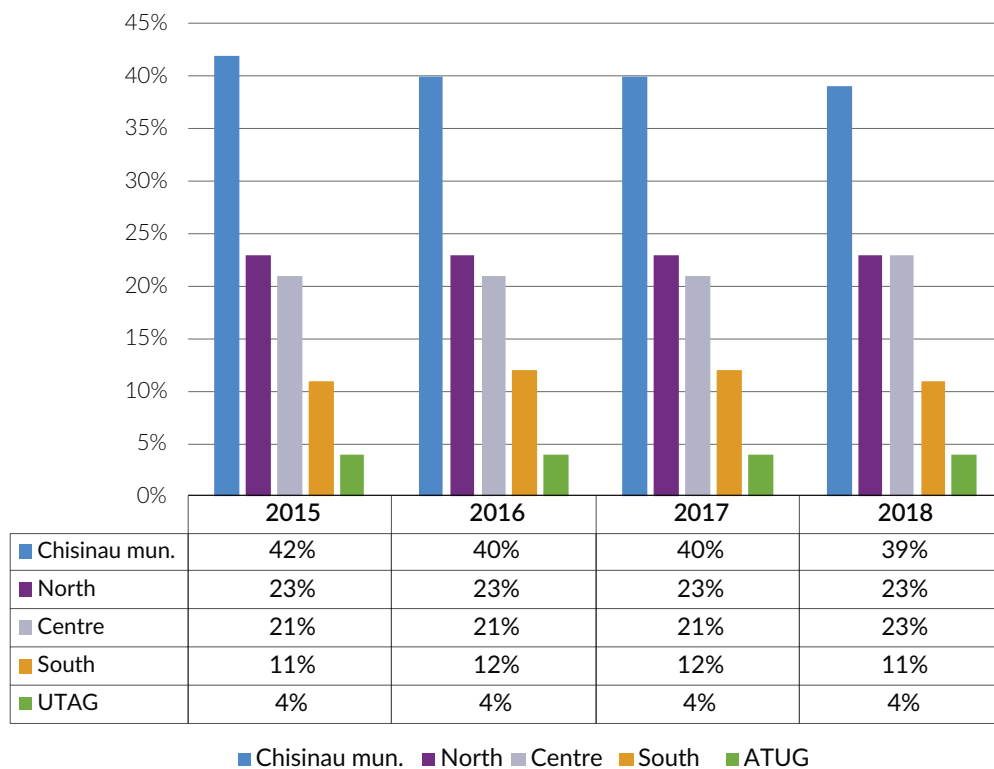
In 2018, 39 per cent of broadband internet subscribers at fixed points were from rural areas and 61 per cent from urban areas.¹³⁰ Distribution by region shows a large difference between the number of subscribers in Gagauzia-Yeri and other regions. In 2018, there were 7 per cent fewer subscribers in Gagauzia-Yeri than the South region and 21 per cent less than the Centre and North regions.

¹²⁹ Source: National Bureau of Statistics. The population with ordinary residence on 1 January 2019 was 2,681,734; and the population aged 16 and over was 2,147,160.

¹³⁰ https://www.anrceti.md/files/filefield/2018_Rap_Evol_Piata_26042019.pdf



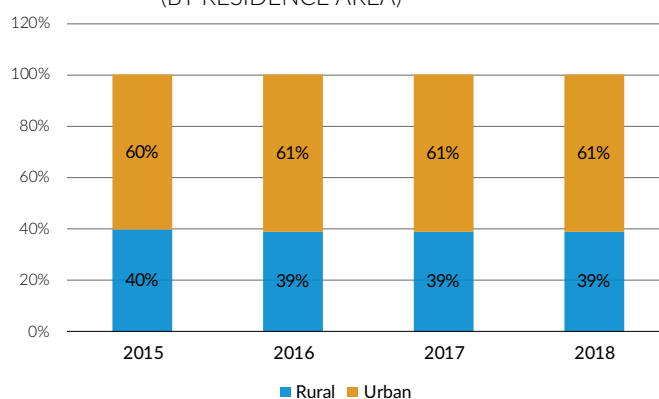
Figure 89. DISTRIBUTION OF SUBSCRIBERS WITH FIXED BROADBAND INTERNET ACCESS (BY REGIONS)



Source: National Bureau of Statistics

The number of subscribers to hardwired internet access service increased by **5.2 per cent** by the third quarter of 2019, compared to the end of 2018, to stand at 655,700, while the number of users of mobile internet access services increased by 12 per cent to about 2.4 million. Compared to the end of 2018, the penetration rate of internet access services at fixed points per 100 inhabitants, was 24.5 per cent (an increase of 1.6 percentage points), and of mobile internet access services was 90.6 per cent (an increase of 11.2 per cent). At the same time, the penetration rate of dedicated mobile internet access services was 8.7 per cent.

Figure: 90 DISTRIBUTION OF SUBSCRIBERS WITH FIXED BROADBAND INTERNET ACCESS (BY RESIDENCE AREA)



Source: Foreign Aid Management Platform (February 2020).

The proportion of people who use the internet is constantly growing, as well as the traffic generated by internet users. Between 2015 and 2017, the proportion of people who used the internet increased by 7.12 percentage points, from 69 per cent in 2015 to 76.12 per cent in



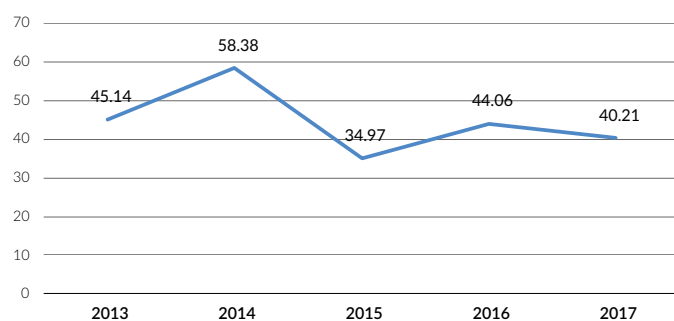
2017.¹³¹ It should be noted that the rate of internet users in households managed by men is 11.7 per cent higher than in those managed by women. In 2017, 55.8 per cent of the households managed by men and 44.1 per cent of those managed by women were connected to the internet.¹³²

In 2019, the total number of users who accessed mobile internet using 4G technology, increased by 51.6 per cent compared to 2018, to 1,546,300 people. About 1,450,000 of them accessed the internet through smartphones, an increase of 55 per cent, while about 97,000 used dedicated mobile Internet (via modems/cards).¹³³ Mobile internet service provider data show that the total number of mobile broadband internet users (using 2G, 3G, 4G and dedicated access technologies) increased by 9.8 per cent, and the penetration rate of mobile broadband internet access services, per 100 inhabitants, increased by 9.4 percentage points to 88.8 per cent. The traffic generated by mobile internet users through smartphones increased by 47.2 per cent, and the traffic generated by those who used dedicated internet access increased by 7.2 per cent. In 2019, a user who accessed mobile internet from the phone generated an average monthly traffic of 2.1 GB, and a user who used dedicated internet access generated a monthly traffic of 18.4 GB.

CAPACITY BUILDING

The aid provided by the development partners of the Republic of Moldova boosts the development of the national economy, is an important funding source for priority infrastructure projects, supports the development of sectoral policies in the context of harmonization with the European Union acquis, and enables strengthening of public authorities' institutional capacities. Foreign technical and financial assistance (including north-south, south-south and triangular cooperation) provided to the Republic of Moldova for capacity strengthening and strategic planning fell between 2014 and 2017.¹³⁴ The aid provided in 2017 was US\$18.17 million lower than in 2014, and the lowest value was registered in 2015.

Figure: 91 VOLUME OF FOREIGN TECHNICAL AND FINANCIAL ASSISTANCE (INCLUDING NORTH-SOUTH, SOUTH-SOUTH AND TRIANGULAR COOPERATION PROVIDED TO THE REPUBLIC OF MOLDOVA FOR CAPACITY BUILDING AND STRATEGIC PLANNING (MLN. USD)



Source: National Bureau of Statistics.

Disbursal of foreign aid was less fruitful between 2015 and 2019, including for the development of strategic planning capabilities. The major challenges were fuelled by: political instability, which affected implementation of foreign aid agreements; failure to comply with the schedule of disbur-

131 https://www.itu.int/en/ITU-D/Statistics/Documents/statistics/2019/Individuals_Internet_2000-2018_Jun2019.xls

132 https://statistica.gov.md/public/files/publicatii_electronice/Femei_barbati_TIC/5_Accesul_utilizarea_TIC_de_populatie.pdf

133 NRAECIT. Evolution of the market of mobile broadband Internet access services in 2019. https://www.anrceti.md/files/filefield/2018_Rap_Evol_Piata_26042019.pdf

134 Source: NBS and <https://unstats.un.org/sdgs/indicators/database/>



sements and subsequent restructuring, extension of ongoing projects; stagnation of public administration reforms and, in particular, of administrative and territorial reform; inadequate assessment of needs at the project preparation stage; lack of vital data at national level that would have provided all the information necessary to implement public projects and policies; and limited capacities of sectoral coordinators and national beneficiaries to analyse feasibility studies developed by national and international consultants for the implementation of investment projects, thus affecting the sustainability of projects and estimated implementation costs. Even in these conditions, considerable resources were allocated with major impact by the development partners for capacity building and strategic planning.

National capacities for coordination and management of foreign aid were strengthened. To increase transparency in use of foreign aid, responsibility for managing and capitalizing on the financial resources that the Republic of Moldova benefits from, as well as to ensure better information to the society about how they are spent, the State Chancellery (supported by UNDP) launched in 2014 and managed the Foreign Aid Management Platform (AMP), available online at www.amp.gov.md. The platform contains information on more than 2,000¹³⁵ ongoing and completed projects. The national authority responsible for coordinating foreign aid was the State Chancellery. Since 2018 this task is with the Ministry of Finance responsible for programming, monitoring, operational evaluation and methodological evaluation, as well as for ensuring transparency of capitalizing on the foreign aid provided to the Republic of Moldova by the donor community.

Parliament capacity increased to implement education reform, develop the legal framework and national policies in the field of security, and develop legislation on the media the Constitutional Court. Knowledge exchange, technology transfers, mutual support, and good neighbourhood initiatives, as well as common development agendas were funded through South-South and Triangular Cooperation. In 2016, 38 such initiatives were implemented, including the establishment of a broad vision on working management methods and practices, the European Union standards, marketing, use of communication, publication and dissemination of information through websites, creation of cooperation networks and opportunities. To strengthen parliamentary governance in the Republic of Moldova, the United Nations provided aid amounting to EUR3.6 million between 2016 and 2019. Lithuania provided its experience and lessons learned for development of the jurisprudence of the Constitutional Court of the Republic of Moldova.

The capacities of the health system were strengthened at all levels to develop and implement policies and programmes. Partnerships were developed for:

- i) improving control of communicable diseases, promoting lifelong health, improving health sector governance, strengthening coordination of official development assistance, good coordination of policies and strategies in the health sector, developing new records and studies to inform decision makers, strengthening health system financing, controlling non-communicable diseases and the role of primary health care, improving the capacities of the State Public Health Supervision Service put in place together with the World Health Organization and the financial support of the Swiss Agency for Cooperation of US\$22.78 million,¹³⁶ under collaboration agreements for 2015-2019;

135 Source: Foreign Aid Management Platform (AMP)

136 Source: Swiss Cooperation Office / Representation of the Swiss Embassy in the Republic of Moldova



- ii) ensuring equal access to high-quality sexual and reproductive health and reproductive rights services, including for the most disadvantaged groups of women, adolescents and young people with UNFPA support of US\$397,234 and support from Switzerland of US\$3,600;
- iii) strengthening the capacities of the Moldovan Medicines and Medical Devices Agency, the national regulatory institution in the field of medicines, medical devices and pharmaceutical activity allocated EUR1,100,000 by the EU in 2017-2019, as well as the EUR1,500,000 allocated in 2015-2018 for technical assistance and capacity building activities in the health sector on both banks of Nistru river and US\$2.5 million from Switzerland to improve the quality of health services on the left bank of the Nistru river;¹³⁷
- iv) reducing and controlling tuberculosis and AIDS-related mortality in the Republic of Moldova, financed by EUR11,729,984 from the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2018-2020.

The capacities of the public sector in the Republic of Moldova in the field of good governance were built with support from the European Union and the United Nations. Through the 'Improving the Governance and Management System' project, in May 2016 SIGMA experts presented their evaluation report on the public administration of the Republic of Moldova to the country's Government, based on the methodology of 'reference measurements' developed for the Instrument for Pre-Accession Assistance (IPA), subject to the 'Principles of Public Administration'. This product served as the basis for developing the Strategy on the Public Administration Reform 2016–2020 and the Action Plan for its Implementation 2016–2018;

The functions of the National Anticorruption Centre of prevention and analysis in the field of corruption were strengthened with United Nations support (a budget of EUR1.4 million for 2015–2017), and **the technical capacities of the national institutions were strengthened for protection and promotion of human rights** (a budget of EUR1.9 million for 2015–2018);

The evaluation capacities of the Ministry of Internal Affairs and the capacities for implementation of the community police system were built with support from the United States, Sweden and EU programmes. The functionality of the Ministry was analysed, with the efficiency of activity of each subdivision of the Ministry evaluated, and a set of recommendations provided for improving the institutional effectiveness and the services offered to society. These recommendations were taken over by policy directorates and were included in the annual action plans of the Ministry, as well as the Sectoral Development Plan of the MIA for the years 2017-2019.

This is only some of the foreign aid provided to the Republic of Moldova for capacity building and strategic planning. Unfortunately, the form in which the information on this indicator is collected today makes it impossible to calculate exactly the volume of foreign aid provided between 2015 and 2019 for capacity building and strategic planning. The analysis by the types of foreign aid allocated between 2015 and 2018 shows that 37.5 per cent was allocated for 'technical assistance', 24.2 per cent for 'project support', 38 per cent for others and 0.3 per cent for 'budgetary support'.

137 Source: Swiss Cooperation Office / Representation of the Swiss Embassy in the Republic of Moldova



Table 08. TYPES OF FOREIGN AID OFFERED TO THE REPUBLIC OF MOLDOVA IN 2015-2018

Year	Technical Assistance	Budgetary support	Support for projects	Others	Total, US\$ thousand
2015	92,489.8	1,200.0	85,517.1	96,383.2	190,073.0
2016	132,899.3	1.7	40,163.5	132,901.0	265,802.0
2017	33,216.4	0	50,761.3	33,312.6	66,529.0
2018	21,504.6	0	4,438.5	21,504.6	43,009.3
Total thousand USD	280,110.2	1,201.7	180,880.4	284,101.5	
Share %	37.5%	0.3%	24.2%	38%	

Source: Foreign Aid Management Platform (February 2020)

Between 2015 and 2019, the European Union was one of the most important and major development partners of the Republic of Moldova, and provided support for efficient implementation of sustainable development activities. The support was provided on the basis of the Single Support Framework for EU support to the Republic of Moldova 2014-2017-2020 (SSF), which is one of the EU instruments that supports implementation of the Association Agenda. The estimated budget of the SSF in 2014-2020 was between EUR610 million and EUR746 million, and it was distributed by priorities. The estimated resources planned for 2014-2017 were between EUR335 million and EUR410 million EUR, with between EUR284 million and EUR348 million EUR for the period 2017-2020. The support was provided subject to the annual programming procedures under the established priorities (see Table 9).

Table 09. PRIORITY AREAS AND ESTIMATED BUDGET OF THE SSF IN 2014-2017 AND 2017-2020¹³⁸

Priority areas in 2014-2017	Estimated value of the contribution, % 2014-2017	Priority areas in 2017-2020	Estimated value of the contribution, % 2017-2020
Public administration reform	30%	Opportunities for economic development, including sustainable and inclusive economic growth	35% (EUR99.4-121.8 million)
Agriculture and rural development	30%	Strengthening institutions and good governance, including the rule of law and security	15% (EUR 42.6-52.2 million)
Police and border police management reform	20%	Connectivity, energy efficiency, the environment and climate change	25% (EUR 71-87 million)
Additional support:	20%	Mobility and people-to-people contact, including assistance in implementing the reference points of the Visa Liberalization Action Plan, for education, training and research	10% (EUR 28.4-34.8 million)
- Capacity building and institutional strengthening	15%	Complementary assistance for the development of institutions and capacities	5% (EUR 14.2-17.4 million)
- Civil society	≤5%	Additional assistance for the development of civil society	5% (EUR 14.2-17.4 million)
		Additional assistance for the development of strategic communication	5% (EUR 14.2-17.4 million)

Source: State Chancellery and Single Support Framework for EU support to the Republic of Moldova 2017- 2020

The other important programmes through which the Republic of Moldova benefited from international support for sustainable development were the Romania-Moldova Cross-Border Cooperation Programme 2014–2020 (EUR81 million for beneficiaries from the entire territory of the

138 Source: Swiss Cooperation Office / Representation of the Swiss Embassy in the Republic of Moldova



Republic of Moldova and the counties of Botosani, Iasi, Vaslui and Galati); the Black Sea Basin Cross-Border Cooperation Programme 2014–2020 (EUR49 million from ENI + IPA funds, 8 participating states); the Danube Transnational Programme 2014–2020 (EUR274,578,077, including EU funding of EUR231,924,597, 14 participating countries).

The cooperation between the Republic of Moldova and the United Nations was based on the United Nations Development Assistance Framework (UNDAF) for 2013-2017 and 2018-2022. The UNDAF for 2018-2022 includes four assistance priorities: Governance, human rights and gender equality; Sustainable, inclusive and equitable economic growth; Environmental sustainability and resilience; and Inclusive and equitable social development. A total of about US\$156.7 million will be required to implement the announced priorities. This amount includes US\$9.77 million from regular or core resources of the United Nations agencies and US\$33.7 million from non-regular or extra-budgetary resources from bilateral, multilateral and private sources. At the moment, 18 projects are being implemented for the above-mentioned priorities.

The Republic of Moldova also benefits from development assistance under bilateral agreements, and Romania is one of the development partners that has declared the Republic of Moldova a priority state for official development assistance, in accordance with the Strategy on the National Policy of International Development Cooperation and the Action Plan for its application. Between 2010 and 2017, cooperation in the following priority areas was enhanced: development of transport infrastructure; education; humanitarian assistance provided in case of emergencies; the energy sector; environmental protection and climate change; rehabilitation, extension, modernization and/or renovation of buildings, and so on. As part of the development cooperation, 100 minibuses were donated for the school transport network, 845 preschool institutions were renovated for US\$26,631,455.7.¹³⁹ In the area of energy efficiency, in 2014-2016, EUR6,114,831.84 was allocated to co-finance the Iasi-Ungheni gas pipeline project. Assistance of EUR150 million was also provided under the Agreement on Refundable Financial Assistance between the Republic of Moldova and Romania (2015-2017).

Germany is another important partner of the Republic of Moldova, and supported the Government to implement the reforms. It was one of the main donors at bilateral level, which in 2016-2018, approved funding for projects worth EUR12-15 million every year.¹⁴⁰ The support offered by Germany also had a positive impact on resolving the Transnistrian conflict.

Bilateral partnerships were developed with Sweden, Finland, Norway, Denmark and Iceland to support the Republic of Moldova in implementing the Association Agenda. Sweden is one of the most important development partners of the Republic of Moldova, as it contributed about EUR12 million a year¹⁴¹ to support implementation of reforms in the Republic of Moldova in areas such as market economy development, strengthening democracy and the rule of law, the environment and climate change.

139 MDL456,463,151 MDL (1 US\$ =17.14 MDL, according to the NBM exchange rate of 31 December 2018)

140 Report on the implementation of the Activity Programme of the Government of the Republic of Moldova for the period 2016-2018, p. 10

141 Report on the activity of the Government of the Republic of Moldova in 2019 and the first four months of 2020, p. 20



TRADE

The Republic of Moldova became the 142nd member of the World Trade Organization on 26 July 2001 by undertaking a number of commitments¹⁴² to adjust the legislative framework to eliminate discriminatory application of tariff and non-tariff barriers, and to gradually decrease the customs duties negotiated at the time of accession. The customs duties applied to the import of commodities into the Republic of Moldova are generally largely very low and stand at about 5.3 per cent. The simple average tariff has ranged over the years from 4.9 per cent in 2001 to 5.3 per cent in 2009 and 6.3 per cent in 2015. The Republic of Moldova negotiated an average rate for all tariff lines of 7.7 per cent.¹⁴³ The Most Favoured Nation tariffs applied in 2019 to agricultural products are at an average rate of 11.2 per cent (compared to the maximum applicable duty for the WTO of 14.1 per cent). The average duty applied to industrial commodities is 4.4 per cent, while the maximum duty for the WTO is 5.9 per cent. At the same time, the weighted average level of customs tariffs is about 5 per cent (several types of duties apply – ad-valorem, specific and combined ones).

In 2015-2019 **exports of commodities from the Republic of Moldova increased by about 41.29 per cent** (in nominal terms) and imports increased by 46.53 per cent. This trend was also reflected globally. Although worldwide the figures are quite insignificant, the share of exports of commodities of the Republic of Moldova in global external trade is growing steadily (from 0.012 per cent in 2015 to 0.014 per cent in 2018).

In 2015-2016 external trade was deeply influenced by falling world prices for food and energy resources, the geopolitical situation in the region, mutual sanctions between the Russian Federation and the European Union, restrictions imposed by the Russian Federation on imports of wines and some agricultural products from the Republic of Moldova, and falling remittances from individuals abroad. At the same time, the drought of summer 2015 and the significant depreciation in the national currency were the main internal factors influencing external trade. These factors taken together led to a significant decrease in exports and imports in 2015 (a fall of 16 per cent in exports and 25 per cent in imports). In 2016, as these issues receded somewhat, there was a slight recovery in external trade indicators (exports up 4 per cent and imports up 0.8 per cent).

In 2017 and 2018, external trade showed a clear upward trend. Exports increased by about 19 per cent in 2017 and 12 per cent in 2018, and imports achieved even higher rates (up 20 per cent in 2017 and 19 per cent in 2018). These increases were due, in part, to higher external demand, because of the expansion of the world economy, increasing world prices for energy resources and food, and appreciation of the national currency. They also stemmed from the opportunities offered by international cooperation agreements, in particular the Association Agreement between the Republic of Moldova and the European Union, which includes the Deep and Comprehensive Free Trade Area (DCFTA), the Free Trade Agreement with the Republic of Turkey, the enhanced development of the automotive industry (with more investors interested in expanding industrial activity in the Republic of Moldova), as well as increased agricultural production between 2016 and 2018.

142 Government Decision 1035/2000 on the implementation of Moldova's summed up commitments to the WTO. Law no. 218/2001 on the approval of the Protocol of Accession of the Republic of Moldova to the WTO

143 Data provided by the Ministry of Economy and Infrastructure of the Republic of Moldova



In 2019 the growth rate of the external trade indices were modest (exports rising by 2.7 per cent and imports by 1.4 per cent) due to falling external demand, moderation of the EU automotive industry (which slowed the increase of Moldovan exports in this area), and the decrease in prices for energy resources, especially natural gas. At the same time, the new opportunities offered by the above-mentioned international cooperation agreements and the opening of new markets, kept the external trade indicators growing. It should be noted that exports only increased due to deliveries to Turkey, while exports to the EU countries decreased and those to the CIS countries showed positive values due to increased re-exports. The negative trade balance in 2019 amounted to US\$3,062.6 million, compared to US\$3,053.9 million in 2018. Imports were equivalent to 47.6 per cent of exports, 0.6 per cent lower than in 2018.

Table 10. EVOLUTION OF THE INDICATORS OF COMMODITY EXPORTS OF THE REPUBLIC OF MOLDOVA FOR 2015-2019

Type	2015	2016	2017	2018	2019
Commodity exports, US\$ million	1966.8	2044.6	2425.0	2706.2	2779.2
Share of commodity exports in external trade, %	33.0	33.7	33.4	32.0	32.2
Share of commodity exports of Republic of Moldova in global external trade, %	0.012	0.013	0.014	0.014	...
Coverage of imports with exports, %	49.3	50.9	50.2	47.0	47.6

Source: Ministry of Economy and Infrastructure

SYSTEMIC PROBLEMS OF POLICY AND INSTITUTIONAL COHERENCE

Voice of Youth

"It is necessary to strengthen the means of implementation and revitalize the global partnership for sustainable development," Girl, 16 years old, Orhei.

Young people report that their initiatives are frequently ignored or not prioritized by the decision-makers for variety of reasons, most frequently due to lack of resources. There is a strong need to establish functional platforms and mechanisms for effective participation of young people in the decision-making process at all levels of government.

Source: Report on the situation of young people in the Republic of Moldova and their interaction with the Sustainable Development Goals

The public administration reform modernized the strategic planning, policy-making and decision-making process. However, sectoral capacities are often poor, and there is not always sufficient awareness of the importance of increasing the coherence of national public policies. There are some appropriate mechanisms, procedures and policy tools to promote sustainable development, but these need to be finalized, used regularly, improved and adapted based on the experience gained. Compliance with the regulatory framework that describes the responsibilities and policy-making process of the central administration authorities, at the levels of the State Chancellery



and the ministries, is still a challenge. The quality of the evidence-based policy-making process is not yet fully consistent, as analyses are still poor. At the same time, civil society organizations, including young people, are not fully involved in the policy process.

The important elements of the mechanism for coordinating the coherence of sustainable development policies are the Interministerial Committee for Strategic Planning (ICSP), the State Chancellery, the sectoral subdivisions (PAMES) within the central specialized public authorities, the National Development Strategy and the Medium-Term Budgetary Framework (MTBF).

The Interministerial Committee for Strategic Planning (ICSP) of the Government of the Republic of Moldova is responsible for coordinating and monitoring Government activities, and its commissions are responsible for developing and implementing the Government Activity Programme, the National Development Strategy, the MTBF, as well as for coordinating foreign aid. Its role is to ensure the functioning of an integrated strategic planning process, which should effectively establish a correlation of the national priorities set out in key strategic development documents of the Government with the ministry policies, international commitments and available internal and external resources.

The State Chancellery is responsible for creating the general framework to define the priorities of the Government's activity, and for providing methodological and organizational support to the system of planning, development, implementation, monitoring and evaluation of public policies by the central administrative authorities. It also has the role of 'Government Centre'¹⁴⁴ responsible for preparing for government meetings; coordinating legal compliance, developing the Government Action Plan (setting priorities, strategic planning and budget adjustment), coordinating the content of policy documents (quality of policies) and removing inconsistencies, and coordinating horizontal strategic priorities (the European integration, public administration reform, and so on).

Sectoral subdivisions within the specialized central public authorities. Each ministry has policy analysis, monitoring and evaluation subdivisions (PAMES), which: coordinate the development of public policy documents at the level of the authorities and, where appropriate, at the intersectoral and sectoral level; examine the public policy impact assessment results; ensure interaction between the public policy making process and the budgetary process; and coordinate monitoring, evaluation and reporting of implementation of public policy documents.

The drafting rules and unified requirements for policy documents are established by government decisions, and the medium-term planning is established by the Law on the Government, the Law on Regulatory Acts of the Government and Other Central and Local Public Administration Authorities, and the Law on Public Finances and Budgetary-Tax Responsibility. Planning at the national level includes the Government Activity Programme, the National Development Strategy and the Medium-Term Budgetary Framework.

The National Development Strategy Moldova 2020, approved in 2012, included a long-term development agenda, but was not supported by a clear action plan related to the Medium-Term Budgetary Framework (MTBF). The National Development Strategy 'Moldova 2030', which is currently in process of being approved, will be the most important strategic planning document

¹⁴⁴ According to SIGMA, this is a generic term that refers to an administrative body that serves the Prime Minister and the Government, as a collective decision-making body.



for the sustainable socio-economic development of the country and will increase the consistency of sustainable development policies. It is a strategic vision document, which describes the country's development directions for the next decade. This document is also intended to contribute to the fulfilment of the commitments assumed by the country through the Association Agreement between the Republic of Moldova and the European Union, the and the 2030 Agenda for Sustainable Development.

The Medium-Term Budgetary Framework (MTBF) is the process of setting medium-term financial priorities. The MTBF methodology describes in detail the development process, the roles and responsibilities of the key actors involved in the process, and the time frame for development and adoption of the MTBF. However, this process is not linked to policy planning. The lack of a standard methodology for setting medium-term policy priorities at the beginning of MTBF planning leads to formal priorities, which fail to ensure a clear focus for MTBF development.¹⁴⁵ Policy cost estimation processes today are limited to indicating the need for additional resources, and do not ensure adequate consistency with the MTBF.

Although the agencies responsible for ensuring the consistency of the national policies are clear, there are some procedural gaps in setting medium-term sectoral policy priorities.¹⁴⁶ There are more than 300 policy documents,¹⁴⁷ which often overlap or are contrary to each other, and are not correlated or integrated into budgetary planning processes. Although the State Chancellery provides guidance on developing policy priorities, increasing their consistency and avoiding duplication of tasks and investments require a methodology for ministries with standard guidance that should be approved.

The monitoring system is not used fully to provide regular information on the Government activity, and lacks an integrated and clear reporting system that would include detailed rules on the requirements of form, timeframe and publication of monitoring reports. Sectoral strategy monitoring reports provide incomplete information on achievement of the objectives set and the achieved qualitative change. Incomplete information about the actual situation on particular issues reduces the impact of development investments.

Over 60 per cent of the development partners used the Republic of Moldova's result frameworks in 2017. The existing national sources provide limited information on the extent to which the result frameworks and planning tools are used by development partners. The most informative source at this stage is the AMP, managed by the Ministry of Finance, which, however, does not always provide accurate data on this indicator. For this reason, analysis of trends of this national indicator was also based on information provided by the *Global Partnership for Development Cooperation (GPDC)* platform.¹⁴⁸

In 2017, 94.3 per cent¹⁴⁹ of the new interventions launched by development partners were aligned with the Republic of Moldova's result frameworks. At the same time, **53.3 per cent** of the result indicators were obtained from the national result frameworks, and **33.8 per cent** of the result indicators were monitored using the partner country's own sources and monitoring

145 UE Project „Strengthening of the Policy Development Process in the Context of the Implementation of the Association Agreement”, Report on the assessment of gaps in the policy-making process, July 2019

146 Government Decision 350 On Approving the Medium-term Sectoral Policy Priorities (2019 - 2021) of 18 April 2018

147 SIGMA (Support for Improving Governance and Management) Evaluation Report

148 <http://dashboard.effectivecooperation.org/viewer>

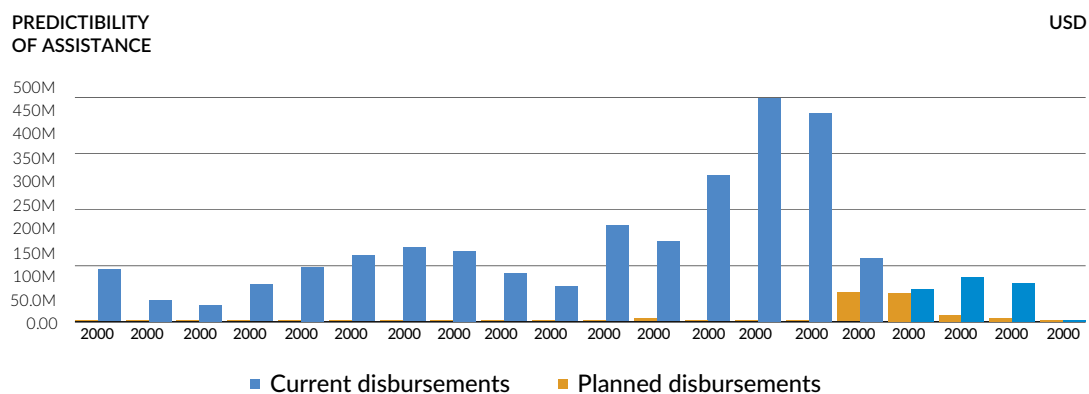
149 Global Partnership Platform for Streamlining Development Cooperation, report from 2018



systems. Less than **a quarter** (21.7 per cent) of the new interventions envisaged a final evaluation with the involvement of the Government. Overall, in 2017 most of country's development partners complied with the country's policy space to develop and implement poverty eradication and sustainable development policies. This percentage score was calculated for the development partners' six largest interventions approved during 2017 (or for all interventions equal to or over US\$100,000, if there were less than six new interventions). The indicator calculates the extent to which the development partners rely on: (i) the objectives, and (ii) the performance indicators from government sources, including the national, sectoral and sub-national planning tools; (iii) use country statistics and monitoring systems; and (iv) perform joint evaluations. The percentage score is calculated by averaging the first three components of the indicator.

The medium-term predictability of development cooperation in the Republic of Moldova was low. Between 2000 and 2010, there were no planned disbursements, but only current ones. In 2011 the Government's strategy for negotiations with development partners changed, as focus was put on increasing the predictability of development assistance. Thus, in 2011, planned resources made up 3 per cent of disbursed, while in 2015 planned assistance made up 47.6 per cent of current disbursements. Between 2015 and 2019 the share of the planned assistance was continuously decreasing, at 17.45 per cent in 2017, 9.5 per cent in 2018 and 0 per cent in 2019.¹⁵⁰ The factors that led to this negative trend include the instability and political crises that affected the negotiations of long-term assistance plans for achieving the SDGs.

Figure 92. ANNUAL PREDICTABILITY OF ASSISTANCE



Source: External Aid Management Platform (February 2020)

MULTILATERAL PARTNERSHIPS

The national mechanism for attracting and coordinating sustainable development assistance provided to the Republic of Moldova on the basis of bilateral and multilateral partnerships was strengthened. The Government established Sectoral Foreign Aid Councils to facilitate communication with development partners, enhance the use of national systems and procedures in the foreign aid management process, avoid duplication (including with budgetary resources) and ensure the participation of all relevant actors in the process of programming, monitoring and evaluation of assistance

¹⁵⁰ <http://amp.gov.md/TEMPLATE/ampTemplate/dashboard/build/index.html>



in the sector. The Regulation On the Institutional Framework and Mechanism for Coordination and Management of Foreign Aid¹⁵¹ was implemented. The Regulation establishes the MTBF as a tool for programming foreign aid, and announces the Government's intention to subscribe to international commitments in the field of streamlining foreign aid, such as the Paris Declaration (2005), the Accra Agenda for Action (2008), the Busan Commitments (2011) and the Mexico Communiqué (2014).

The most complex bilateral assistance agreements for the sustainable development of the Republic of Moldova were signed with the European Union and the United Nations. Cooperation with the EU is based on the priorities laid down in the Republic of Moldova-EU Association Agreement, and EU assistance is scheduled annually and is part of the Single Support Framework for Moldova 2014-2020, one of the EU tools to support implementation of the Association Agenda. The European Union was the largest donor to the Republic of Moldova for the period 2016-2017, providing, according to OECD data, development assistance amounting to US\$124.6 million. The Government of the Republic of Moldova signed UNDAF agreements with the United Nations for the periods 2013-2017 and 2018-2022,¹⁵² under which the parties are committed to cooperating in a sustainable way to achieve the national priorities in the fields of human rights, development and improvement of the living conditions of all people in the country, especially the most vulnerable and disadvantaged. Bilateral assistance agreements were also signed with other partners in various fields such as energy, transport, transport infrastructure, and so on.

Multilateral partnerships accounted for over two-thirds of the foreign aid disbursed during 2017 and 2018. Thus, in 2017 77 per cent of the foreign aid recorded on the AMP was provided under multilateral partnerships; this share increased to 85 per cent in 2018. Multilateral partnerships in most cases were developed for complex priorities related to modernization of public services, enhancing competitiveness and developing human capital, increasing efficiency of the energy system, upgrading the thermal energy system in Balti municipality, rehabilitating electricity transmission networks, supporting business development, rehabilitating the rail and road infrastructure, and strengthening the public order system. The development partners that engaged in multilateral partnerships to support the Republic of Moldova to mobilize resources to achieve the SDGs include the EU, USAID, the WORLD BANK, the Government of Sweden, the Government of the United Kingdom, the Government of Romania, the Government of Germany, the Government of Poland, Switzerland, the Eastern Europe Energy Efficiency and Environment Partnership, the European Bank for Reconstruction and Development, and the United Nations agencies. In investment projects financed by external partners, especially by the World Bank, the Government of the Republic of Moldova, together with the donor, applies the principle of results based funding, which significantly increases the efficiency of external aid. The Government of the Republic of Moldova appreciates the efforts and contribution of all its partners to improving the prosperity of the Moldovan people as well as strengthening the country's public order and territorial integrity.

The Government strengthened its dialogue with local public authorities, including on cooperating to implement the sustainable development agenda and the negotiations on decentralization. This process involved the Congress of Local Authorities from the Republic of Moldova, which is a major partner.

151 Government Decision No. 377 of 25 April 2018

152 UN-Republic of Moldova Partnership Framework for Sustainable Development 2018-2022 <https://www.undp.org/content/dam/moldova/docs/Legal%20Framework/UNDAF%20Moldova%20EN.pdf>



The dialogue of the public authorities with the private sector was continuously expanding between 2015 and 2018. The Government is encouraging the involvement of the private sector in sustainable development processes; which in turn confirmed through its actions its willingness to contribute to the achievement of SDGs related to responsible consumption and production. The Government of the Republic of Moldova, with the support of UNDP, managed to launch several initiatives to involve business in the implementation of SDGs 12 and 13. In this context, companies, by applying innovative techniques to encourage the population to commit to responsible energy consumption, achieved a 2 per cent reduction in electricity consumption among 10,000 families involved in the experiment. Other examples include the involvement of businesses in research and analysis of the population's movement in the country, the results of which contributed to streamlining the public transport schedule, which had a positive impact on the environment. Another example is a company that analyses consumer behaviour, which proved the willingness of the population to replace plastic bags with environmentally friendly ones, thus encouraging other companies to change their way of doing business, to be more environmentally friendly.

In order for the dialogue between the public and the private sector to be continuous and of good quality, the Economic Council¹⁵³ was established to advise the Prime Minister of the Republic of Moldova. Of the 118 Council members 56 are representatives of business associations, 8 are representatives of the research community, 11 are representatives of international organizations working in the field of business environment reforms and 43 are representatives of public authorities and institutions. The Council provides expertise to the Government from private sector in developing public policies in the economic, budgetary-tax and trade fields; monitors and evaluates the impact of implementation of the public policies concerned; and supports the development of public decisions related to the economic, budgetary-tax, trade issues, and the Government's efforts to reveal the key issues, concerns and needs of the SMEs in the Republic of Moldova.

The social dialogue and the involvement of the social partners in ensuring consensus and compromise for successfully introducing flexibility and security in the labour market, ensuring social protection and promoting decent work, have a special place on the Government's agenda for ensuring sustainable development. This objective is being achieved through the National Commission for Consultations and Collective Bargaining and is also confirmed by the Republic of Moldova-EU Association Agreement, which clearly lays down the importance of active use of tripartite consultations between social partners on labour and socio-economic issues of national interest, and coordination of all regulatory acts in the field of labour relations with trade unions and employers at national level.

The partnerships with civil society organizations (CSOs) were focused on promoting various forms of CSO involvement in the development, implementation and evaluation of sectoral public policies. The environment for civil society participation in development cooperation is extensive as the Global Partnership for Effective Development Cooperation reports of 2018 show.¹⁵⁴ Between 2015 and 2019, the Government's dialogue with civil society largely took place through several platforms such as the National Participation Council (NPC), the National Council of NGOs, the National Youth Council of Moldova, the National Platform of the Eastern Partner-

153 Government Decision 631 of 22 August 2011. <https://consecon.gov.md/wp-content/uploads/2019/09/Guvernului-RM-nr.-631-Regulament-din-22.08.2011..pdf>

154 <http://dashboard.effectivecooperation.org/viewer>



ship Civil Society Forum, the EU-Moldova Civil Society Platform, and the Platform on Gender Equality. The NPC was established in 2010 as an advisory agency committed to contributing to adoption of public policy decisions meeting the interests of society. Between 2015 and 2019, the NPC was less active than the National Council of NGOs, which was set up to monitor the adoption and implementation of laws affecting the development of NGOs, to facilitate the dialogue between the non-governmental sector and public authorities, and to help increase the transparency and visibility of the non-governmental sector. At the same time, the EU-Moldova Civil Society Platform and the National Platform of the Eastern Partnership Civil Society Forum were used in line with the provisions of the Association Agreement with the EU, including to address sustainable development issues.

There are various tools for dialogue, consultation and involvement of the private sector, social partners and CSOs involved in the sustainable development of the Republic of Moldova, including the participation of non-governmental actors in the boards of public institutions, public consultations, joint meetings, independent evaluations and joint thematic committees. One tool actively used in the reporting period is also an online platform for consultations with society on all draft decisions and laws to be adopted by the Government. Thus, in 2019 – 854 drafts, in 2018 – 1,165 drafts, in 2017 – 1,033 drafts and in 2016 - 973 drafts were consulted about on the www.particip.gov.md platform. In total, between 2016 and 2019, 4,025 drafts were consulted about on this platform, and 1,109 comments were received on them.¹⁵⁵ According to data provided by the State Chancellery,¹⁵⁶ 70 per cent of the total drafts approved during 2019 were published by the central authorities on www.particip.gov.md; this must include a margin of error of about 15 per cent because some central authorities, such as the Ministry Justice, did not use the [particip.gov.md](http://www.particip.gov.md) platform in 2019, but published draft decisions on its official website.

The Government's dialogue with CSOs was developed based on three priorities set out in the Civil Society Development Strategy (CSDS) 2018-2020: (i) active involvement of civil society in strengthening the regulatory framework on civil society participation in the development and monitoring of the implementation of public policies, (ii) promoting and strengthening the financial sustainability of CSOs, and (iii) developing active civic spirit and volunteering. To develop an institutional mechanism of dialogue between the public authorities and civil society, a unit responsible for cooperation with civil society was established at government level within the Standing Secretariat Directorate of the State Chancellery. In January 2020, the State Chancellery reported implementation of 83.3 per cent¹⁵⁷ of the actions provided for in the Action Plan for Implementation of the CSDS, of which: 47.7 per cent were implemented in full and 36.3 per cent in part.

Thus, between 2018-2020: i) **the capacities** of the public authorities and CSOs **were increased** for developing and monitoring implementation of public policies, and encouraging CSO participation in the decision-making process; ii) **the concepts** of consultation of the elderly at the local level and of community mobilizer at the level of the volunteer programme for the elderly, which provides for strategies of involving the elderly in volunteer activities, **were developed**; iii) a mechanism to stimulate the involvement of young people in the planning and development

¹⁵⁵ <http://www.particip.gov.md/statistics.php?l=ro>

¹⁵⁶ https://cancelaria.gov.md/sites/default/files/document/attachments/raport_narativ_2019_completat.pdf

¹⁵⁷ Progress report on the implementation of the Action Plan of the Civil Society Development Strategy 2018-2020. State Chancellery. January 2020.



of budgets by the youth component at local level **was developed and put in place** through the National Network of Local Youth Councils; iv) representatives of civil society **were involved** in the Sectoral Advisory Councils of the Ministries. An example is the Steering Council for Police Reform; v) the State **Register** of Local Documents (SRLD), which contributed to improving the transparency of the decision-making process at the local level, **was launched**. By the end of 2019, 295,338 documents were published in the SRLD; vi) the percentage appointment **mechanism** (2%) **was put in place**. Since this instrument was launched, even if the resources it provides to civil society organizations are still quite modest, there is an annual increase in the CSOs' requests to obtain the right to benefit from this mechanism. The list of beneficiaries for 2020¹⁵⁸ is increasing by 15%, compared to 2019. 87 percent of the total number of applicants are public associations, foundations and private institutions (non-commercial organizations), and 13% of them are represented by religious cults. In 2020, 34% more appointments were recorded compared to 2017; vii) the regulatory framework for the determination of the tax obligations related to the income tax, including the deduction of donations, **was revised**; viii) the process of improving the Law on Philanthropy and Sponsorship **began** in order to ensure the sustainability and independence of non-governmental organizations; ix) the Regulation for the validation of non-formal and informal education **was approved**; x) 32 Local Action Groups **were set up** representing 263 first-level administrative and territorial units focused on local development cooperation; xi) the Steering Committee for Open Governance, which brings together an equal number of representatives from public authorities and civil society, **was established** in order to ensure that the principles of open governance in the public sector are put in place; xii) the Open Governance Action Plan 2019-2020, which sets out activities to ensure access to information and promotion of the use of open data by citizens, increasing the budgetary transparency and public procurement, strengthening platforms and mechanisms for collaboration with civil society, involvement of the Diaspora in the decision-making process, strengthening the mechanism of accountability of public authorities, development of public services focused on citizens by optimizing and streamlining provision of public services, **was approved**; xiii) the Regulation on the organization and functioning of the National Commission for Social Entrepreneurship and the list of types of activity that constitute social entrepreneurship activities **were approved**, and the National Commission for Social Entrepreneurship **was established**; xiv) the process of improving the mechanisms for direct financing of the CSO projects from the public budget **began**; xv) the capacities in the field of features of determining the tax obligations related to the income tax and of submitting the reports for NGOs **were developed**; xvi) the public consultations regarding the adjustment of the legal framework in the field of volunteering and taking the necessary measures to establish the National Volunteer Center with the status of a public institution, so that it becomes functional on 01.01.2021, **were launched**; xvii) the **sample** annual report for volunteering activity, which contains provisions regarding the structure of the statistical data collection form, **was approved**; xviii) 31 host institutions of the volunteer activity **were accredited** and 953 volunteer cards **were issued**; xix) the online form for collection of statistical data on formal volunteering for 2019 **was applied**; xx) funds **were allocated** by the central public administration institutions to cover expenses related to the financing of projects of civil society organizations in 2017 - 2019 in 7 areas according to the data given in the Table 9.

158 <http://www.asp.gov.md/ro/node/3963> List of beneficiaries of the percentage appointment.



Table 11. FUNDS ALLOCATED FROM THE STATE BUDGET TO SCOS IN 2017-2019

	Funding programme	Funding in 2017 MDL	Funding in 2018 MDL	Funding in 2019 MDL
Youth	1.1 Programme of grants for youth organizations	6,076,372	5,820,542	5,441,818
	1.2 'Capital of Youth' Programme	1,303,643	1,384,853	1,168,700
	1.3 Grants for young people's initiatives at local level		3,000,000	3,000,000
	1.4 Assistance for strengthening and developing Local Youth Councils	400,000	1,000,000	1,319,903
Culture	Grants for associations engaged in culture	2,000,000	3,974,000	7,409,200
	'Republican House of Culture of the Deaf of Moldova' Public Association, and National Centre of Information and Rehabilitation of the 'Association of the Blind from Moldova'.	2,409,200	2,409,200	2,409,200
Health	Basic fund of the National Medical Insurance Company	8,938,835	10,815,606	12,376,804
	Prevention Fund of the National Medical Insurance Company	1,795,498	733,870	1,159,387
Social	MHLSP Programme of small grants for active aging	100,000	100,000	200,000
	State allocations/subsidies for 5 public (social & sports) associations	15,337,100	19,602,200 ¹⁶¹	24,351,500 ¹⁶²
Diaspora	'Diaspora Engagement Hub' programme of grants	The funds did not pass through the BRD, but were managed by the ILO	751,892	300,000
Public	Programme of public policy expert examination by civil society organizations	-----	-----	10,000,000
	TOTAL allocated funds 1 US% -MDL 17.23 bln (30 December 2019)	38,360,648 billion (US\$2,226,387)	49,592,163 billion (US\$2,878,245)	69,136,512 billion (US\$4,012,566)

The value of the funds allocated between 2015 and 2019, including the number of financing agreements signed by the central public authorities with national CSOs, constantly increased.

The listed results could have been strengthened if the public authorities had also developed a mechanism to monitor and evaluate implementation of the CSDS, which had not been completed and implemented by 2020 in accordance with the provisions of the CSDS.

The allocations and state subsidies to associations working with people with various types of disabilities increased by 214 per cent between 2015 and 2019, and the total resources allocated to these partnerships made up MDL23,693,000. Between 2015 and 2018, three public associations benefited from state allocations and subsidies: the Association of the Blind, the Association of the Deaf and the Society of the Disabled. In 2019, five public associations benefited from these allocations and subsidies: the Association of the Blind, the Association of the Deaf, the Society of the Disabled, the Keystone Moldova Association and the 'Low Vision' Medical-So-

159 State Budget Law for 2018, Law 289 of 15 December 2017, Official Gazette 464-470 of 29 December 2017.

160 State Budget Law for 2019, Law 303 of 30 November 2018; Official Gazette of the Republic of Moldova 504-511 of 22 December 2018.



cial Rehabilitation Centre for Visually Impaired Persons. In the social field, effective partnerships were developed with various public associations and within the Programme of Small Grants for Active Aging, as grant agreements were signed with 13 CSOs from 2017 to 2019 for the implementation of projects to promote the participation of the elderly and active aging, in line with the objectives of the Action Plan on implementation of the principle of active aging (2018-2021).

Multilateral partnerships between CSOs, local authorities and other development partners were fostered and developed in the field of youth policy. Between 2017 and 2019, 75 grant agreements were signed within the Programme of Grants for the development of the non-governmental youth sector in the Republic of Moldova, which provided, on a competitive basis, logistical and financial support to implement initiatives, programmes and projects for young people. The funding provided for the 75 projects for this period totaled about **17.3 million** MDL. The supported projects focused on the following priorities: participation of young people; services for young people; economic opportunities for young people and strengthening the youth sector. Since 2017, the Development Programme of the Youth Centers for the years 2017-2022 (DPYC-2022) is underway, within which 22 partnership agreements were concluded during the reporting period with the local public authorities of the IInd level (District Councils) for the development of youth centers. Therefore, 22 District Youth Centers and about 20 of their branches were provided with technical equipment and furniture, and most of them were connected to the Internet. These partnerships between the CPAs responsible for implementing youth policies and the LPAs were joined by the development partners. Thus, in 2017 a Co-financing Agreement was signed with the UNFPA, which supported the creation of the Common Fund for the Development of Youth Services, including for the most vulnerable young people. In 2019, this partnership was joined by Switzerland. Through the joint efforts of all the above-mentioned partners, the 'Common Fund for the Development of Services for Young People, including for the Most Vulnerable and Civic Participation of Young People' of the Ministry of Education, Culture and Research, Switzerland and the UNFPA was created. Based on the partnership of the central authority responsible for implementing the youth policy with 3 local public administration authorities of the Ist level and 8 local non-governmental youth organizations, 8 local youth projects were implemented totaling 3,857,195.83 MDL as part of the 'Capital of Youth' Programme. The participation and active involvement of young people in sustainable development was another dimension of the joint action of national governmental and non-governmental actors. During the years 2017-2019, the Assistance Programme for the strengthening and institutional development of the district/municipal youth councils was implemented, which consists in providing financial and methodological support for strengthening the organizational and functioning capacities of the District/Municipal Youth Councils. Currently, the National Network of District/Municipal Youth Councils represents 23 District/Municipal Youth Councils, which account for 65.7% of the total number of administrative and territorial units of the Republic of Moldova.

DATA, MONITORING AND RESPONSIBILITY

The Republic of Moldova brought its Information Quality Policy into line with the principles that guarantee that official statistics comply with the requirements of the European Statistics Code of Practice and the fundamental principles of official statistics. The National Bureau of Statistics



(NBS) provides reliable, timely and objective information on the economic, demographic, social and environmental situation in the country. Under Law 93 On Official Statistics of 26 May 2017, Chapter VIII, Articles 21-22, and the Strategy for the Development of the National Statistical System 2016-2020, the relevant national authority undertakes to continuously evaluate and improve the quality of official statistics: by identifying from time to time and on a regular basis strengths and weaknesses, as well as related risks that are duly taken into account through the continuous development of the quality framework. When preparing statistics, the NBS complies with European and other international standards and good practices. This process of preparing statistical data is supported by strong methodology,¹⁶¹ relevant statistical procedures, monitoring and reduction of any excessive burden on respondents, and compliance with the principle of cost-effectiveness. The published statistics meet the quality standards and the needs of the central and local public authorities in the Republic of Moldova, international and European organizations, organizations in the field of research and innovation, economic agents and the general public. Statistical data is prepared to be relevant, accurate, punctual, accessible, comparable and consistent.

With the NBS as a leading institution, in 2017 the Republic of Moldova nationalized 338 SDG indicators and partially adjusted the national data collection system with due regard the nationalized indicators. Of the 226 indicators nationalized in 2017, 113 (50 per cent) were fully available, 11 (5 per cent) were partially available, and for 102 (45 per cent) no data were available.¹⁶² Currently, of the 338 SDG indicators revised in 2019, 156 (46 per cent) are fully available, 104 (31 per cent) are partially available, and for 78 indicators (23 per cent), no data is available.

Several actions, including external support, will be taken to prepare the missing data. In 2018 and 2019, the NBS reviewed and updated the list of nationalized SDG indicators with available classifications, in consultation with ministries and specialized sectoral authorities and CSOs. This process was intended to re-evaluate the degree of availability of the SDG indicators produced in the country concerning the global list of indicators and assess the degree of compliance of the indicators with international methodologies. Along with reorganization of the central public authorities and the managed areas of activity, the list of institutions responsible for data delivery and/or preparation, the identification of existing data collection tools and the needs to improve national capacities for the preparation and use of the SDG indicators was revised. In October-December 2019, data were collected for the set of revised SDG indicators for 2010-2018 from 43 source institutions, which were subsequently validated by NBS specialists and sent to the State Chancellery, to be used in preparing the Report of National Voluntary Evaluation for implementation of the 2030 Agenda for Sustainable Development.

The Republic of Moldova has national legislation in the field of statistics, which was developed according to the Fundamental Principles of Official Statistics, as well as an Action Plan for implementation of the National Strategy for the Development of the National Statistical System. On 26 May 2017, Law 93 On Official Statistics¹⁶³ was adopted by vote. The Law was

161 Order of the General Director of the NBS 52/a of 10 July 2017.

162 Report on the nationalization of the SDG indicators, March, 2017, p. 8, Annex 3, p. 35, <https://cancelaria.gov.md/ro/apc/nationalizarea-indicatorilor-pentru-monitorizarea-obiectivelor-de-dezvoltare-durabila>). Data for available indicators are published at <https://statistica.gov.md/> in the 'Sustainable Development Goals' section.

163 https://www.legis.md/cautare/getResults?doc_id=105689&lang=ro



based on the generic law on official statistics of the UNECE, and regulates the organization and functioning of the single system of official statistics, and establishes the legal framework for the development, production, dissemination and coordination of official statistics. The Law also contains provisions on the fundamental principles of official statistics, including professional independence, quality management of statistical data, expansion of access to administrative data sources to reduce the burden on respondents and other elements aimed at strengthening the national statistical system. On 30 December 2016, the Government of the Republic of Moldova approved the Strategy for Development of the National Statistical System 2016-2020 and the Action Plan for its implementation,¹⁶⁴ and established that financing of the actions provided for in the Action Plan on implementation of this Strategy will be carried out using allocations provided for these purposes in the budgets of the involved public authorities, as well as other sources, under the legislation in force. The level of implementation of the annual statistical work programme increased from 6.9 per cent in 2016 to 19.1 per cent in 2018,¹⁶⁵ a rather modest increase conditioned by the shortage of funds available for implementation.

The overall volume of external assistance attracted for the development of the data production, collection and analysis system has been increasing. According to the Global SDG Indicators Database of the UN Statistics Directorate, the value of external assistance in this area was 177,751.7 USD in 2015, compared to 481,810.1 USD allocated in 2016. At the same time, according to the National Bureau of Statistics, as coordinator of the statistical system in the period 2015-2019, it received assistance in strengthening the national statistical system from the Joint Project of the UN agencies (US \$ 480 thousand), the European Union Delegation (2 million euros), the Government of Sweden (\$ 1.5 million). US). Also, only thanks to the support of the development partners of the Republic of Moldova (Swiss Cooperation Office, Romanian Government, Czech Government, UNICEF and UNFPA) it was possible to organize and conduct the 2014 Population and Housing Census (1.6 million US dollars).

Currently, the NBS is implementing several external assistance projects, funded by the European Union Delegation under Central Public Administration Reform (1.8 million euros), the India-UN Development Partnership Fund and UNFPA for the development of the population statistical register (\$ 550,000). USA), Switzerland for the revision of the population in territorial profile (566 thousand US dollars), FAO for the improvement of agriculture statistics (287 thousand US dollars), UNICEF for the improvement of statistics on the monitoring of children's rights (10 thousand US dollars).

Table 12. BIRTH AND DEATH REGISTRATION RATE

2015	2016	2017	2018
100%	99.98%	99.6%	100%

The 2020 round of the Population and Housing Census is planned for 2023. The law that will regulate this complex process is currently being drafted. The Republic of Moldova recorded a high registration rate of births and deaths between 2015 and 2018.

¹⁶⁴ Government Decision No. 1451 from 30.12.2016 https://www.legis.md/cautare/getResults?doc_id=100969&lang=ro

¹⁶⁵ National Bureau of Statistics



CONSTRAINTS

- Political instability influenced the development of mechanisms to ensure the coherence of sustainable development policies, and delayed the process of adjusting national policies to the SDGs. The National Development Strategy 'Moldova 2030', which is currently in process of being approved, has been waiting for approval for over 1.5 years;
- The national strategic planning system is not fully developed. Although a regulatory framework describes the responsibilities and the policy-making process of the central public authorities, compliance with the structure of existing documents and procedures in public policies and high-quality legislative proposals is still a challenge;
- There is no cost estimation in the policy development process and the formulation of sectoral strategies, and it is specified that the policy will be implemented within budgetary allocations and, therefore, their alignment with the Medium-Term Budgetary Framework is not ensured;
- The quality of the evidence-based policy-making process is inconsistent, as analysis is still poor. The monitoring system that should provide information on the results of the Government's activity is not fully operational;
- Frequent changes in the Government's composition affected the promotion of foreign assistance agreements and subsequently the restructuring and expansion of ongoing projects. This not only influenced the disbursement process, but also the predictability of foreign aid;
- Inadequate assessment of needs at the project preparation stage, poor correlation between project activities, objectives and expected results, and frequent cases of diversion of implementers from the objectives set in the project documents contributed to some investments not having the expected impact;
- The system for collecting data from national and regional institutions to measure progress in achieving the SDGs is underdeveloped and does not allow for complete data collection, which would help to establish priority areas for action that requires more attention and investments;
- Coordination of the development assistance process requires major interventions in terms of clear monitoring of investments and their impact in policy development and implementation, which ultimately would enable measurement of efficiency and impact of investment and the achievement of development results;
- The figures for disbursements made to the Republic of Moldova are sometimes different from those given in reports submitted by the development partners. The discrepancies are possibly because the providers of official development assistance often only use their own financial management systems;
- Mechanisms are lacking for collecting and disaggregating information on certain nationalized indicators. This currently prevents assessment of progress in achieving them;
- **The national capacities to absorb foreign aid allocated by foreign partners are underdeveloped, as evidenced by the fact that in 2018** only 34 per cent of the planned allocations in the PNB for projects financed from external sources were spent.



COMMITMENTS

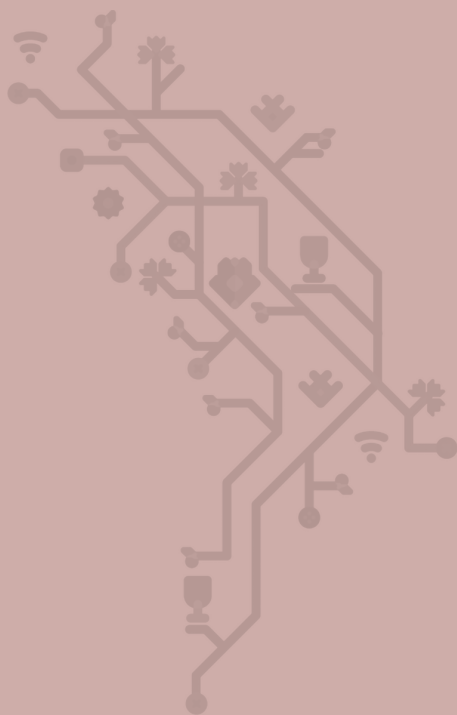
In its efforts to achieve the SDGs and poverty reduction, the Republic of Moldova will in the next period:

- **Harmonize** the policy planning process, especially that relevant to European integration and implementation of the 2030 Agenda, with the medium-term budgetary framework;
- **Optimize** and make operational the strategic planning system and correlate it with financial resources. This process is planned to be strengthened through the National Development Strategy 'Moldova 2030', which is based on ensuring coherence between national and sectoral policies and the budgetary framework. Changing the way policies are coordinated and harmonized with each other at different levels and in different sectors, as well as aligning them with the budgetary framework, will significantly increase the coherence and effectiveness of national sustainable development policies;
- **Insist** that all public policies developed and implemented in the Republic of Moldova are gender sensitive, thus creating a favourable and equitable environment for social, political and economic empowerment of all women and men in the Republic of Moldova;
- **Increase** the national capacities to negotiate and develop partnerships with both international and national actors to raise funds for sustainable development and implementation of the 2030 Agenda. At the same time, actions will be taken to increase capacity to absorb and effectively use the assistance offered by development partners;
- Further **expand** dialogue with the private sector and CSOs to involve them fully in sustainable development processes. This goal remains a priority on the Government's agenda, with an emphasis on increasing the involvement of young people and the inclusion of under-represented groups in sustainable development processes;
- **Develop** mechanisms to encourage the private sector to invest in research and innovation and apply its results in the social and economic development of the country;
- **Expand** international economic partnerships to increase exports of Moldovan products and services;
- **Increase** investments in development of the national system of preparation, collection and analysis of qualitative data disaggregated by income, sex, age, race, ethnicity, migration status, disabilities, geographical location and other characteristics relevant to the national context, in order to guide as accurately as possible efforts to address the most complex issues of sustainable development and poverty eradication;
- Continue to **emphasize** combining the efforts of all national and international actors in providing well-being and prosperity. Our objective is to increase as much as possible the predictability of assistance and the availability of development partners to support the Republic of Moldova's national development agenda and implementation of the SDGs.





Chapter **VI: ACHIEVEMENT**
OF NATIONALIZED
SDGs in times of
COVID-19 crisis



The COVID-19 pandemic is far more than a health crisis: it is affecting societies and economies to their core. While the impact of the pandemic will vary from country to country, it will most likely increase poverty and inequalities at a global scale, making achievement of the SDGs even more urgent.¹⁶⁶

Globally, the COVID-19 pandemic has unleashed a crisis that severely affects all of human development's constitutive elements: income, health and education, but without taking into account less visible indirect consequences, including for example domestic violence, which need further analysis in detail. Over time the socioeconomic costs of lockdown, social distancing, and other public health measures taken globally and inside the country will become more acute. Assessing the impact of the COVID-19 crisis on societies, economies, and vulnerable groups is fundamental for informing and tailoring the responses of governments and partners to recover from these crises and ensure that no one is left behind.

Without urgent socio-economic measures, the global crisis will escalate, jeopardizing lives and livelihoods for years to come. Immediate development responses must be carried out parallel with long-term interventions. Long-term development paths will be affected by the choices that countries are making now and by the support they receive.

Given the importance of taking measures in response to the spread of the COVID-19 virus with due urgency, public interest called for measures to provide effective interventions and adequate means to manage the crisis that, at the same time, take into account the need for continuous adequate protection against this new type of virus.

On 7 March, the Republic of Moldova confirmed the country's first case of COVID-19. Shortly after, the Government declared a state of emergency, which lasted approximately two months (from 17 March to 15 May 2020). During this time the Commission for Exceptional Situations (CES) approved a number of restrictive and supportive measures, aimed at preventing and mitigating the negative impact of the COVID-19 infection.

By 15 May, in the Republic of Moldova, 5,553 cases of COVID-19 infection had been confirmed, with 35,061 tests conducted (the country started to test people for COVID-19 on 26 February, 2020). At this time, 38,213 people were under medical supervision, and 375 people with mild symptoms were staying at home, with another 1,175 in hospital (269 in critical condition, 487 in moderate condition and 419 in mild condition). Furthermore, the number of people who had recovered from COVID-19 was 2,228, and 190 people had died. The cases of COVID-19 in the country were clustered according to time, geographical location and/or by common exposure.

After lifting the state of emergency, restrictive measures were maintained in light of the introduction of the state of emergency in public health, declared for the period 16 May – 30 June 2020, with the possibility of extension depending on the development of the epidemiological situation.

Generally, the measures and actions taken by government authorities were linked, not exhaustively, to the following SDG areas:

Health measures (SDG 3):

Taken before the first case of COVID-19 was confirmed (3.d. Health Early Warning).

Hospital public medical-sanitary institutions (PMSIs) went through a self-assessment process (based on the WHO questionnaire) regarding the level of hospital emergency preparedness, inclu-

¹⁶⁶ The UN's Framework for the Immediate Socio-Economic Response to the COVID 19 Crisis



ding for public health emergencies, with emphasis on availability in the hospital of an Emergency Preparedness and Response Plan for the category to which the institution belongs.

In the context of the COVID-19 epidemiological situation, deputy medical directors and epidemiologists of hospitals were informed during a workshop about measures to control COVID-19, and workshops were organized to train health workers in 4 PMSIs on epidemiological aspects and clinical management of patients with COVID-19.

All hospital and specialized outpatient medical-sanitary institutions were urged to ensure implementation of measures to prevent and control COVID-19, including through measures to protect health and supporting staff; informing all health workers and the population about new WHO Recommendations for Member States to reduce the risk of spreading COVID-19; and taking measures to identify patients with suspected COVID-19 when visiting people in specialized outpatient departments and emergency room units, in accordance with the procedure of measures for people with clinical signs of the disease.

Taken after the first COVID-19 case was confirmed (3.c. Health financing)

By amending the Law on the State Budget for 2020, allocations were made for measures to combat the COVID-19 pandemic and to mitigate the consequences of the state of emergency for the health sector to a sum of about MDL1,040.4 million. At the same time, in order to further ensure urgent costs associated with the epidemiological situation caused by COVID-19, government emergency funds were supplemented by MDL488 million.

A monthly extra compensation for the work performed under conditions of high health risk was set for employees of the National Agency for Public Health, health care institutions subordinate to the Ministry of Internal Affairs and the Ministry of Defence, and penitentiary institutions under the National Administration of Penitentiaries, that were directly involved in prevention, control and treatment of COVID-19 infection. At the same time, MDL6 million was allocated from the Government's Intervention Fund to pay one-off benefits to COVID-19 infected employees of the health care system.

In consultation with WHO specialists, a number of orders and regulations were approved, including on:

- provision of medical assistance to persons who meet the criteria of COVID-19 case definition;
- provision of medical assistance to persons who meet the criteria of COVID-19 case definition at the stage of community transmission of infection;
- redirecting the flow of patients with infectious diseases;
- ensuring implementation of measures to prevent and control the COVID-19 infection in primary care facilities;
- approval of the 'COVID-19 Infection' standardized clinical protocol for family doctors;
- organization of home treatment of patients with forms of COVID-19 that do not require hospitalization, starting from the date set and in the districts established by the Commission for Emergency Situations in Public Health of the MHLSP (CES);



- approval of the Practical Guide for the Management of Severe Complications of COVID-19;
- management of cases of deaths of COVID-19 infected patients;
- approval of the 'COVID-19 Infection' provisional national clinical protocol;
- additional measures to identify and monitor contacts and suspicions for COVID-19 infection;
- additional measures to ensure public access to medical care in emergency situations;
- additional measures to ensure public access to mental, psychiatric and narcological health services in emergency situations;
- implementation of measures to register and report data on home treatment of patients with mild forms of COVID-19 and the number of persons who received medical care at the COVID-19 centre;
- strengthening certain blood transfusion measures for COVID-19 patients, through which the Eligibility Criteria for blood/plasma donor for the collection and production of recovered plasma were approved;
- laboratory testing of COVID-19 patients treated at home, through which the Instructions on the selection, storage and transportation of biological samples to confirm COVID-19 infection in persons who received treatment at home were approved; and
- management of cases of deaths of COVID-19 patients at the stage of community transmission of infection.

On 16 April 2020, the real-time COVID-19 monitoring platform was launched, available at the following link: <http://gismoldova.maps.arcgis.com/apps/opsdashboard/index.html#/d274da857ed345efa66e1fbc959b021b> and a hotline (080012300) was established to inform the public about COVID-19.

Between 1 March and 8 April, protective equipment was purchased on a centralized basis, including: medical masks – 250,000 non-sterile latex gloves – 528,000 pieces and non-sterile nitrile gloves – 1,064,000 pieces. (as of 17 March 2020), protective face-shield (visors) – 200,000 units and N95/FFP2 filter respirators – 500,000 units (as of 24 April 2020); protective gowns – 31,320 pieces. Also, 80,000 tests were purchased for detecting COVID-19 infection.

In March and April, a number of workshops were organized with WHO international experts and national experts. The workshops focused on measures to control and respond to COVID-19 infection in PMSIs and long-term residential care facilities, with the participation of public health specialists and the National Administration of Penitentiaries. Also in April, meetings were held with LPAs on measures to be taken at local level to prevent the spread of COVID-19, and measures to be taken during the Easter holidays. At the same time, online training sessions/webinars/workshops were organized on various topics around combatting COVID-19.

Social support measures (SDGs 1 on Poverty, 5 on Gender and 10 on Inequality):

The amendments to the Law on the State Budget for 2020 included allocations for measures to combat the COVID-19 pandemic and mitigate the consequences of the state of emergency, to



support the population to the amount of about MDL450.9 million. Transfers to the state social insurance budget and local budgets were also increased to partially cover lost income, including—by MDL 682.3 million to the state social insurance budget and MDL192.1 million to local budgets (1.3. Social protection).

The contingent of beneficiaries of unemployment benefits expanded for the unemployed registered at the territorial subdivisions of the National Agency for Employment during the state of emergency, which benefited of unemployment benefits in the amount of MDL 2775 lei. At the same time, the unemployed, who were already receiving unemployment benefits according to the legislation in force in the amount of less than MDL 2775,00, were paid the difference between the established amount and the amount of MDL 2775,00. The holders of valid entrepreneurial patents and the self-employed individuals have benefited during the state of emergency of the unique unemployment benefit of MDL 2775,00.

Also, the holders of valid patents and the natural persons who carry out activities in the field of trade and / or provision of services in the markets and shopping centers that ceased their activity during the state of emergency in public health, they are granted a single unemployment benefit for the period of cessation of activity, resulting from the monthly amount of MDL 2775,00 (10.4, Fiscal, wage, salary and social). protection).

The Ministry of Health, Labour and Social Protection (MHLSP), in partnership with representatives of NGOs and development partners with experience in domestic violence and violence against women, developed recommendations for specialists as well as victims of violence to ensure effective interventions in cases of violence in the context of COVID-19. These recommendations can be found at: <https://msmps.gov.md/ro/content/recomandari-cu-privire-la-raspunsul-la-cazurile-de-violenta-familie-contextul-COVID-19> (5.2. Gender violence).

As part of an action launched by UNFPA in the Republic of Moldova in partnership with MHLSP, 300 women and men over the age of 65 received packages with hygiene products and essential foods on the eve of the Easter holidays, as well as information materials on protection measures against COVID-19 (2.2. Malnutrition). These people also received emotional support from 15 young volunteers from youth centres and the National Youth Council Network. The 15 young volunteers communicated with older people over the phone to inform them about the protection measures against COVID-19 and to provide emotional support during the period of social isolation. The young people received guidance from experienced psychologists in the Republic of Moldova.

Measures to support entrepreneurial activity (SDG 1 on Poverty, SDG 2 on Hunger, SDG 8 on Economic Growth and Jobs and SDG 9 on Industrialization and infrastructure: targets 8.2. Economic productivity, 8.6. Youth unemployment, 8.8. Working environment, 8.10. Financial services for all and 8.5. Full employment, 2.3. Agricultural productivity, 2.c. Food commodity markets and 1.4. Equal rights for resources; 9.3. Financial services for industrialization)

The following measures were taken through legislative amendments:

- allocating budgetary financial resources to measures to support the economy to a sum of about MDL1,034 million;



- reducing the VAT rate from 20 per cent to 15 per cent for the hospital sector;
- granting the right to deduct any donations made during 2020 to combat COVID-19 to bank accounts opened by the Ministry of Finance for this purpose, or of public medical-sanitary institutions;
- improving access for farmers to benefit from tax reliefs for paying mandatory social security contributions, through which the state subsidizes 6 per cent out of the 18 per cent. Currently, these benefits can only be received by agricultural producers engaged exclusively in agricultural activities;
- subsidizing enterprises and non-profit organizations that are resident in the Republic of Moldova, which instituted technical unemployment and/or downtime during the state of emergency, through tax refunds and contributions related to wages paid;
- extending the deadlines for paying tax obligations, as well as the deadlines for paying local taxes for economic entities that have ceased operations in accordance with the CES' Decisions;
- providing opportunities to banks and non-bank credit organizations to defer loan installments of individuals and legal entities;
- establishing the VAT Refund Programme with a view to providing VAT taxpayers with the right to claim the VAT refund for the next period, which helps significantly improve the liquidity of businesses;
- establishing the Interest Rate Subsidy Programme, to provide support through compensation by the end of 2020 of the monthly interest rate for enterprises contracting loans under the Programme (without limit to their purpose: wages, working capital, investments).

Fixed and mobile telephony service providers were encouraged to provide facilitated communication services to frontline health workers (for example, Orange Moldova will offer 360 minutes of free mobile phone services to approximately 3,000 health workers across the country, as well as free one-month mobile telephony and internet services for state health care institutions, teachers at primary and upper secondary schools and other eligible institutions – 50 GB of internet for two months).

According to the CES' decisions, after the measure to suspend flights was taken, charter flights were permitted to repatriate Moldovan citizens and other eligible persons from other countries. Restrictions have not been imposed on freight transport.

In the industrial sector, the industrial potential of light industry enterprises for the manufacture of protective equipment against COVID-19 (masks, gowns, face shields) was analysed. Industrial enterprises were interviewed to analyse the development of economic sectors in the context of the COVID-19 pandemic, with further measures developed to support the private sector, aimed to ensure revitalization of economic activity of economic entities, and the economic recovery of the country.

Measures taken in the field of education (SDG 4 on Education and SDG 9 on Infrastructure):

The epidemiological situation in the country, caused by the spread of COVID-19, resulted in the need for urgent and unprecedented measures to ensuring the continuity of education and training, using, practically for the first time, distance teaching and learning tools and mechanisms. In this context, specific actions were taken to train and build the capacity of teachers in accordance with the new teaching requirements, to tailor educational content to distance teaching, to assess



the level that education institutions, teachers and students have the equipment necessary for on-line training. Thus, in order to overcome all the difficulties created by the state of emergency, the following measures were taken (SDG targets 4.1. Primary and secondary education, 4.c. Teachers and 9.c. Access to ICT):

- The broadcasting, in partnership with national television and 13 other television channels from the country, of video lessons, developed as part of the 'Online education' project and made available to teachers, pupils and parents. More than 300 teachers from 69 educational institutions contributed to the development of the contents of video lessons;
- Organization of psychological assistance for students, parents and teachers;
- Allocation of MDL20 million to purchase the equipment needed to guarantee a high quality of educational process;
- Provision of training to teachers on how to use digital resources;
- Initiation of surveys on rural and urban samples for the qualitative development of national examinations;
- Modification of the procedures for lower and upper secondary cycle completion by canceling final exams and certifying students based on academic performance.

Support the Republic of Moldova received to help prevent the spread and reducing the impact of COVID-19 (prior to 1 May 2020) (SDG 17 on Partnerships, targets - 17.2. Official Development Assistance and 17.3. Mobilize additional resources).

Bilaterally, the Republic of Moldova received donations from:

- **Romania** – a consignment of medicines and medical supplies totaling EUR3.5 million, and a group of 52 medical staff who voluntarily provided support and exchanged experience with doctors from the Republic of Moldova for two weeks;
- **Switzerland** – (i) 63,700 medical masks, 54,600 nitrile gloves and 760 litres of hand sanitizers and surface disinfectants – a donation of EUR50,000 for family doctors and nurses from 68 medical centres and 211 family doctor offices in 10 districts (Falesti, Ungheni, Stefan Voda, Cahul, Orhei, Criuleni, Taraclia, Vulcanesti, Edinet, Briceni); (ii) 2 agreements with UNDP Moldova on assistance for EUR200,000 and EUR570,000, based on which doctors were provided with protective medical clothing, including on the left bank of the Dniester, as well as 10 lung ventilators; (iii) as part of the UNDP 'Migration and Local Development' Project, 35 settlements in the Republic of Moldova received masks, gloves, sanitizers, thermometers to protect local communities.
- **Sweden**, through UN Women and with UNFPA support,, assistance was provided in the form of masks, sanitizers and other essential medical supplies for 250 female victims of gender-based violence.
- **Turkey** donated 30,000 N95 masks, 10,000 gowns, 5,000 pairs of safety goggles, 10,000 pairs of gloves, 10,000 pairs of safety footwear, 1 ton of disinfectant.
- **Poland** created an Emergency Fund with a budget of about EUR45,000 for urgent needs of public medical-sanitary institutions in the Republic of Moldova, including donating medical equipment to hospitals in the country;



- **The Czech Republic** announced that it has allocated EUR1 million to purchase PPEs for a number of states, including the Republic of Moldova;
- **France** donated 16,000 sterile filter pipette tips for performing RLP COVID-19 diagnostic tests;
- **Slovakia** launched a call for proposals for grants provided by the Official Development Assistance of Slovakia totaling EUR90,000. The grants are intended for the hospitals most affected by the pandemic, as well as for other beneficiaries (according to the Development Assistance Guide), the amount of each grant is up to EUR10,000;
- **Lithuania** announced the allocation of EUR100,000 to purchase medical supplies/equipment manufactured by Lithuanian companies as humanitarian aid for Armenia, Georgia, the Republic of Moldova and Ukraine, in the context of the fight against COVID-19;
- **Hungary** offered 100,000 protective face masks and 5,000 protective gowns;
- **Austria** offered protective equipment and disinfectants in the context of the request for the activation of the EU Civil Protection Mechanism submitted by the Moldovan authorities on 27 March 2020;
- **Latvia** launched a call for proposals for technical assistance projects to support vulnerable partner countries (EaP) in the context of fight against COVID-19. The total amount allocated for these projects is EUR 445 253, approx. between EUR 20 000 and 60 000 per project;
- **Germany** protective suits for health workers worth about MDL1 million, manufactured by a Moldovan company and financed from funds provided by the German Embassy in Chisinau. Since the outbreak of the crisis, Germany has supported the United Nations and other international aid organizations with more than EUR100 million, in order to combat the virus more effectively and comprehensively worldwide;
- **The United Kingdom** protective equipment (masks, suits, thermometers, disinfectants) were donated to the Military Hospital from Chisinau;
- **Estonia** made a contribution to support projects implemented through UNDP Moldova;
- **USA** allocated, through USAID, US\$1.2 million to the Republic of Moldova to help it prepare laboratory systems, identify and monitor cases, conduct technical expertise, and bolster risk communication. At the same time, on 8 April 2020, the US Embassy in Chisinau donated 25 computers to the COVID-19 Triage Centre at MoldExpo. In addition, the US state of North Carolina, with which the Republic of Moldova has had a privileged partnership for 20 years, donated 400 kg of medical supplies to the Emilian Cotaga Hospital, as well as four pediatric hospital beds with protective equipment. The General Inspectorate for Emergency Situations of the Ministry of Internal Affairs received a donation of PPEs from the United States European Command through the Military Cooperation Office of the US Embassy in the Republic of Moldova. The donation was provided at the request of the General Inspectorate for Emergency Situations in order to further increase the safety of rescuers trained to prevent the spread of COVID-19. The donation of approximately MDL267,000 includes: sleeping bags, folding beds, gowns, masks, gloves, safety goggles;
- **The Russian Federation** a consignment of humanitarian aid, which included 10,000 coronavirus test systems;



- The Government of **Japan** published a list of beneficiary countries, including the Republic of Moldova. The quantity for the Republic of Moldova was not officially specified. The consignment will be delivered through UNOPS (expected in May);
- A donation of medical equipment and supplies from the **People's Republic of China**: 2,500 diagnostic test kits, 100,000 protective respirators, 1,000 protective gowns, 1,000 pairs of safety goggles, 500 infrared thermometers, shoe covers and medical gloves. The consignment has been received.
- Donation of test kits from the Republic of Korea. In-kind contribution amounting to US\$ 200,000 for the purchase of Korean-made kits.

Assistance received from international organizations

- The United Nations quickly responded to the outbreak of covid-19 by providing support through needs and capacity assessments, procurement and provision of medical and protective equipment, policy development, capacity building, clinical support and community outreach, awareness raising as well as risk communication. The United Nations has also developed a 12-18-month Response and Recovery Plan to ensure long-term socio-economic support to the country. The United Nations Covid-19 support amounts to more than US\$8 million;
- The International Monetary Fund approved a disbursement of SDR172.5 million (about US\$233.9 million). The disbursement was provided under the Rapid Credit Facility (RCF) (equivalent to SDR57.5 million) and the Rapid Financing Instrument (RFI) (equivalent to SDR115.0 million).
- On 28 April 2020, a Financing Agreement was signed between the Republic of Moldova and the International Development Association (IDA) with a view to implementing an emergency COVID-19 response project with a total cost of EUR52.9 million. IDA loan resources will finance measures to strengthen the technical capacity of health facilities, provide support to increase case detection capacity, support measures to improve the safety of frontline staff at all levels, and bolster the human and technical capacity of intensive care units, to handle a surge in severe cases. In addition, the project will support social assistance efforts aimed at mitigating the effect of containment measures on the poor.
- Dialogue was launched with representatives of the Council of Europe Development Bank (CEB) to contract a loan of up to EUR70 million. This is intended to strengthen the public health system and mitigate the socio-economic consequences of the pandemic, and in particular to support SMEs affected by COVID-19 crisis.



Conclusions and way forward

The Republic of Moldova is fully committed to achieving sustainable development through the 2030 Agenda and implementation of the Association Agreement with the European Union. The participatory, multi-stakeholder Voluntary National Review process has proved useful in identifying key areas where it is necessary for the Republic of Moldova to accelerate implementation of the SDGs, at both the national and local levels.

People and their capabilities are the main wealth of the country. But demographic decline is a key challenge in the Republic of Moldova. Emigration, especially of young and skilled people, low fertility, reduced life expectancy and an ageing population are cumulatively generating an annual decrease of population by over 1.7 per cent. Inequalities persist and the risks of food poverty and energy poverty are high. Prompt measures are needed to ensure inclusion of the most vulnerable and reduce income and non-income inequalities. The high vulnerability of the health system to global epidemics, for instance COVID-19, has demonstrated the need for reform to ensure universal access to essential services, safe, qualitative and affordable medicines and vaccines, robust social protection schemes and basic income coverage.

The country's dependence on external energy sources points to the need to promote energy efficiency and undertake measures to intensify and diversify (including industrially) the available renewable energy resources, as this is essential for the economy's sustainable development. The reduced use of innovation and research in solving societal problems limits the competitiveness and capacity of the state to respond to the multiple problems that negatively influence sustainable development. Over recent years, only a fifth of all enterprises have reported innovation activities. The sector of environmental protection faces limited institutional capacities and insufficient financing from the national public budget, as the volume of financial resources annually allocated for this area is much less than what is required. Implementation of the SDGs is conditioned by the level of financing. Yet, underfinancing in different social areas persists and calls for development of robust mechanisms to finance the SDGs.

The peaceful settlement of the Transnistrian conflict is imperative. At present, this conflict remains a challenge to territorial integrity and impedes the implementation of systemic structural reforms across the entire country, which would ensure broad sustainable and inclusive development. The Moldovan authorities are deeply committed to a peaceful, sustainable, and all-encompassing settlement of the conflict, that observes the sovereignty and territorial integrity of the Republic of Moldova within the limits of its internationally recognized borders.

Mainstreaming of the SDGs and ensuring their interlinkages and interdependencies in the main strategic and sectoral documents of the country is an important step, but it is not enough. The Republic of Moldova will have to ensure that the SDG targets and indicators, especially those disaggregated to measure vulnerabilities, are encompassed in social, economic and environmental policies, the efficient implementation of which would be secured by allocation of sufficient financial resources.



It is also essential to enhance the system for monitoring and evaluation of SDG implementation, in order to be able to intervene in a timely manner with efficient actions, when needed. The monitoring and evaluation system of SDG implementation is affected by the lack of data for about a quarter of the nationalized SDGs and insufficient disaggregated data for over 30 per cent of the indicators. Efficient implementation of the SDGs requires a joint effort, through the development of comprehensive and sustainable partnerships.

And last but not least, it is important to ensure that all the people living in the territory of the Republic of Moldova inclusively participate in implementing the SDGs, regardless of age, sex, ethnicity, religion, nationality, or financial situation. The 2030 Agenda is the Agenda of All for All, especially for the people left furthest behind.

The submission of the Voluntary National Review is not the end goal, but a new beginning for the decade to come. The conclusions and recommendations, including the encountered challenges, both in the process of implementing the SDGs, and in the monitoring and evaluation stages, represent lessons learned that should be treated as such. They will serve as a basis for the Government of the Republic of Moldova to review, correlate and continue implementation of its policies and measures, so that the next generation of the Voluntary National Review demonstrates visible and measurable progress in SDG implementation.

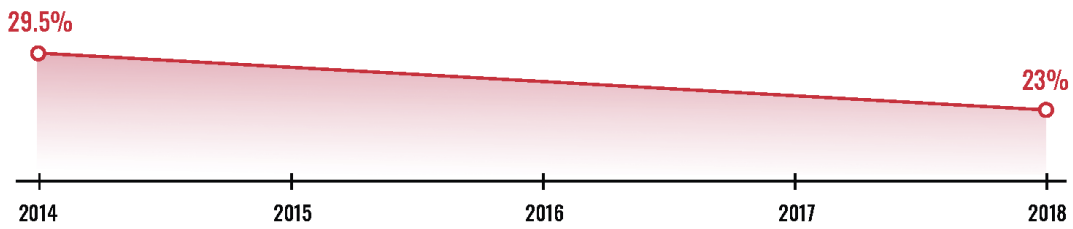


Moldova VNR Infographics

PEOPLE



THE ABSOLUTE NATIONAL POVERTY RATE, %



SOURCE-BNS



MORTALITY RATE BY CAUSES OF DEATH BY GENDER, 2018



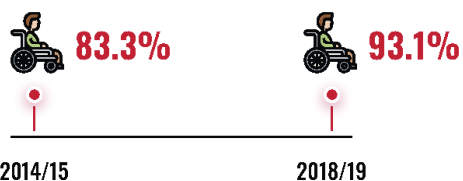
SOURCE-BNS





CHILDREN WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES IN THE EDUCATION SYSTEM

Share of students with special educational needs and disabilities in general education institutions

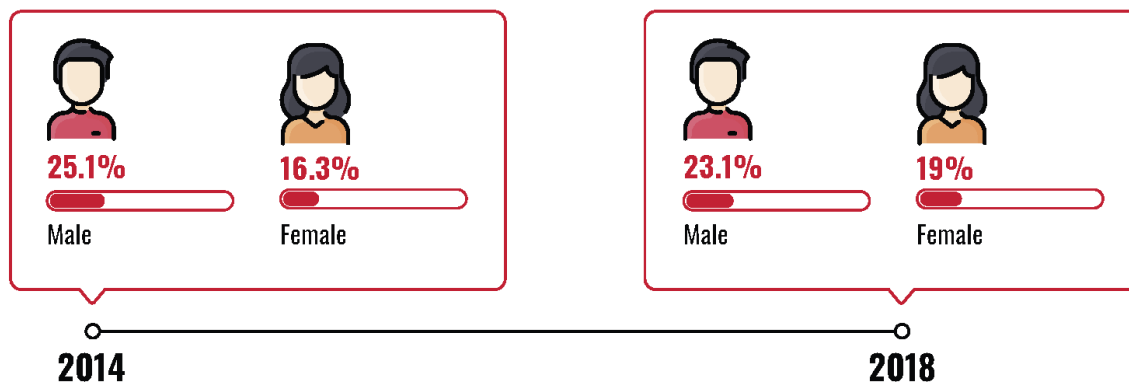


Number of students available in schools for children with intellectual or physical disabilities



SOURCE: BNS

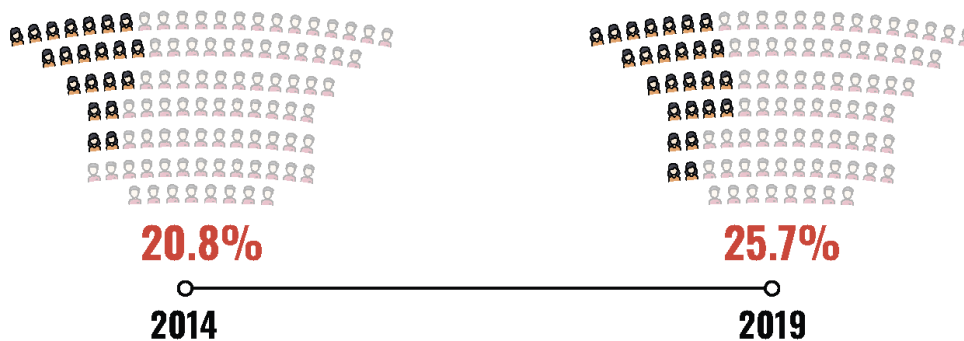
Early leavers from education and training, (% of the population aged 18-24)



SOURCE: BNS



SHARE OF WOMEN ELECTED TO PARLIAMENT, %



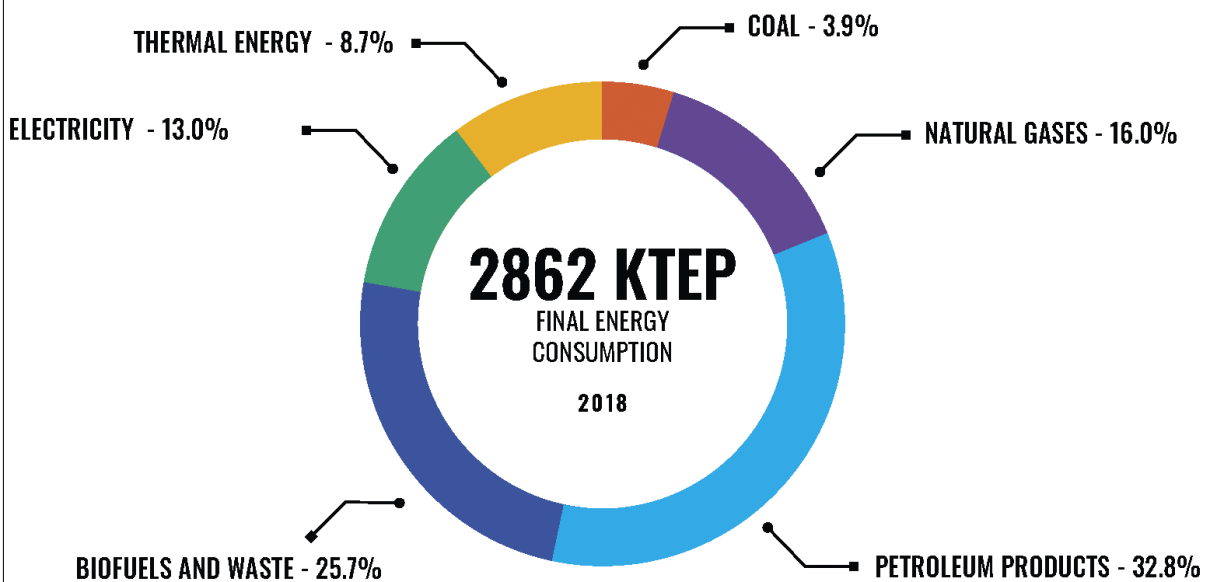
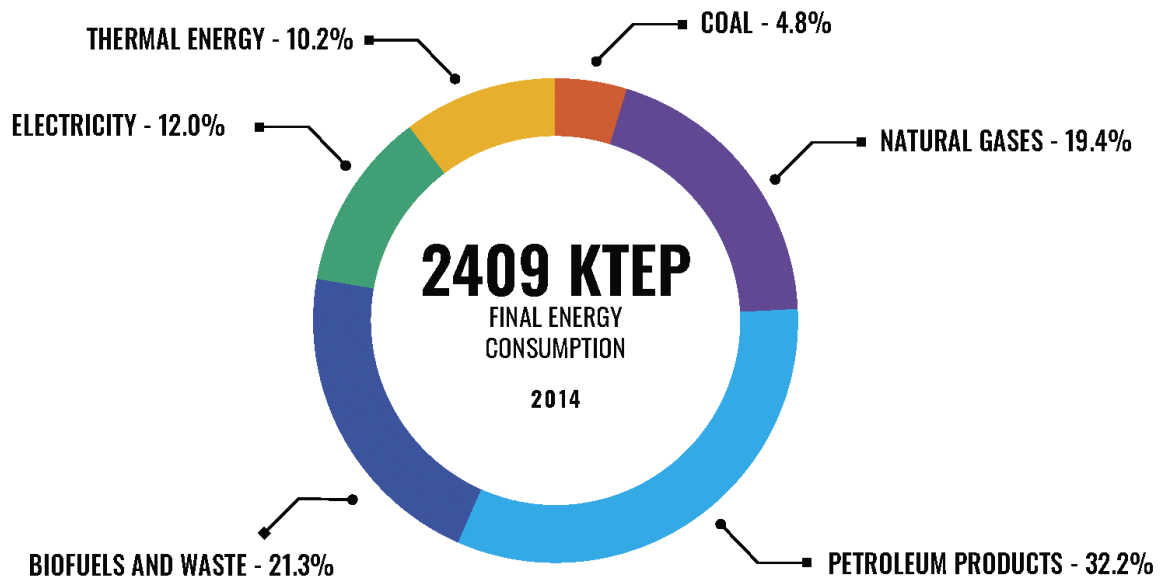
SOURCE: BNS



PROSPERITY



FINAL ENERGY CONSUMPTION

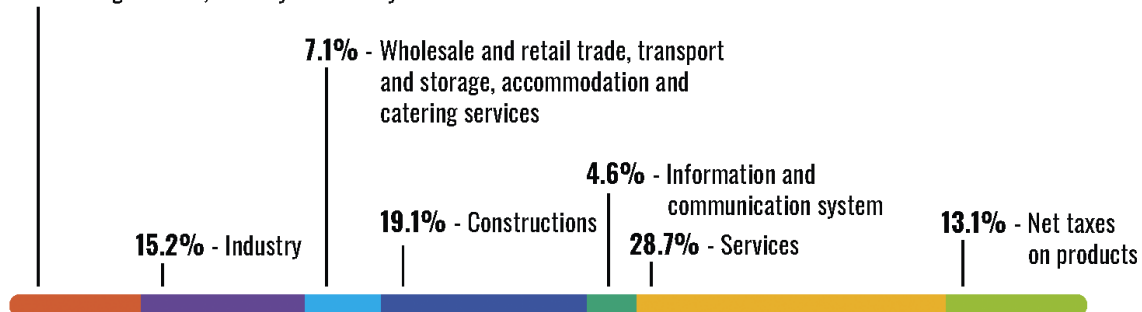




GDP ANNUAL GROWTH RATE PER CAPITA, (%, COMPARABLE PRICES)

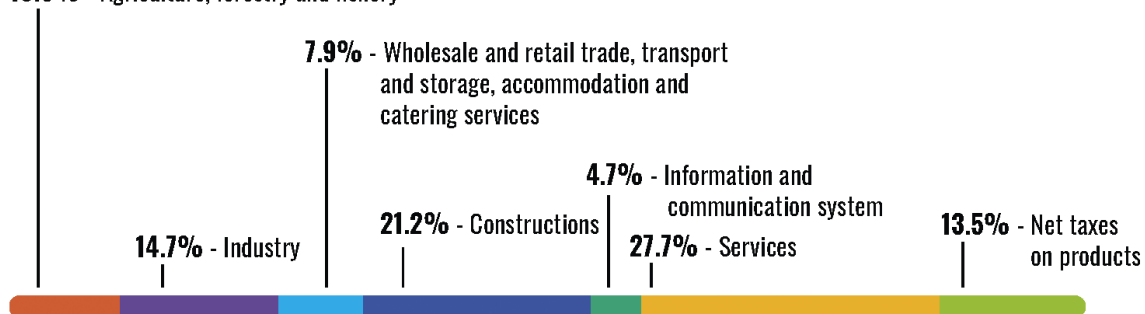
GROWTH WITH **5.1%** IN 2014

12.2% - Agriculture, forestry and fishery



GROWTH WITH **4.4%** IN 2018

10.3% - Agriculture, forestry and fishery

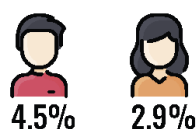


UNEMPLOYMENT RATE BY SEX, AGE GROUPS AND DISABILITY STATUS (POPULATION WITH HABITUAL RESIDENCE), %

TOTAL FOR 2014

3.7%

BY SEX:



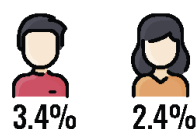
BY AGE GROUPS:

15-24 years	9.3%
25-34 years	4.6%
35-44 years	4.0%
45-54 years	2.5%
55-64 years	1.6%
65+ years	0.0%

TOTAL FOR 2018

2.9%

BY SEX:



BY AGE GROUPS:

15-24 years	7.1%
25-34 years	4.3%
35-44 years	2.3%
45-54 years	2.5%
55-64 years	1.8%
65+ years	0.3%



RESEARCH AND DEVELOPMENT EXPENDITURE, (% OF GDP)

TOTAL FOR 2014

0.31%

TOTAL FOR 2018

0.25%



SHARE OF HOUSEHOLDS LIVING IN DWELLINGS WITH MORE THAN TWO PEOPLE IN A ROOM, %

RESIDENCE ENVIRONMENTS

TOTAL FOR 2014

8.6%

TOTAL FOR 2018

6.5%



Urban
12.7%



Rural
5.6%



Urban
10.5%



Rural
3.7%



With disabilities
4.4%

Without disabilities
8.9%



With disabilities
3.6%

Without disabilities
6.7%



PLANET



SHARE OF THE POPULATION WITH ACCESS TO WATER SUPPLY SOURCES AND SEWERAGE SYSTEMS (POPULATION WITH HABITUAL RESIDENCE), %

Population with access to water supply sources in **2014**

73.1%

Population with access to sewerage system in **2014**

28.2%



Population with access to water supply sources in **2018**

82.1%

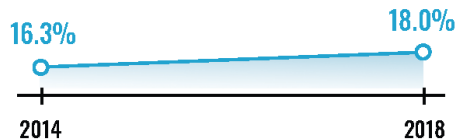
Population with access to sewerage system in **2018**

38.7%

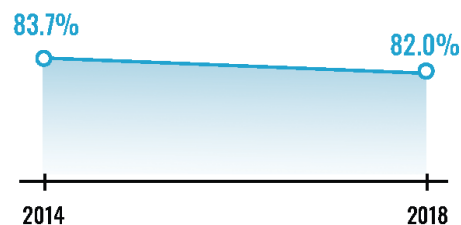


SHARE OF SUFFICIENTLY TREATED WASTEWATER FROM TOTAL DISCHARGED WATER, IN NON-RESIDENTIAL SECTOR, %

SUFFICIENTLY TREATED WASTEWATER



INSUFFICIENTLY TREATED WASTEWATER



MUNICIPAL WASTE, THOUSAND CUBIC METERS

CHISINAU



2014
1739.4 M³



2018
1889.5 M³

THE OTHER REGIONS



2014
1084.1 M³



2018
1077.1 M³



PEACE



**CRIME RATE PER 100.000 POPULATION
NUMBER OF CASES**



2014
1.469 cases
PER 100.000 POPULATION



2018
1.195 cases
PER 100.000 POPULATION

SOURCE: BNS

SHARE OF PEOPLE MAKING INFORMAL PAYMENTS, %



2014
34.2%



2018
19.5%

SOURCE: TRANSPARENCY INTERNATIONAL MOLDOVA

**SATISFACTION LEVEL OF RESPONDENTS WHO REQUESTED INFORMATION
FROM PUBLIC INSTITUTIONS AT CENTRAL OR LOCAL LEVEL IN THE LAST
12 MONTHS AND RECEIVED A RESPONSE, %**



BUSINESS

2015
7.4%

2019
8.0%

CITIZENS

2015
7.7%

2019
7.9%



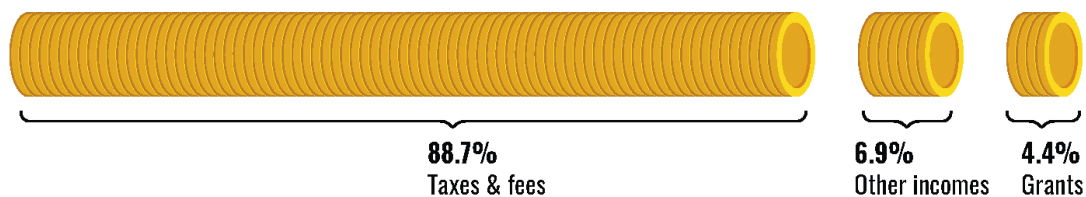
PARTNERSHIP

17 PARTNERSHIPS FOR THE GOALS

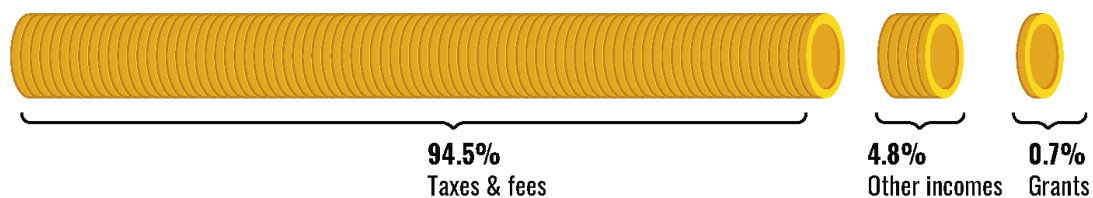


PROPORTION OF NATIONAL PUBLIC BUDGET FINANCED BY TAXES AND FEES

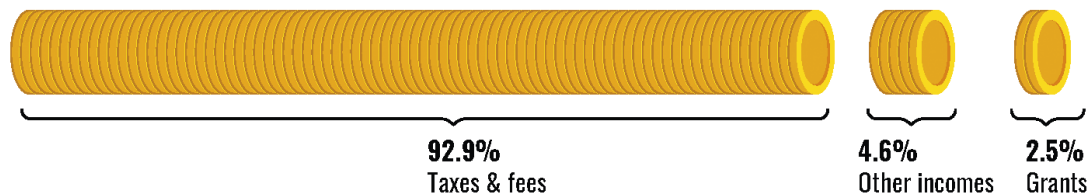
THE NATIONAL PUBLIC BUDGET IN 2015



THE NATIONAL PUBLIC BUDGET IN 2018



THE NATIONAL PUBLIC BUDGET IN 2019



NUMBER OF SUBSCRIBERS WITH BROADBAND INTERNET ACCESS AT FIXED POINTS, BY ACCESS SPEED

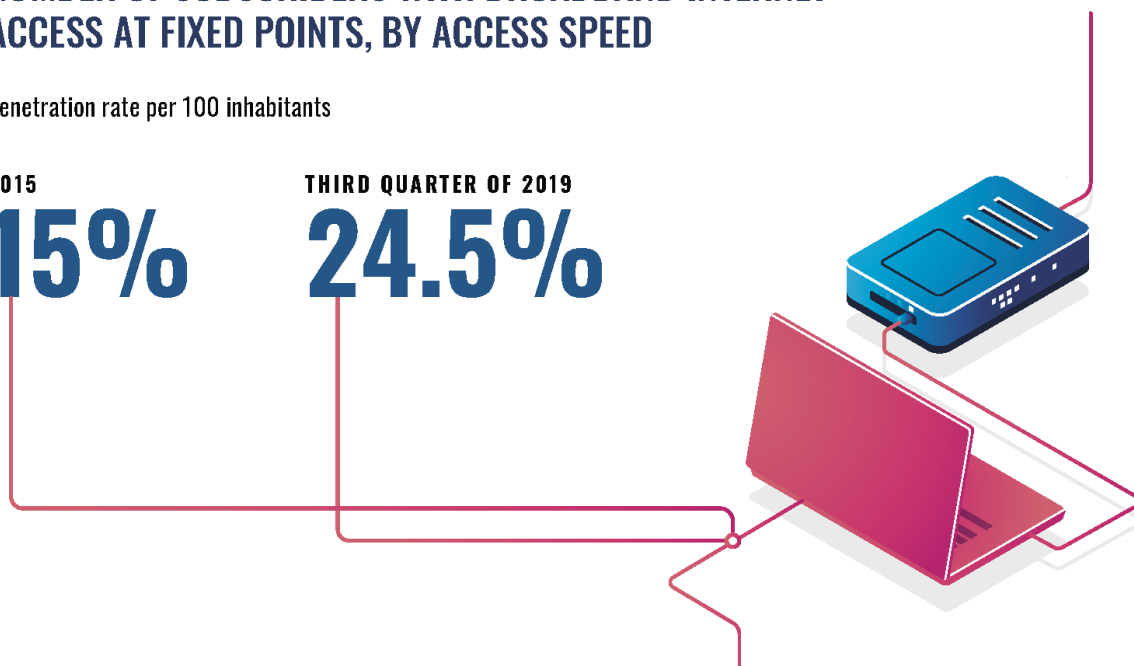
Penetration rate per 100 inhabitants

2015

15%

THIRD QUARTER OF 2019

24.5%



**VOLUME OF EXTERNAL TECHNICAL AND FINANCIAL ASSISTANCE
(INCLUDING THROUGH NORTH-SOUTH, SOUTH-SOUTH, AND
TRIANGULAR COOPERATION) PROVIDED TO THE REPUBLIC OF
MOLDOVA FOR CAPACITY BUILDING AND STRATEGIC PLANNING, 2017-2018**

