



UNITED NATIONS  
MOLDOVA  
.....

# COMMON COUNTRY ANALYSIS



2020

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# UNITED NATIONS MOLDOVA COUNTRY TEAM

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<b>FAO</b>	United Nations Food and Agriculture Organization	<a href="http://www.fao.org">www.fao.org</a>
<b>IFAD</b>	International Fund for Agricultural Development	<a href="http://www.ifad.org">www.ifad.org</a>
<b>ILO</b>	International Labour Organization	<a href="http://www.ilo.org">www.ilo.org</a>
<b>IMF</b>	International Monetary Fund	<a href="http://www.imf.org">www.imf.org</a>
<b>IOM</b>	International Organization for Migration	<a href="http://www.iom.int">www.iom.int</a>
<b>ITC</b>	International Trade Centre	<a href="http://www.intracen.org">www.intracen.org</a>
<b>ITU</b>	International Telecommunication Union	<a href="http://www.itu.int">www.itu.int</a>
<b>OHCHR</b>	Office of the High Commissioner for Human Rights	<a href="http://www.ohchr.org">www.ohchr.org</a>
<b>UNAIDS</b>	Joint United Nations Programme on HIV/AIDS	<a href="http://www.unaids.org">www.unaids.org</a>
<b>UNCTAD</b>	United Nations Conference on Trade and Development	<a href="http://www.unctad.org">www.unctad.org</a>
<b>UNDP</b>	United Nations Development Programme	<a href="http://www.undp.org">www.undp.org</a>
<b>UNDRR</b>	United Nations Office for Disaster Risk Reduction	<a href="http://www.undrr.org">www.undrr.org</a>
<b>UNECE</b>	United Nations Economic Commission for Europe	<a href="http://www.unece.org">www.unece.org</a>
<b>UNEP</b>	United Nations Environment Programme	<a href="http://www.unep.org">www.unep.org</a>
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization	<a href="http://www.unesco.org">www.unesco.org</a>
<b>UNFPA</b>	United Nations Population Fund	<a href="http://www.unfpa.org">www.unfpa.org</a>
<b>UNHCR</b>	United Nations High Commissioner for Refugees	<a href="http://www.unhcr.org">www.unhcr.org</a>
<b>UNICEF</b>	United Nations Children's Fund	<a href="http://www.unicef.org">www.unicef.org</a>
<b>UNIDO</b>	United Nations Industrial Development Organization	<a href="http://www.unido.org">www.unido.org</a>
<b>UNODC</b>	United Nations Office on Drugs and Crime	<a href="http://www.unodc.org">www.unodc.org</a>
<b>UNOPS</b>	United Nations Office for Project Services	<a href="http://www.unops.org">www.unops.org</a>
<b>UN Women</b>	United Nations Entity for Gender Equality and the Empowerment of Women	<a href="http://www.unwomen.org">www.unwomen.org</a>
<b>WHO</b>	World Health Organization	<a href="http://www.who.int">www.who.int</a>

# ACRONYMS

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<b>ATUG</b>	Autonomous Territory Unit of Gagauzia
<b>CEDAW</b>	Committee on Elimination of Discrimination Against Women
<b>CEE</b>	Central and Eastern Europe
<b>CESCR Committee</b>	Committee on Economic, Social and Cultural Rights
<b>CIS</b>	Commonwealth of Independent States
<b>CRI</b>	Centre for Reform Implementation
<b>CRPD Committee</b>	Committee on the Rights of Persons with Disabilities
<b>CSO</b>	Civil society organization
<b>CVDs</b>	Cardiovascular disease
<b>DCFTA</b>	Deep and Comprehensive Free Trade Area
<b>EU</b>	European Union
<b>FDI</b>	Foreign direct investment
<b>GDP</b>	Gross domestic product
<b>GRB</b>	Gender sensitive budgeting
<b>GHG</b>	Greenhouse gases
<b>GII</b>	Global Innovation Index
<b>GoM</b>	Government of the Republic of Moldova
<b>GVA</b>	Gross value added
<b>HCWM</b>	Health care waste management system
<b>ICT</b>	Information and communications technology
<b>IFIs</b>	International Financial Institutions
<b>LEDS</b>	Low Emissions Development Strategy
<b>LFP</b>	Labour Force Participation
<b>LGBTI</b>	Lesbian, gay, bisexual, transgender and intersex
<b>LPA</b>	Local public authority
<b>MAB</b>	Man and the Biosphere programme
<b>MDR TB</b>	Multidrug-resistant tuberculosis
<b>MSM</b>	Men who have sex with men

<b>MSMEs</b>	Micro, small and medium enterprises
<b>MPI</b>	Multidimensional Poverty Index
<b>MP</b>	Member of Parliament
<b>NBS</b>	National Bureau of Statistics
<b>NCDs</b>	Non-communicable diseases
<b>NDC</b>	Nationally Determined Contribution
<b>NEET</b>	Not in education, employment, or training
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OOPs</b>	Out-of-pocket payments
<b>ODIMM</b>	SME Development Organisation
<b>OPHI</b>	Oxford Poverty & Human Development Initiative
<b>PAR</b>	Public administration reform
<b>PES</b>	Public providers of employment services
<b>PDM</b>	Democratic Party
<b>PFSD</b>	Partnership Framework for Sustainable Development
<b>PLHIV</b>	People living with HIV
<b>PSRM</b>	Socialist Party
<b>PWID</b>	People who inject drugs
<b>R&amp;D</b>	Research and Development
<b>RMR</b>	Regional Monthly Review
<b>SADC</b>	Small Area Deprivation Index
<b>SDGs</b>	Sustainable Development Goals
<b>SEEHN</b>	South Eastern European Health Network
<b>SERP</b>	COVID-19 Social and Economic Response Plan
<b>TSAS</b>	Territorial social assistance structures
<b>UNCT</b>	United Nations Country Team
<b>UN CCA</b>	United Nations Common Country Analysis for the Republic of Moldova
<b>UNFCCC</b>	United Nations Framework Convention for Climate Change
<b>UPR</b>	Universal Periodic Review
<b>VET</b>	Vocational education and training
<b>VNR</b>	Voluntary National Report
<b>WEEE</b>	Waste electrical and electronic equipment

# EXECUTIVE SUMMARY

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The Republic of Moldova (hereinafter as Moldova) is a small landlocked country of 2.6<sup>1</sup> million people that lies between Romania and Ukraine, at the cultural, geographical, and economic crossroads between Europe's East and West. Moldova's population consists of 51.8 per cent women and 48.2 per cent men, and almost 11 per cent of the whole population are people aged over 65. Moldova is a diverse and multi-ethnic country: at least 25 per cent of its population belong to mostly Russian-speaking minorities.

In July 2020, Moldova's Government presented the first country's National Voluntary Review (VNR) of the implementation of the 2030 Agenda. In recent years, the country has made significant progress towards achieving the SDG 1, 8, 13 and 17, while progress towards SDG 2, 3, 5, 7, 9 and 11 has been moderate. Although efforts were undertaken to realize development outcomes across all social areas, there has been less noticeable progress towards achievement of SDGs 4, 6, 10, 12, 15 and 16. Furthermore, in 2019 Moldova's Human Development Index of 0.750 was below the average of 0.753 for countries in the high human development group, and also below the average of 0.791 for the Europe and Central Asia region.

Some of the most critical challenges Moldova is facing are as follows:

Access to good quality healthcare is challenging, particularly for vulnerable groups and those living in rural areas - This negatively affects health outcomes for the population and contributes to lower life expectancy for Moldovans compared to their European peers. Access to mandatory health insurance has been continuously improving in recent years.

Moldova is one of the poorest countries in Eastern Europe - Although poverty decreased in the last few years, social transfers still make up a significant share of household income. The middle-class layer is still very thin, and many households remain vulnerable to economic shocks which could push them back into poverty.

Population decline - Moldova is facing significant challenges from large-scale outmigration, decreased fertility rates and an increased share of older people. It is projected that Moldova's population will continue to decline

by on average between 0.6 per cent to 1.6 per cent annually up until 2035.

Deterioration of human capital has become a major concern for the country's competitiveness - The key challenges refer to population ageing, brain drain, labour market skills mismatch, and an inefficient education system and the suboptimal quality of education.

Moldova's economy is dependent on remittances to spur consumption - That said, foreign direct investment (FDI) is steadily growing, and Government investment in infrastructure is becoming more significant. While the Government has made good progress in removing policy failures that trap Moldova in a cycle of migration and jobless growth, much remains to be done. Moldova needs to enhance agro-based exports and raise its value by exporting to higher value markets and develop service exports in order to provide job opportunities for underemployed young graduates.

Shortcomings in Moldova's investment climate negatively affects the profitability of businesses and, consequently, the prospects of attracting new foreign investment and exports promotion. Amongst key challenges are business over-regulation, poor respect of property rights, high risks of businesses expropriation, and the creation of monopolies, notably for export and distribution of agro-based products (by licensing and regulation), as a result of which Moldovan farmers get depressed farm gate prices.

Climate change is having a significant impact on agriculture in Moldova, affecting people's livelihoods - While the cost of climate adaptation measures is relatively high, the cost of inaction is double. Besides the adverse effects linked to global warming that are difficult to mitigate, Moldova is facing challenges related to unsustainable use of resources: deforestation, inefficient waste management and land pollution; as well as increasing greenhouse gas emissions.

Social cohesion in the country is fragile - according to the UN Moldova Social Cohesion and Reconciliation Index (SCORE)<sup>2</sup>. Negative attitudes towards women, persons with disabilities, LGBI persons, and social tolerance continue to impact on overall social cohesion, as does the protracted Transnistria Region conflict.

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1 NBS, [Population and demographic processes](#). 2020

2 UN Moldova, [Moldova Social Cohesion and Reconciliation Index](#). 2018.

Photo: UN Moldova

# 1

## INTRODUCTION

The United Nations Common Country Analysis for The Republic of Moldova (UN CCA) analyses the country's socio-economic development and political context, along with critical challenges and root causes, and has been conducted jointly by United Nations organizations working in the Republic of Moldova. It is intended to serve the basis for the future cooperation framework and the United Nations Country Team (UNCT) joint annual work programmes. The UN CCA 2020 builds on the available data and recent evidence and has involved civil society organizations in the identification of priority areas for intervention within the frameworks of the Republic of Moldova–United Nations Partnership Framework for Sustainable Development 2018-2022.<sup>3</sup>

The UN CCA is based on the contributions and expertise of 23 United Nations agencies, funds, and programmes with the leadership and coordination of the Resident Coordinator's Office in Moldova. It is based around the principle of leaving no one behind. The UN CCA analysis is also aligned to the Moldova 2030 National Development Strategy and largely builds on the findings of Moldova's recent Voluntary National Review (VNR)<sup>4</sup> of implementation of the Sustainable Development Goal (SDG) agenda. Furthermore, principles of human rights, gender equality and the empowerment of women, resilience and sustainability, accountability, leaving no one behind, economic transformations and growth, and development-humanitarian-peace collaboration were mainstreamed throughout the document to highlight often-neglected yet important development aspects. In addition, the analysis integrates data from more than 25 COVID-19 impact assessments carried out by the UNCT in 2020.

Desk research was complemented by a consultative process with civil society organizations, which provided insights into the key challenges faced by disadvantaged and vulnerable groups. In addition, the UN CCA has built upon the results of consultations conducted for the purpose of the VNR reporting on the SDGs, with the particular involvement of youth and persons with

disabilities and special needs, as well as disadvantaged groups from rural areas.

The UN CCA begins with an overview of the overall national political, human rights and socio-economic development context in **Chapter I**. This is followed by a short description of the national challenges in **Chapter II** reviewing, inter alia, the Moldova 2030 Strategy and the VNR report that guided UN CCA development. More detailed analysis and assessment of development challenges and progress towards SDG agenda implementation is contained in **Chapter III** which describes the demographic situation, poverty and inequality, and also analyses the health care and education sectors. The economic development subsection covers macroeconomic issues and includes a detailed analysis of economic sectors along with industry productivity, innovations and the labour market. The analysis in the environmental section streamlines the impact of climate change while the part on governance and rule of law looks at transparency, accountability, human rights and gender issues. A description of risks and externalities appears in **Chapter IV** while **Chapter V** contains analysis of vulnerable groups, based on a human rights approach and the principle of leaving no one behind.

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**The UN CCA 2020 moves away from the static analysis of the country's socio-economic situation towards a dynamic, forward-looking analysis, promoting a joint analysis among the UN entities and identifying linkages with key stakeholders.**

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<sup>3</sup> Available online at <https://moldova.un.org/en/22103-partnership-framework-sustainable-development-2018-2022-pfsd>

<sup>4</sup> UN in Moldova, 'Republic of Moldova voluntary National Review Progress Report 2020'. 2020.

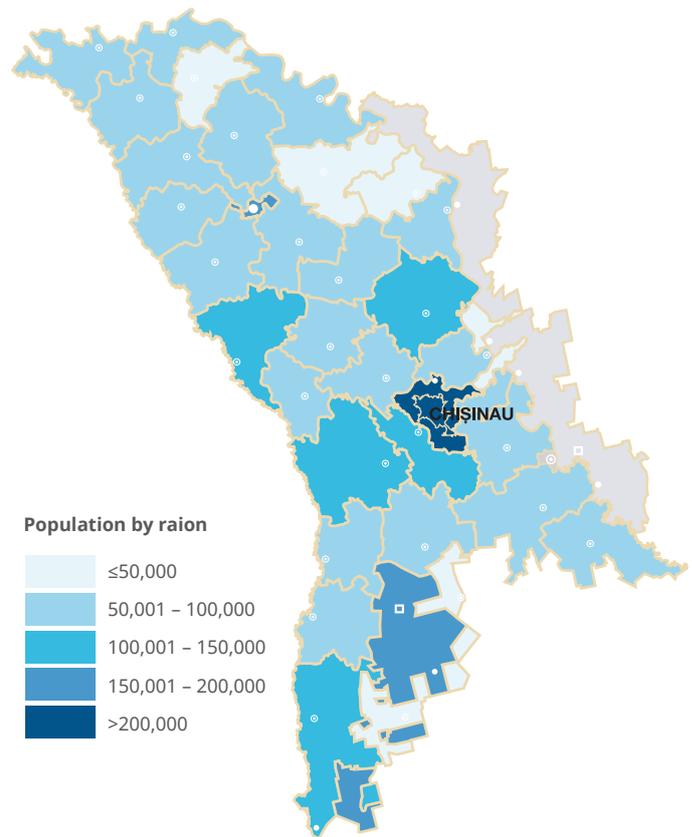
Photo: FAO Moldova

# 2

## MOLDOVA'S DEVELOPMENT CONTEXT

The Republic of Moldova is a small landlocked country of 2.6<sup>5</sup> million people that lies between Romania and Ukraine, at the cultural, geographical, and economic crossroads between Europe's East and West. Moldova's (Republic of) population consists of 51.8 per cent women and 48.2 per cent men, and almost 11 per cent of the whole population are people aged over 65. The Republic of Moldova is a diverse and multi-ethnic country: at least 25 per cent of its population belong to mostly Russian-speaking minorities. The country's administrative-territorial structure encompasses 898 municipalities, 32 raions, and two regions with special status. Such fragmentation poses high administrative costs related to public administration, but also leads to less efficient delivery of health care and social assistance services. Overall social cohesion in the country is fragile, according to the UN Moldova Social Cohesion and Reconciliation Index (SCORE).<sup>6</sup> High rates of migration and resultant brain drain, repressive attitudes towards women, and poor social tolerance continue to impact on overall social cohesion, as does the protracted Transnistria Region conflict.

Figure 1: Distribution of the population by raion (2019)



Source: NBS

## POLITICAL CONTEXT

In recent years, the Republic of Moldova has been significantly affected by political instability, high levels of corruption, and weak administrative capacity in public institutions. Prior to 2009, political power in Moldova (Republic of) was concentrated in the hands of the Communist Party, which fluctuated between seeking stronger ties with Russia to prioritizing European integration. In 2009, pro-European political forces came to power and the Republic of Moldova made significant progress towards integration with the EU. In 2014, the European Union and Moldova (Republic of) signed an Association Agreement, which, among other things, created a 'Deep and Comprehensive Free Trade Area'<sup>7</sup>, opening the European market to Moldovan goods.

During the same period, an oligarchy developed into a powerful political and economic force, controlling most

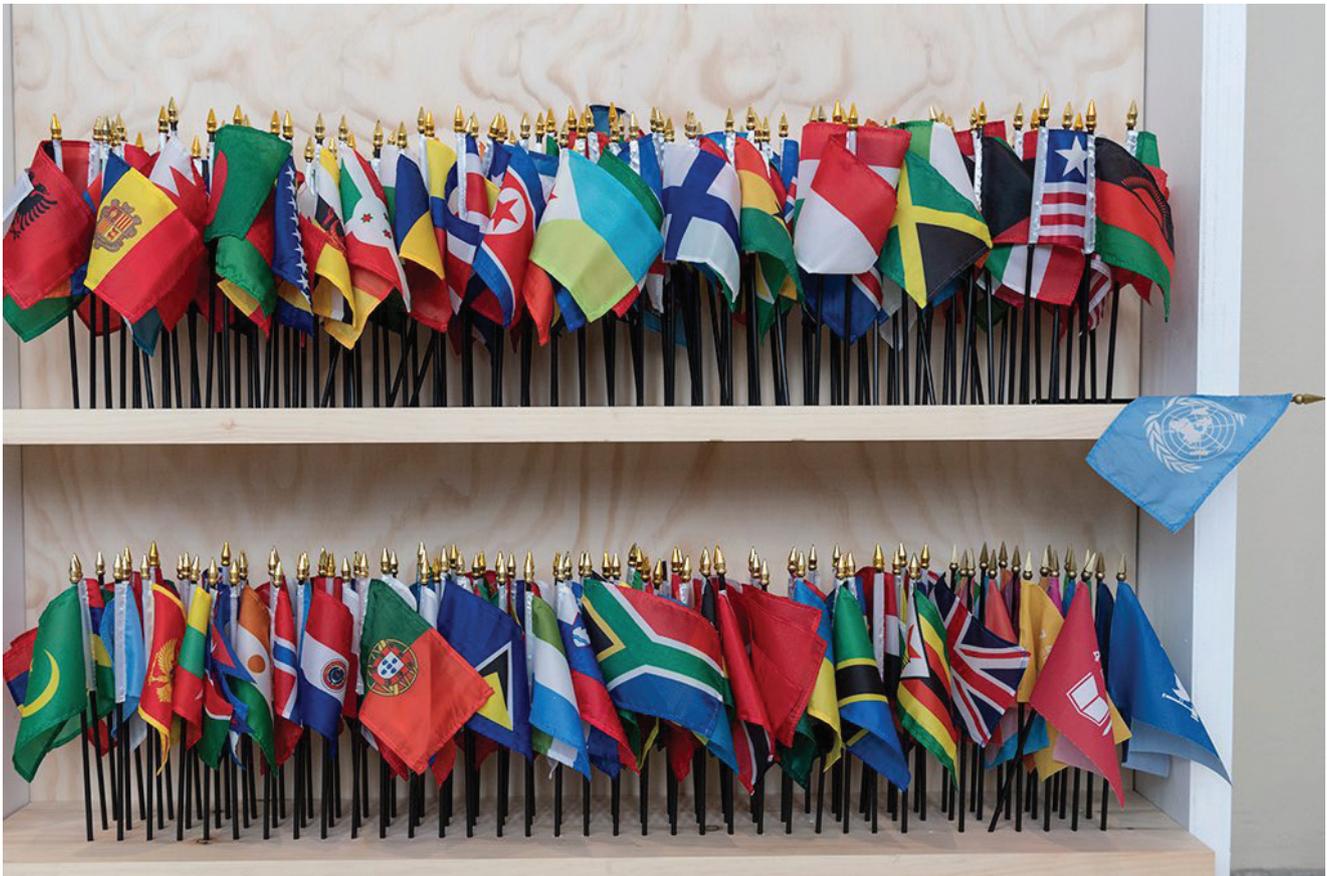
levels of state power behind the scene, under the façade of promoting closer ties with the West. In late 2014, an unprecedented large-scale financial theft was organized by these actors involving over \$1 billion (equivalent to 14 per cent of Moldova's GDP) from the state-owned Banca de Economii and two private banks, that undermined Moldova's efforts towards European Integration and severely compromised its national development objectives and exposed severe governance and rule of law challenges.

In addition, in 2014, tensions between the Central Government and the Gagauzia autonomous region increased, when the authorities of the Autonomous Territory Unit of Gagauzia (ATUG) organized two regional consultative and legislative referendums in Gagauzia on key issues related to its autonomous status. The ATUG autonomous status is guaranteed under the constitution, however, this status needs further legislation both at the national level and at the ATUG level to more clearly define its parameters.

5 NBS, [Population and demographic processes](#). 2020

6 UN Moldova, [Moldova Social Cohesion and Reconciliation Index](#). 2018.

7 [Free Trade Agreement with the European Union](#).



The referendums organized had an impact on relations between Chisinau and Comrat (administrative centre of Gagauzia), as well as created uncertainty about any future status of the Transnistria Region within Moldova. Since then, relations between Gagauzia and the national government have improved following further negotiations within the permanent joint working group between the Moldovan Parliament and the Peoples' Assembly of Gagauzia, established 2015.<sup>8</sup>

**In mid-November 2016, Mr Igor Dodon, leader of the Socialist Party (PSRM) won the Presidency,** narrowly defeating his opponent, Ms Maia Sandu of the Action and Solidarity (PAS) party. President Dodon **pledged to work towards the 'normalization' of economic ties with Russia.** The 2016 election was Moldova's first direct popular vote for a head of state since 1996.

In 2017, a modification of the electoral system from a proportional to a mixed system was adopted by a joint vote of PDM, PSRM and members of the European People's parliamentary group. This change was strongly criticized by civil society, opposition parties within and outside the Parliament, and international organizations alike, including the Venice Commission, which claimed

that the electoral modification disadvantaged parties not represented in the Parliament and encouraged electoral corruption.

The parliamentary elections in 2019 were organized based on this new mixed system voting and yielded unexpected results. The elections gave the Socialist Party (PSRM) 35 seats, while the Democratic Party (PDM) won 30 seats, the ACUM bloc won 26 seats, and the Shor Party won seven seats; there were also three independent candidates. With such a balance of power, there was no clear majority in the Parliament, leading to a period of uncertainty as the parties were unable to form a coalition. A constitutional crisis followed, which occurred when a surprise parliamentary coalition was formed between the pro-Western ACUM and pro-Russian Socialist party. The governing Democratic Party did not recognize this coalition and refused to give up power, leading to two competing governments. However, the new coalition, with support from the USA, Russia and the European Union, successfully opposed the oligarch-led government of the PDM, and Vladimir Plahotniuc fled the country. A peaceful transition of power to the ACUM/Socialist coalition followed, which established a new government led by Maia Sandu.

<sup>8</sup> Decision of the Parliament on creation of the Working Group for ensuring, within the constitutional norms, of the functionality of the autonomous territorial unit of Gagauzia and of the legislative provisions of the Republic of Moldova on the special statute of ATU Gagauzia No. 206 of 20.11.2015, in: Official Gazette of the Republic of Moldova no. 330-331 art. 633.

Local elections held in October 2019, and particularly the victory of the Socialist candidate for the mayoral election in Chisinau, had significant implications for both the local and the national political situation. Relations between the coalition partners were tenuous and tensions increased in the aftermath of the local elections. In the face of anti-corruption efforts, especially around reform of the prosecutor's office, the ACUM/Socialist coalition collapsed. On 8<sup>th</sup> November 2019, the Socialist Party submitted a no-confidence motion in the Government, with the support of 63 deputies from the Socialist and Democratic Parties. Shortly after this, a new Prime Minister, Ion Chicu and a Cabinet of Ministers was appointed by the Socialists in which the Democratic party, now in a loose coalition with the Socialist Party also obtained several ministries. The Parliamentary and local elections of 2019 significantly affected the speed of implementation of structural reforms and generated tensions between the political elites. During 2019 Moldova had three Governments representing three different political parties. Political instability and persisting corruption affected the protection of human rights,<sup>9</sup> and damaged popular trust in the Government, the political parties, and the justice system. This issue of trust was highlighted in the Public Opinion Barometer survey, where respondents expressed the least trust (i.e., no trust at all) in political parties (48.4 per cent), followed by the Government (48.1 per cent), and the justice system (42.6 per cent).<sup>10</sup>

The political instability continued in 2020. Two main issues dominated the beginning of the year, the positioning of the different parties for the presidential elections and the "migration" of several parliamentarians who left the Democratic Party for the newly formed opposition Pro-Moldova Party. This migration was primarily of MPs who supported the former oligarch and led to the governing coalition of the Socialists and Democrats almost losing their majority in the Parliament. However, in the fall the Socialists cemented their control of the majority in parliament in the lead up to the presidential election.

In the first round of the presidential elections on November 1, 2020 eight parties were represented, with the PAS party leader Maia Sandu and the current president Igor Dodon making it to the second round. The second round of the Presidential Election took place on Sunday, November 15. After all the votes were tallied, **Maia Sandu was declared the winner with 57.75 per cent of the vote compared to 42.25 per cent for Igor Dodon. The overall turnout in the elections was 52.78 per cent or 1,650,131 participating voters.** The diaspora contributed with 262,739 votes, which is by over 100,000 more

In the middle of December, 34 opposition deputies from PAS, the Democratic Party, and the DA platform filed a motion in Parliament to censure the cabinet. The motion called on the government to resign and called for early elections.

than in the first round and represents 15.2 per cent of the total number of voters. This was a record for diaspora participation, and 95 per cent voted for Maia Sandu. Despite Ms. Sandu's victory, the Socialist Party remains the dominant party in the parliament and continues to control the government.

Ahead of the second round of elections, the Democratic party announced its withdrawal from the coalition and their ministers from the Government after the election, prompting the Socialist Party to appoint new ministers to replace those that were withdrawn from their posts.

Before Parliament could discuss the motion, the Prime Minister Ion Chicu announced his decision to resign at a briefing on December 23, stating that the Government had fulfilled its role and adopted the 2021 budget laws and measures of the new fiscal policy that would ensure the state system would be able to function normally. He agreed to stay in office until December 31.

Despite the implementation of the new mixed voting system, the number of MPs representing minorities and other underrepresented groups in the Parliament did not increase. That said, an ethnic Polish MP, an ethnic Armenian MP, and an ethnic Roma MP were elected for the first time, in addition to ethnic Moldovans, Ukrainians, Gagauz, Russians and Bulgarians.<sup>11</sup> It is also noteworthy that women's political participation and representation improved during both the Parliamentary and local elections: women secured 26 seats in the Parliament (25.7 per cent) and 21.8 per cent of mayoral mandates. In addition, in the 2019 local elections, twelve representatives from Roma communities were elected as local councillors in eight mostly rural localities, and six of these were women. Nevertheless, this represents a rather limited improvement, as there are 185 localities throughout Moldova that have large

9 People's Advocate of Moldova, ['The Report on human rights and freedoms in Moldova in 2019'](#), 2020. [in Romanian].

10 Institute of Public Policy, ['Public Opinion Barometer'](#), June 2020 (p. 21).

11 Committee on the Elimination of Racial Discrimination, ['Twelfth - fourteenth periodic reports submitted to CERD by the Republic of Moldova in accordance with Article 9 of the Convention, expected in 2020 \(CERD/C/MDA/12-14\)'](#), June 2020. [in Russian].

Roma populations.<sup>12</sup> When the Socialist Party formed a new governing coalition with the Democrats and pushed out the PAS party, the share of women in the Cabinet of Ministers decreased from 58.3 per cent<sup>13</sup> to 16.7 per cent.<sup>14</sup>

**Persons with disabilities are still underrepresented in political life.** In the 2019 local elections, only 20 candidates with disabilities stood for election as local councillors, and nine were elected (seven women and two men).<sup>15</sup> Although improving, the share of representation between women and men, including by their minority affiliation, is still below internationally agreed targets at all levels of government.

**The protracted unresolved Transnistrian conflict<sup>16</sup> represents a major factor for the overall stability of Moldova and the region.** In 2019, the Transnistrian settlement process<sup>17</sup> regained some previously stalled momentum early in the year, with renewed hope for im-

plementation of additional confidence-building measures; however, the previous progress did not translate into new agreements on additional outstanding areas. This lack of momentum in the talks and resulting political tensions continued into 2020, adversely impacting the effectiveness of local-level response to the COVID-19 pandemic on both banks of the Nistru river. There have been no meetings at the political level under the 5+2 format in recent months, preventing progress in addressing outstanding issues and the considerable new challenges that have emerged. Despite the negative rhetoric and increased tension, the technical working groups,<sup>18</sup> have continued to meet, following a short break at the beginning of the COVID-19 crisis. Forty per cent of the members of the technical working groups are women, and some of the groups are led by women. Although the United Nations does not have a political mandate in the OSCE-led Transnistrian Settlement Process (as the OSCE identifies it), the Organization fully supports the ongoing peace efforts under the 5+2 format.



Photo: UNDP Moldova

12 Ion Duminika, 'Report on Monitoring of local elections of 2019 in terms of inclusion of Roma', 2019. [in Russian]. The number of localities is identified in the Information by the Technical Group of Roma from the Republic of Moldova at the request of the State Chancellery, [Petition no. 084601/10 of 29 September 2010](#), ANNEX 1, p. 12. [in Romanian].

13 During June-November 2019, Ms. Sandu's Cabinet

14 UN Women data

15 East European Foundation (EEF), 'Report on monitoring of local elections dated 20 October 2019 from the perspective of inclusion of persons with disabilities', 2019 [in Romanian]

16 The Transnistria Region declared independence from Moldova in 1990 and limited fighting broke out between Russian-backed pro-Transnistria Region forces and the Moldovan police and military. The fighting intensified in March 1992 and lasted until an uneasy, yet lasting ceasefire was established on July 22, 1992. As part of that agreement, a three-party Joint Control Commission was created to supervise the security arrangements in the demilitarized zone, comprising twenty localities on both sides of the river.

17 Since 2005, the OSCE has been chairing the negotiation process between the sides in a 5+2 format that includes the OSCE, Russia, Ukraine, the European Union, and the United States as mediators and observers.

18 There are 11 thematic working groups that support confidence-building measures at the technical level between the two sides.

# HUMAN RIGHTS

**Moldova has ratified seven of the nine core UN human rights treaties.** The two Conventions that remain unratified are the Convention for the Protection of all Persons from Enforced Disappearance and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.<sup>19</sup> Moldova actively engages with the international human rights monitoring mechanisms and is up to date in its reporting to them.

In addition, Moldova has received a body of recommendations from the international human rights mechanisms that monitor implementation of the treaties that the country has ratified. Based on these, the National Human Rights Action Plan 2018 – 2022<sup>20</sup> was developed by the Government. The Plan includes provision for a monitoring and coordination mechanism, the National Human Rights Council (the Council), which is chaired by the Prime Minister. The Council, which met for the first time in September 2020, is supported by the Permanent Human Rights Secretariat (Secretariat), a function performed by the Human Rights and Social Dialogue Department, a department in the State Chancellery.

**Moldova is considered to be a partially free country.** It ranks in 60<sup>th</sup> place in the Freedom in the World Index, out of 100 countries, with political rights scoring 26 points out of 40 and civil liberties 34 out of 60.<sup>21</sup>

Decision-making in the country is mainly centralized, and local authorities are not usually consulted prior to decisions made at the central level.<sup>22</sup>

Freedom of expression is generally respected, unless related to the expression of critical views regarding the ruling government. According to the annual report by

People's Advocate's (Ombudsperson) Office for 2019, people were able to enjoy their right to freely express their opinions. At the same time, until June 2019, rights holders feared that expressing critical views towards the then ruling Government would have negative consequences.<sup>23</sup>

The right to access to information is formally well regulated. In practice, the People's Advocate noted that this right continued to be limited in 2019. For instance, information is not routinely accessible to linguistic minorities. The People's Advocate's Office found that the authorities in some cases refused to provide information in the public interest requested by mass media and civil society, justifying their refusal on the grounds of protecting personal data or state secrets. In some cases, authorities continued to treat requests for access to information as simple petitions.<sup>24</sup>

Numerous challenges in the field of securing the right to a fair trial and the right not to be subjected to torture and inhuman and degrading treatment persisted in 2019 and 2020. People deprived of their liberty did not enjoy all the fundamental legal safeguards from the outset of their detention, including being deprived in practice of access to a lawyer during court hearings.<sup>25</sup>

Studies on inequalities from 2017<sup>26</sup> and 2019<sup>27</sup> show that older people, persons with disabilities, children and women are among the poorest people in Moldova. People belonging to groups that are vulnerable to human rights violations enjoy even lower levels of access to economic and social rights than the majority of the population. This is particularly the case for people living in rural areas, older people, vulnerable women, Roma, and persons with disabilities, to name some of them. Also, the degree of personal, social and economic insecurity is higher among vulnerable groups. The share of those who do not feel physically safe is higher among Roma, people with disabilities, women, older people, and non-Roma households in localities with predominantly Roma populations.<sup>28</sup>

The chapters that follow provide a full review of progress and setbacks regarding the realization of human rights in different spheres (education, health, livelihoods, among others).

19 For more information on the status of ratification by the Republic of Moldova please the [UN Treaty Body Database](#) – Ratification Status for Republic of Moldova.

20 Available here: <https://www.coe.int/t/commissioner/source/NAP/Moldova-National-Action-Plan-on-Human-Rights-2018-2022.pdf>

21 Freedom House, 'Freedom in the World Report 2020'.

22 Congress of Local and Regional Authorities, 'Local and regional democracy in the Republic of Moldova', 2019.

23 People's Advocate of Moldova, 'The Report on human rights and freedoms in Moldova in 2019', 2020, p. 55. [in Romanian].

24 Ibid. p. 57.

25 Committee Against Torture, 'Concluding observations on the third periodic report of Republic of Moldova (CAT/C/MDA/CO/3)', para.8 (a).

26 East European Foundation, 'Study Inequalities in the Republic of Moldova. Challenges and opportunities', 2017.

27 East European Foundation, 'UNEQUAL MOLDOVA Analysis of the most relevant inequalities in The Republic of Moldova', 2019.

28 Ibid.



Photo: ILO Moldova

## SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENT

**Moldova is facing significant challenges from large-scale outmigration, decreased fertility rates and an increased share of older people.** It is projected that Moldova's population will continue to decline by on average between 0.6 per cent to 1.6 per cent annually up until 2035.

**Deterioration of human capital has become a major concern for the country's competitiveness.** The key challenges refer to population ageing, brain drain, labour market skills mismatch, and an inefficient education system and the suboptimal quality of education. As a result, labour productivity is low and there is little incentive for workers to re-skill. Similarly, there is lack of stimulus for employers to invest in upgrading the skills of their employees, ultimately limiting the country's long-term competitiveness.

**Access to good quality healthcare is challenging, particularly for vulnerable groups and those living in rural areas.** This negatively affects health outcomes for the population and contributes to lower life expectancy for Moldovans compared to their European peers. Access to mandatory health insurance has been continuously improving in recent years. The informal sector continues to make up a high share of the economy, meaning that full insurance coverage remains a challenge, notably for the poorest population groups.

**Moldova achieved good progress in terms of advancing human development in the last decades.** Between 1990 and 2019, Moldova's Human Development Index (HDI) value increased from 0.690 to 0.750, an increase of 8.7 per cent. In this period, Moldova's life expectancy at birth increased by 4.3 years, mean years of schooling

increased by 3.7 years and expected years of schooling decreased by 0.4 years. Moldova's GNI per capita decreased by about 3.6 per cent between 1990 and 2019.<sup>29</sup>

**As a lower-middle-income country and a resource-limited economy, Moldova is the poorest country in Eastern Europe.** Although inequality decreased in the last few years, social transfers still make up a significant share of household income. The middle-class layer is still very thin, and many households remain vulnerable to economic shocks which could push them back into poverty.

**Moldova's economy is dependent on remittances to spur consumption. That said, foreign direct investment (FDI) is steadily growing, and Government investment in infrastructure is becoming more significant.** The private sector is still largely dominated by agriculture, with low productivity and underinvestment in innovation and technology. The IT sector and construction have emerged as high value added and dynamically developing sectors, however.

**Climate change is having a significant impact on agriculture in Moldova, affecting people's livelihoods.** While the cost of climate adaptation measures is quite high, the cost of inaction is double. Besides the negative effects linked to global warming that are difficult to mitigate, Moldova is facing challenges related to unsustainable use of resources: deforestation and soil erosion as a result of unsustainable agricultural practices; inefficient waste management and land pollution; as well as increasing greenhouse gas emissions.

A full description of social and economic development in the country is provided in the following section.

<sup>29</sup> [Briefing note for countries on the 2020 Human Development Report](#), UNDP

Photo: UN Moldova

3

**NATIONAL VISION  
FOR SUSTAINABLE  
DEVELOPMENT**

In September 2015, Moldova committed to implementing the 2030 Agenda for Sustainable Development. In 2019, the Government began working towards the country's National Voluntary Review (VNR) of the implementation of the agenda in Moldova.<sup>30</sup> After multiple consultations and thematic discussions, the VNR was presented in July to the United Nations High-Level Political Forum. The Report highlighted significant progress towards achieving SDG 1, 8, 13 and 17, while progress towards SDG 2, 3, 5, 7, 9 and 11 has been moderate.

Although efforts were undertaken to realize development outcomes across all social areas, there has been less noticeable progress towards achievement of SDGs 4, 6, 10, 12, 15 and 16.

At the same time and in parallel to the VNR process, the National Bureau of Statistics (NBS) has developed a list of nationalized SDGs indicators that will allow the monitoring of progress towards the 2030 Agenda.<sup>31</sup>

**Figure 2: SDG Assessment and trends**

## Trends



**Legend:** ↑ On track or maintaining SDG achievement   ↗ Moderately improving   → Stagnating   ↓ Decreasing   ● Trend information unavailable

Source: <https://dashboards.sdgindex.org/profiles/mda>

The National Development Strategy 'Moldova 2030' provides a strategic vision for the trajectory of the country's socio-economic development for the years to come and is based on a set of priority dimensions that measure the quality of life for its population.<sup>32</sup> The Strategy has been approved by the Government and is currently awaiting approval from the Parliament. This document serves as a strategic benchmark and framework strategy for all national, regional and local policy papers, and is aimed at achieving the SDGs and ensuring that no one is left behind in the process.

The 10 priority areas address: (1) sustainable increase in incomes and reduction of economic inequalities; (2) improvement in public infrastructure, utilities and housing; (3) enhancement of working conditions and reduction in unemployment; (4) ensuring quality of education and promotion of life-long learning; (5) ensuring fundamental rights to physical and mental health; (6) development of a solid and inclusive social protection system; (7) ensuring work-life balance; (8) establishment of efficient and inclusive governance and rule of law; (9) promotion of a peaceful, safe and inclusive society; and (10) ensuring the fundamental right to a healthy and safe environment.

30 UN in Moldova, 'Republic of Moldova voluntary National Review Progress Report 2020', 2020.

31 Government of the Republic of Moldova and NBS, 'Nationalization of Indicators for Sustainable Development Goals', 2017.

32 Government of the Republic of Moldova, 'The National Development Strategy "Moldova 2030"'.

# 4

## ANALYTICAL REVIEW OF DEVELOPMENT CHALLENGES AND PROGRESS TOWARDS THE 2030 AGENDA

# PEOPLE



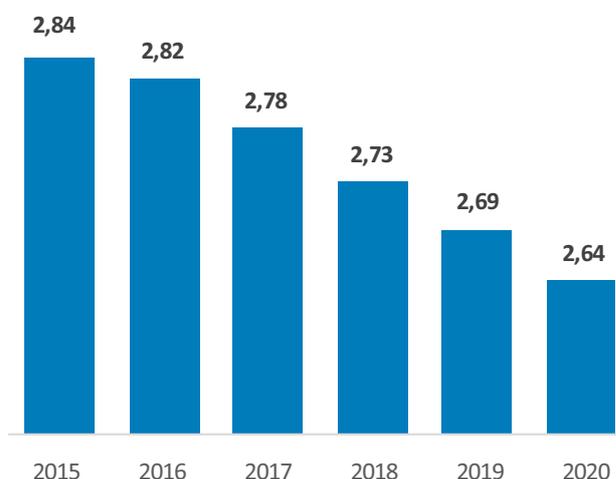
ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

## DEMOGRAPHIC TRENDS

**Moldova is a diverse and multi-ethnic country.** While over three-quarters of the population are Moldovan, the country is also home to Romanians (7 per cent of the population, based on self-identification), Ukrainians (6.6 per cent), Gagauz (4.6 per cent), Russians (4.1 per cent), Bulgarians (1.9 per cent), Roma (0.3 per cent) and other ethno-linguistic groups (0.5 per cent).<sup>33</sup> Additionally, ethnic Byelorussians, Poles, Armenians, and Jews, and other ethnic and religious minorities live in Moldova.<sup>34</sup> While Gagauzians and Bulgarians are predominantly concentrated in southern Moldova, other nationalities are dispersed across the country, although most Ukrainians and Russians live in the biggest cities, Chisinau and Balti municipalities. Transnistria Region is populated by ethnic Moldovans, Russians and Ukrainians in roughly equal shares.

**Moldova is among the top countries with the fastest shrinking populations in the world.** In the last decades, Moldova has faced accelerated population decline due to massive outmigration, high mortality and lower birth rates, leading to a growing share of older people in the population. From 2004 to 2014, Moldova lost 11.4 per cent of its population (i.e., 385,100 people), while in the last five years the resident population<sup>35</sup> has decreased by 7.2 per cent (from 2,844,000 in 2015 to 2,640,400 in 2020). These demographic dynamics have led to an average annual population decline of 1.8 per cent, posing significant challenges for the country's demographic situation and its future socio-economic development.

Figure 3: Resident population in Moldova (millions)



Source: NBS

**One of the key factors contributing to population decline is outmigration to other countries.** People have been steadily leaving Moldova since the 1990s, which has led cumulatively to over a quarter of the country's population currently residing abroad.<sup>36</sup> Of this group, there are approximately 346,400 circular labour migrants, mostly of working age and predominantly from rural Moldova, who travel to Russia and Europe to seek job opportunities.<sup>37</sup>

33 These figures do not include the Eastern raions and Bender city. For more detailed information, see: NBS, ['Results of Population and Housing Census in the Republic of Moldova, 2014'](#).

34 Ethnic groups for which the population size exceeds 1,000 people.

35 The NBS, with UNFPA support, recalculated the population in 2020, based on a new methodology that includes the habitually resident population, consisting of those who have lived mainly on the territory of the Republic of Moldova for the last 12 months, regardless of temporary absences

36 The NBS suggests there are 860,000 migrants (as of 1 January 2020) based on border crossing data, however the IOM estimates the total number of temporary and permanent migrants at approximately 1 million persons.

37 Ministry of Internal Affairs of the Republic of Moldova Migration and Asylum Office, [Extended Migration Profile report](#), published in end-2019.



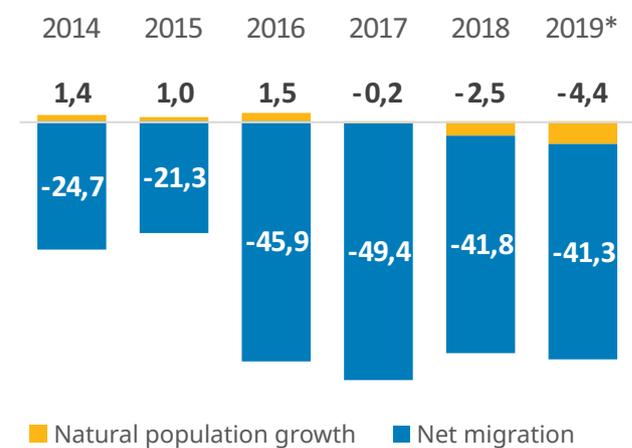
Photo: UNDP Moldova

During 2014-2018 the negative net migration rate increased by roughly three quarters, with the highest share amongst people aged 20-29 years.<sup>38</sup> In 2018, 76.3 per cent of all Moldova’s migrants were of working age (aged 15-59), while the population pyramid for 2019 shows a clear pattern of a shrinking active working-age population (aged 30-54). Such high outmigration of able-to-work people has negative impacts on the structure of the workforce that remains in the country, and is accelerating the ageing of the population, as the share of older people is growing. During 2015-2019<sup>39</sup> the share of people aged 16-56/61<sup>40</sup> shrank by 9.2 per cent, while the proportion of pension-age people in the population (aged over 57 for women and 62 for men) rapidly increased (by 1.3 per cent).

Furthermore, in 2019 the share of the population aged 14-34 fell to just 26.9 per cent. Moldova’s young people emigrate abroad for educational purposes, and the majority of those who study abroad choose to resettle (i.e., remain and work) abroad, thus contributing to the loss of qualified human capital and labour force. Annually, around 10 per cent of all school graduates seek educational opportunities abroad, mainly in Romania (90 per cent), followed by Russia and Bulgaria. Furthermore, over three quarters of young people aged 14-18 hope to leave Moldova at some point, have friends or family who intend to make a better life somewhere else, or

have many friends or family members who have emigrated to seek a better life.<sup>41</sup> A smaller youth population will translate into fewer entrants into the labour force, and this is likely to create substantial pressures on the social and economic systems.

**Figure 4: Population growth components** (thousands)



\*Provisional data

Source: NBS

38 Net migration is the number of immigrants minus the number of emigrants. In Moldova, the estimates do not include the region of Transnistria Region. The NBS released preliminary data for 2019 which reveal a limited positive net migration trend in comparison to 2017, a result of higher immigration rates compared to outmigration.

39 In nominal terms the share of the economically active population (aged 16-56/61) declined from 1,740,500 people to 1,580,300 people during 2015-2019.

40 The pension age for women during the reference period was 57 while for men 62 years old.

41 UNICEF, [UN YOUTH SCORE results](#), 2018.

In the last five years the **share of people aged over 65 in the total resident population increased from 11.4 per cent (in 2015) to 14.5 per cent (in 2020)**, surpassing countries such as Albania and Northern Macedonia (14.1 per cent), Armenia (11.9 per cent) and Kosovo<sup>42</sup> (8.5 per cent).<sup>43</sup> Moreover, **in the last five years, the population ageing coefficient<sup>44</sup> has increased by 3.7 per cent:** from 18.1 per cent (in 2015) to 21.8 per cent (in 2020).

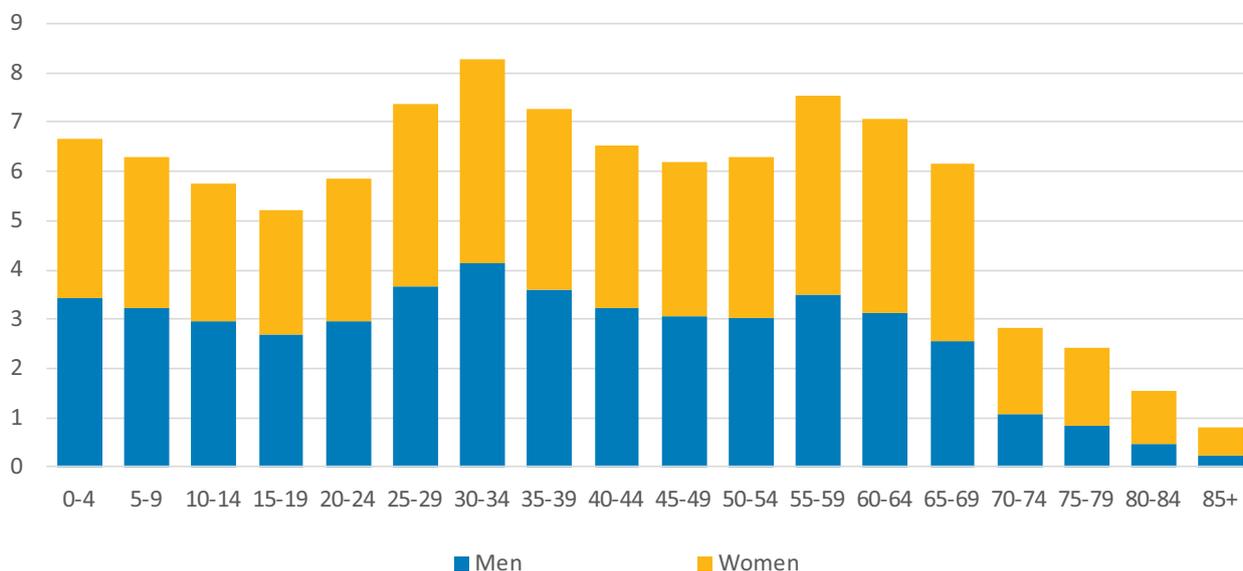
**While the population is ageing, life expectancy is still lower than the average in the EU.**<sup>45</sup> Despite the overall high share of older people in Moldova, the share of adults aged over 70 is quite small, suggesting that while the older population is growing, this rate of growth is not commensurate with a significant increase in life expectancy. While life expectancy in the EU-27 increased by 1.2 years from 79.8 (2010) to 81.0 (2018),<sup>46</sup> in Moldova it grew from 69.6 (2010) to 71.8 (2018), suggesting that it will be unlikely to converge with the European average, even in the long run. Notably, women live longer than men, leading to substantial gender disparities in terms of population structure. Life expectancy is 76 years for women and 67.5 years for men, while still lagging behind the EU averages (83.5 years and 78.3 years respectively). This phenomenon is explained by poor health outcomes overall leading to high mortality rates, most notably among men. Strong patriarchal norms and

gender stereotypes influence women’s and men’s behaviours, with differentiated impacts on their health.<sup>47</sup> **As the population ages, it assumes a “female face”:** out of all people aged over 65, almost two thirds (62.1 per cent) are women aged 65-69 (25.2 per cent of the total population over 65), while the number of women advanced age (over 80) is twice as high as that of men.

Consequently, **in Moldova, the average age is rising at a much more rapid rate than in neighbouring countries.** The median age of the country’s population is 38.8 years: 35.9 years for men and 39.3 years for women (2019). In the last five years, the median age has been increasing by more than a year on average (37.4 years in 2014), yet this is still lower than the EU median age (42.6 years).

**Moldova’s Active Ageing Index<sup>48</sup> score is 27.1 points (below the EU average of 33.9 points).** This Index shows that there are empowerment gaps for people aged over 55 in regard to participation in social and economic life, limiting the benefits that they might receive from an active and healthy ageing process. The potential of older people is also limited by **challenges relating to the rights of older persons, namely limited access of older people to public care services and barriers to remaining longer in the labour market (including legislative barriers).**

**Figure 5: Population distribution by age group and gender (per cent, 2019)**



Source: NBS

42 Kosovo under UN Security Council Resolution 1244.

43 EUROSTAT [Proportion of population aged 65 and over, by age group](#). 2020

44 According to the NBS, the population ageing coefficient is the number of people aged over 60 per 100 inhabitants

45 The aging of a population is related to the increase in the share of older people in the population and the increase in their longevity.

46 The increase in life expectancy in EU-27 during 2010-2018 is based on [Eurostat data](#).

47 Further details on life expectancy are provided in the quality of healthcare section below.

48 Active Ageing Index definition: [UNECE, Active Ageing Index](#).

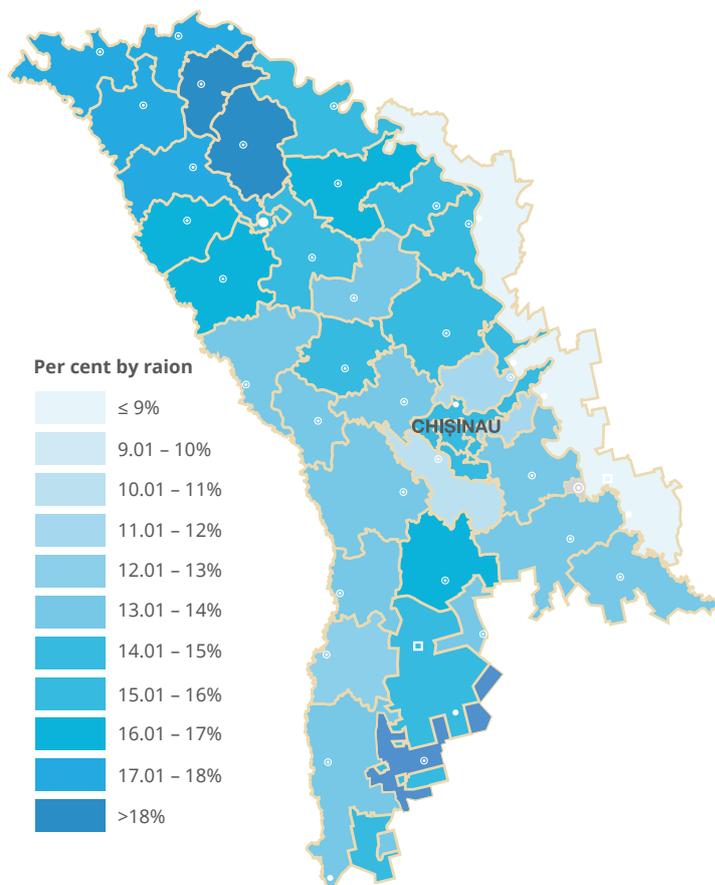
The same is true for children and persons with disabilities.<sup>49</sup> Older people are generally perceived positively in society. The majority of respondents in a study undertaken by the Equality Council mentioned that they would rate their attitude towards older persons as 'good' or 'very good'; however, every fifth respondent in the same study declared that s/he would not accept an older person as a co-worker.<sup>50</sup>

**One in 10 households in Moldova consists of a single adult aged over 60.** Out of all households, 13.1 per cent (125,200) consist of one single adult aged over 60, of which the greatest share belongs to households formed of people aged over 63 (11.5 per cent of total households, i.e., 110,200) and to households composed of women aged over 60 (10 per cent of total households, i.e., 96,100).

**The distribution of older people throughout Moldova is uneven, with older people more densely populated in the northern region of Moldova.** The highest share of the population over 65 live in Donduseni district (18.5 per cent), while the smallest share of older people lives in Ialoveni district (9 per cent), located in close vicinity to Chisinau.<sup>51</sup> It is noteworthy that almost half of Moldova's districts, including Balti Municipality, are 'growing older' at a faster rate than the national average.

**The number of children in Moldova's population is shrinking,** primarily as a result of declining birth rates. In 2019 the number of births declined by 7.8 per cent compared to the previous year, while the birth rate fell to a five-year low of 12.2 babies per 1,000 of the population. However, some studies suggest that the child population is falling so quickly due to outmigration, as children emigrate together with their parents, or are born outside of Moldova (in the migrants' destination country).<sup>52</sup> The share of children in the total resident population is in fact steadily growing, but the absolute number of children is continuously decreasing, indicating high rates of adult population decline. In the medium term, fewer children result in a lower number of students at schools (in 2019/20 the number of children in school decreased by 16 per cent compared to 2010/11) and universities (in the last decade the number of students has almost halved), while in the long run, it leads to lower number of graduates entering the labour force.<sup>53</sup>

**Figure 6: Share of the 65+ population by raion (2020)**



Source: NBS

Furthermore, large cohorts of the people who were born in the 'baby boom' following the Second World War have already reached retirement age, resulting in a rapid increase in the proportion of older people and people who are not working residing in Moldova. At the same time, despite the steady decrease in the number of children, the data show that there has been a general nationwide upward trend in the number of vulnerable children, from 31,117 in 2015 to 34,443 in 2017.<sup>54</sup>

49 Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova (E/C.12/MDA/CO/3)', 2017, para. 25.

50 For further details, see: EU and COE Partnership for Good Governance, 'Study for the assessment of the attitudes of the general population to older persons', 2018, p. 5. [in Romanian].

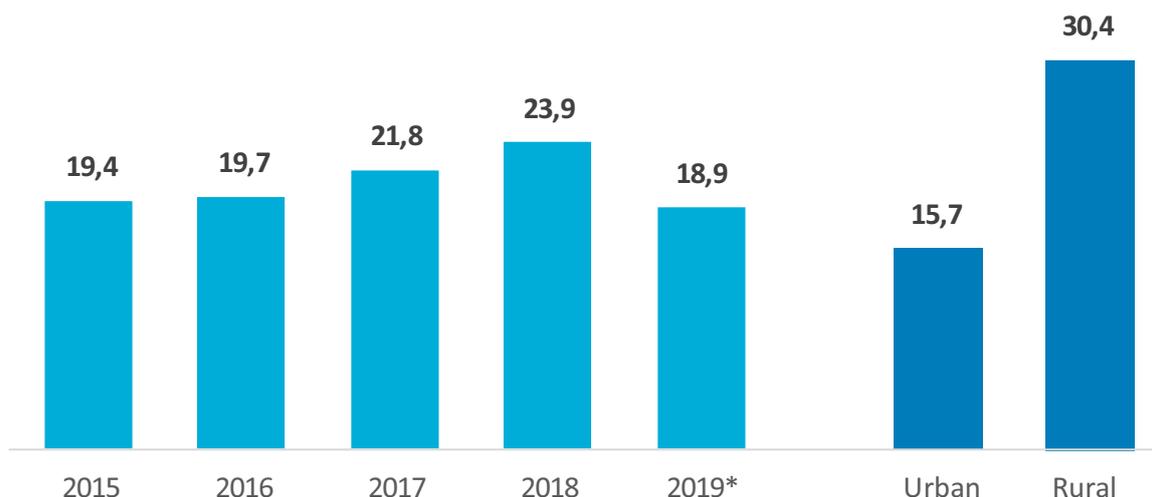
51 The calculation of the share of the population aged over 65 by district is based on the stable population number from 2019. Despite the inaccuracies, the districts with the highest and smallest share of people aged over 65 are expected to be the same.

52 Although there are no clear statistics to underpin a detailed analysis of child migration, a few assumptions are set forth in: Committee on the Rights of the Child, 'Consideration of reports submitted by States parties under article 44 of the Convention Fourth and fifth periodic reports of States parties due in 2015 Republic of Moldova (CRC/C/MDA/4-5)', 2016, para. 88.

53 A higher dependency ratio means more pressure on the working population to provide contributions for social protection for older people.

54 Soros Foundation Moldova, 'Baseline Study on Social Services for People with Intellectual and Psychosocial Disabilities and Children from Vulnerable Groups', 2017. [in Romanian]

**Figure 7: Share of households with children with at least one household member abroad in the total number of households with children by year and by urban/rural location (2018 data for urban/rural location)**



\*Data not comparable to previous years

Source: NBS

**The number of single-parent families is rising in Moldova.** During 2014-2018 the number of single-parent households with one child increased from 6.4 per cent to 7.0 per cent, this share being larger in urban areas. Notwithstanding, the share of children born outside marriage declined by 3.6 per cent during the last decade, while the share of children born to mothers under the age of 17 almost halved<sup>55</sup>.

**The number of households with children affected by migration grew in recent years, implying an increase in the number of children left behind.** From 2015 to 2018, the share of households with children with at least one household member abroad increased from 19.4 per cent to 23.9 per cent; this share was higher in rural areas (30.4 per cent) than in urban areas (15.7 per cent).<sup>56</sup> Children in these households were more likely to be exposed to risks related to education, health and psychosocial problems, including deteriorating academic performance and lower school attendance, that are lowering their human capital potential. However, the share of households with children where at least one member is abroad substantially declined in 2019 to 18.9 per cent. This may indicate that families joined those who had already migrated in destination countries, or that fewer people with children are migrating.<sup>57</sup> It is important to note that the share of households with children where at least one person has migrated in cities decreased. The opposite is the case in rural areas, where there has been a continuous growth in the last three years, and

the number of such households is now three times higher than in urban areas (75.2 per cent compared to 24.8 per cent). Furthermore, most households with at least one member who has migrated have one or two children, while the share of migrant single-parent households has steadily increased to reach 9.4 per cent.

**Migration is not gender neutral in Moldova.** Border crossing data indicate that 46 per cent of Moldovan migrants are men, and 54 per cent are women.<sup>58</sup> Most short-term migrants are men (67.5 per cent), and almost one-fifth of these circular migrants are employed illegally.<sup>59</sup> As women are usually disproportionately responsible for unpaid household labour, including childcare, which limits their mobility, they tend to seek migration opportunities at an older age than men. Consequently, negative migration growth is higher among women aged 35-54 (-3,334 persons) than men in this age group (-2,422 persons), while negative migration growth is slightly higher among men aged 15-34 than among women in this age group (-12,062 for men compared to -11,569 for women). Female migration is usually dependent on the family living conditions and is driven by low living standards, unemployment, and the lack of job opportunities. In recent years, migration patterns have moved from circular labour migration (i.e., temporary) to resettlement (i.e., permanent), while the share of men and women labour migrants who have permanently settled abroad for longer than a year reached 55 per cent and 60 per cent respectively.

55 NBS, data from 2019.

56 NBS and UNICEF Moldova, *Analysis of Monetary Poverty and Wellbeing of Households with Children*, 2020.

57 However, another assumption could be that fewer people migrated, especially those from the households with children. Furthermore, the date is not directly comparable to previous years because of changes in the Household Budget Survey methodology.

58 Ministry of Internal Affairs of the Republic of Moldova, *Extended Migration Profile report*, published at end-2019.

59 Approximately 20 per cent of all short-term migrants are Moldovans travelling abroad with biometric passport and working with no formal contract.

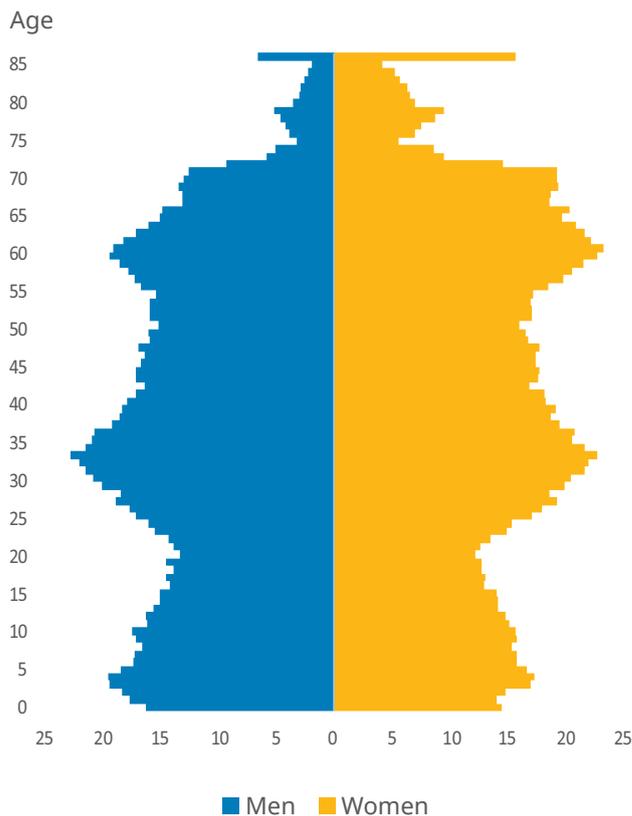
**Outmigration is having a multidimensional impact on the resident population**, contributing among other factors to depopulation in rural areas (over three quarters of migrants come from rural areas); gender imbalances, particularly, in the reproductive age group; declining birth rates<sup>60</sup> a fall in the number of marriages; high rates of divorce, partly due to spouses migrating; and changing lifestyle patterns. For instance, in Moldova one marriage in two ends in divorce, while within the EU-27, this rate is roughly 40 per cent.<sup>61</sup>

**Vast brain drain is a feature of emigration from Moldova, placing the country in the top 10 within the European region in terms of skilled labour-force emigration.** Data show that the emigration rate of highly skilled workers is close to 40 per cent in Moldova and is highest among health professionals. Although the mobility of highly skilled professionals generates gains in terms of remittances, extensive and sustained emigration is likely to have long-term negative effects as it depletes human capital and reduces its overall competitiveness in the long run.

In the context of the economic and public health crisis related to the COVID-19 pandemic, **roughly 150,000 labour migrants are likely to return to Moldova during 2020**,<sup>62</sup> which represents around 10 per cent of the resident working-age population. Some of these people will seek opportunities to reintegrate, while the others will 're-emigrate' (in a recent IOM survey, 76 per cent of respondents stated their intention to travel abroad again<sup>63</sup>), and will be looking for safe, orderly and regular pathways for migration. Approximately 65,000 people have returned and remained in Moldova since the COVID-19 outbreak (namely between March and September 2020), of which 57 per cent are men and 43 per cent are women (37,050 and 27,950 respectively). This cohort of people have different employment experience and skills, and if they are able to integrate effectively into the labour market, this could facilitate the establishment of a new middle class.

The COVID-19 affected migratory behaviour of all labour migrants: circular migration of rural residents in search of incomes to sustain their households, migration of young people to European countries, particularly Romania, seeking access to better education and employment prospects, and the outmigration of highly qualified professionals who get formal employment outside Moldova thus spurring the brain drain.

**Figure 8: Population as of 1 January 2020 by age and gender (thousands)**



Source: NBS

However, the pandemic to a lesser extent affected the category of highly skilled emigrants, most of whom kept their jobs or were eligible for social protection benefits linked to formal employment. At the same time, although many labour migrants returned and were available to engage in Moldova's labour market, there were not too many opportunities as the country was also economically affected by the pandemic. Besides, the business opportunities were not too attractive due to high level of uncertainty related to curbing of COVID-19. Therefore, low skilled circular migrants are gradually reverting to their usual activity, while the situation with young students is slightly different. Many young people preferred to enroll in higher education in Moldova (particularly for medical and technical specialities) which might be an opportunity to engage and prevent or delay young Moldovans from massive outmigration.

60 Due to the migration of women of childbearing age, the birth rate declined from 19.2 in 1991 to 9.9 in 2019.

61 Divorce has been shown to diminish a child's future competence in all areas of life, including family relationships, education, emotional well-being, and future earning power.

62 IOM's estimations as of May 2020.

63 IOM, Study on the mobility-driven impact of COVID-19, numbers and profiles of the returning migrants as well as specific vulnerabilities of groups affected by the decrease of remittances, Chisinau, 2020.

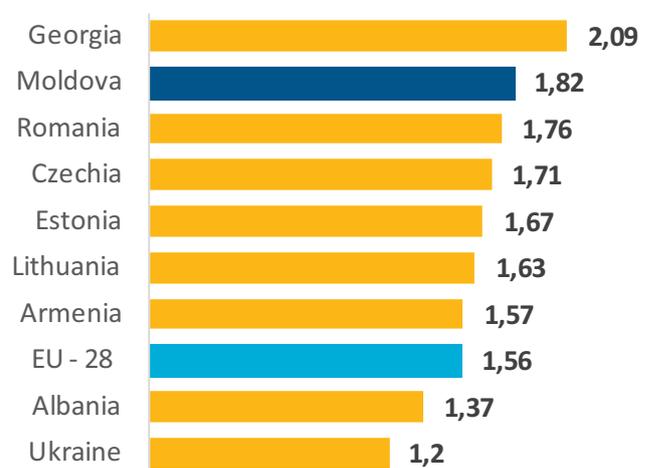
**In order to offer opportunities for returning migrants to stay in the country, the UNCT has identified a number of actions in the COVID-19 SER Plan to promote economic integration of this population:**

- Analysis of the profile and number of returning migrants;
- Develop skills and technical capacities to establish and develop innovative green businesses
- Skills and re-qualification of returning migrants and self-employment of skilled unemployed is promoted, including in the agriculture sector;
- Safe and organized conditions to be negotiated with three countries of destination of Moldovan migrants, facilitating the “re-migration” of returnees facing hardship and unemployment upon return to the Republic of Moldova;
- The reintegration of returning migrants is facilitated by developing and testing a reintegration package comprising targeted and needs-based services, particularly in rural areas, through extended awareness raising and information campaigns on existing services and job opportunities.

Along with external migration, **Republic of Moldova faces internal migration pressures, as people migrate from rural areas to the capital city and urban settlements.** Eighty-eight per cent of all internal migrants are aged 20 to 49. During 2019, the urban population increased by 8,100 as people migrated from rural areas. The majority of internal migrants were women, i.e., 56.2 per cent. **Nevertheless, Moldova remains a rural country, with the lowest level of urbanization in Europe.** The rate of urbanization was only 0.7 per cent in the last five years, which is very low compared to the average in the EU. Most of the urban population is concentrated in two municipalities, Chisinau and Balti,<sup>64</sup> which provide greater economic opportunities and a concentration of social infrastructure. About 57 per cent of Moldova’s population live in villages, twice as high as the European average (28 per cent in 2015) and about the same rate as Lithuania (the EU country with the highest rural population). Inequalities between the urban and rural population is one of the factors triggering internal migration and depopulation of rural areas.

**Moldova’s fertility rate<sup>65</sup> is below the population replacement level, however one of the highest of the countries in Central and Eastern Europe.** The total fertility rate in 2018-2019 was stable at 1.8 births per woman, below the rate of 2.1 births per woman needed to maintain a stable population over time, and below the desired fertility rate of 2.8. The decisions on number of children is based on various factors, including access to quality child care services, work-life balance, family friendly policies at work, gender equality on household and public level. In addition to sub-replacement fertility rates, **the birth rate has continued to fall, reaching a five-year low in 2019**, when 12.2 live births per 1,000 inhabitants were recorded, 1.2 fewer than in 2018.

**Figure 9: Fertility rate (selected countries, 2018)**



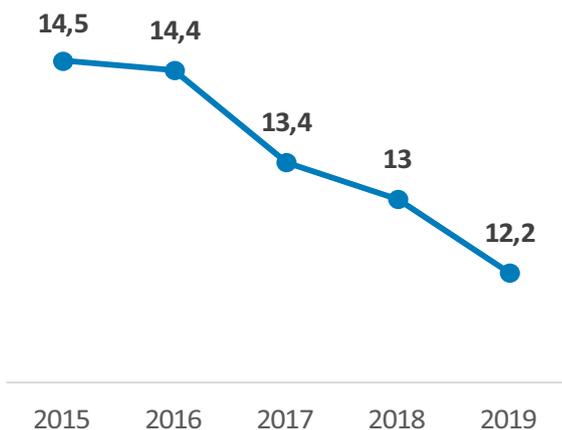
Source: NBS

At the national level, there were 32,022 live births in 2019, 6,588 fewer than in 2015 (a fall of 17.06 per cent). Changes in reproductive behaviour mean that in 2017-2018, there was an increase in the share of second, third and fourth birth-order infants, compared to previous years when first birth-order children accounted for the highest share.

**In the coming years, the challenge of an ageing population in Moldova will be felt more keenly. Population decline is expected to continue**, with recent UNFPA projections showing that between now and 2035, the population is expected to decrease on average by 0.6 per cent annually in the high growth scenario, and by 1.6 per cent in the low growth scenario.

<sup>65</sup> Fertility rate is the average number of children per woman needed for each generation to exactly replace itself, without needing international immigration.

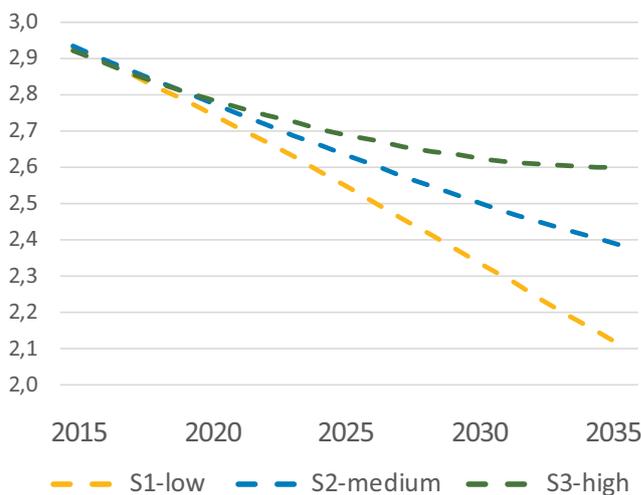
Figure 10: Birth rate



Source: NBS

The **low growth scenario** is based on the following assumptions: (i) that the fertility rate will be 1.65 children per woman of reproductive age; (ii) that the mortality rate will be moderate, while life expectancy will grow from 64.9 years to 67 years for men and from 73.7 years to 75.8 years for women; and (iii) that net migration flow will be within -1 per cent to -1.3 per cent. The **medium population growth scenario** takes into account: (i) a moderate increase in the fertility rate from 1.65 to 1.85 children per woman by 2035; (ii) a reduction in mortality rates and an increase in life expectancy (up to 69.1 years for men and up to 77.9 years for women); and (iii) gradual reduction of net emigration from -1 per cent to -0.5 per cent. A third **high growth scenario** is based on optimistic projections of: (i) fertility rate growth at the level of 2.1 children per woman of reproductive age; (ii) a substantial reduction in mortality rates and an increase in life expectancy (up to 71 years for men and up to 80 years for women); and (iii) reduction in net emigration to zero towards the end of the projection period.

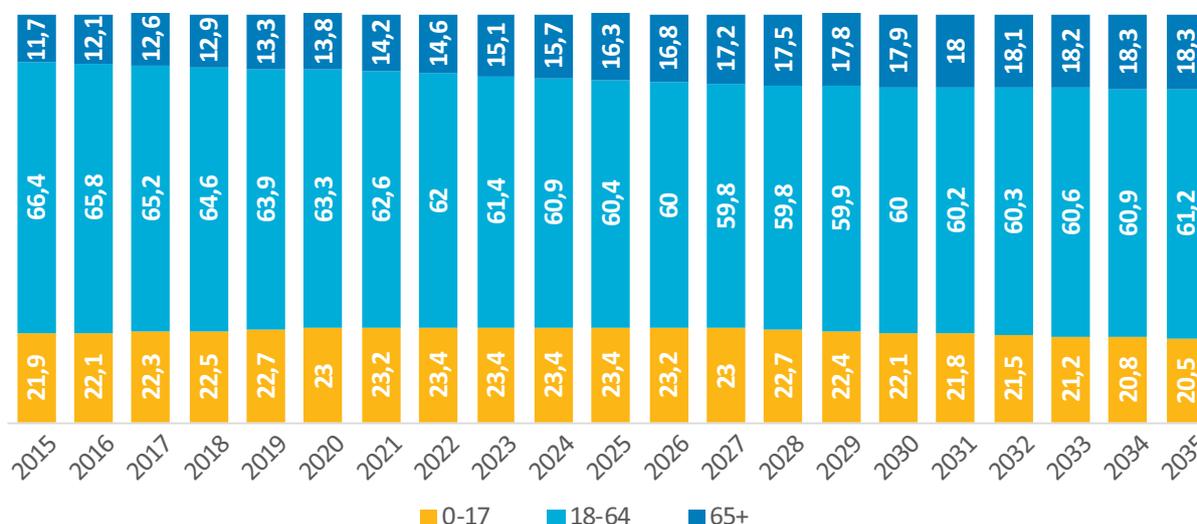
Figure 11: Population projections (millions)



Source: UNFPA

Overall, Moldova's population is expected to shrink further while the share of older people (population aged over 65) will expand. **The expected increase in life expectancy will be unlikely to slow down the rate of population decline.** In the context of the Covid-19 pandemic, poor health outcomes, challenges in access to healthcare, and substantial health technology gaps mean that improvements in longevity are unlikely to be substantial. Even if life expectancy improves, the share of older people will still be high, leading to structural population challenges. As a consequence, **Moldova's population will be smaller, with an increased share of older people.** This will affect the incomes that cover the social insurance and social assistance systems, while at the same time they will require more resources to cover the older population needs. In the long term, the labour force will be limited, the country's competitiveness will be challenged, and ultimately its economic growth could be threatened.

Figure 12: Population projections by age group (per cent)



Source: UNFPA

# POVERTY AND INEQUALITY

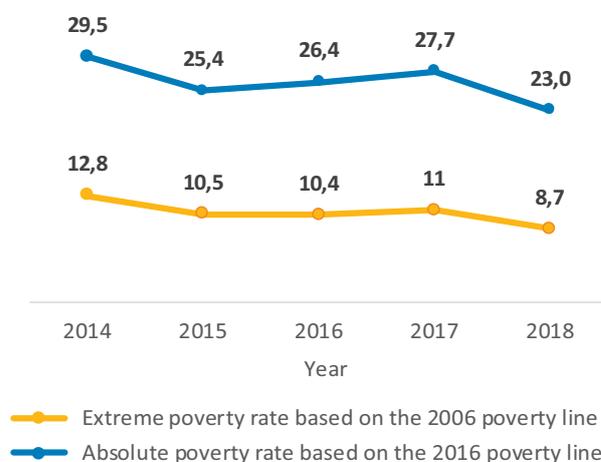
**In the last decade Moldova made substantial progress towards poverty reduction.** The absolute poverty rate declined from 29.5 per cent in 2014 to 23 per cent in 2018. At the same time, the extreme poverty rate declined from 12.8 per cent to 8.7 per cent over the same period.

In 2018, the absolute poverty line was estimated at 1,998.4 MDL per month per person, and the extreme poverty line was on average 1,611.7 MDL.

**In both rural and urban areas, the poverty rate is declining. In 2018, the absolute poverty rate was 31.6 in rural areas, compared to 10.6 per cent in urban areas.** Compared to 2017, the poverty rate in urban areas decreased by 1.2 percentage points, and in rural areas by 7.2 percentage points. However, this decline is not the result of higher employment, but due to expanded social assistance programmes.

**Residence remains an important factor in determining economic well-being.** The rural population is at much higher risk of poverty than the urban population. Furthermore, poverty mapping carried out by the World Bank suggests that poverty rates vary across the different regions of Moldova.<sup>66</sup> The central and southern regions of the country have the largest number of poor people, followed by the northern region. Chisinau Municipality is the wealthiest area.

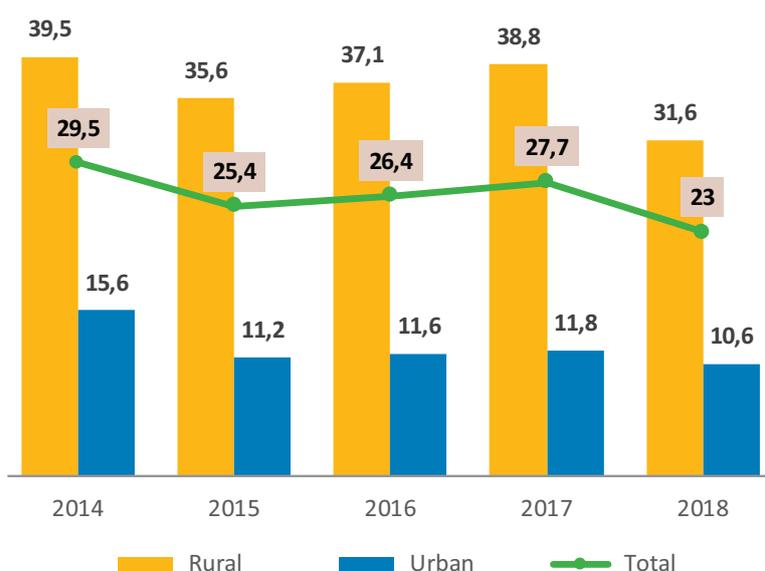
**Figure 13: Absolute and extreme poverty rate, based on the usually resident population (per cent)**



Source: NBS

**One third of people living in poverty are retired.** In terms of sources of income for people living in poverty, there has been little change since 2014, with a small increase for people working in the agriculture sector. Retired people account for the largest share of people living in poverty (32.2 per cent of the total), followed by those employed in the agriculture sector (17 per cent in 2018).<sup>67</sup>

**Figure 14: Absolute poverty rate by urban/rural location (per cent)**

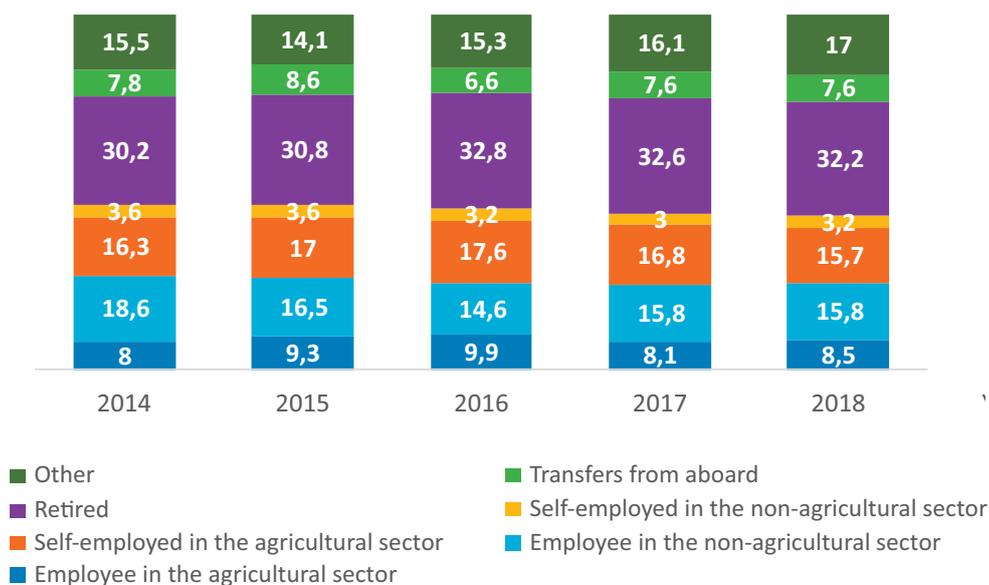


Source: NBS

<sup>66</sup> World Bank Moldova, [Poverty Map, an application of small area estimation](#), June 2019 and NBS poverty statistics.

<sup>67</sup> NBS data on ['Poverty levels in the Republic of Moldova in 2014-2018', 2020.](#) [in Romanian]

**Figure 15: Structure of the population living in poverty by the main source of income of the person (per cent)**



Source: NBS

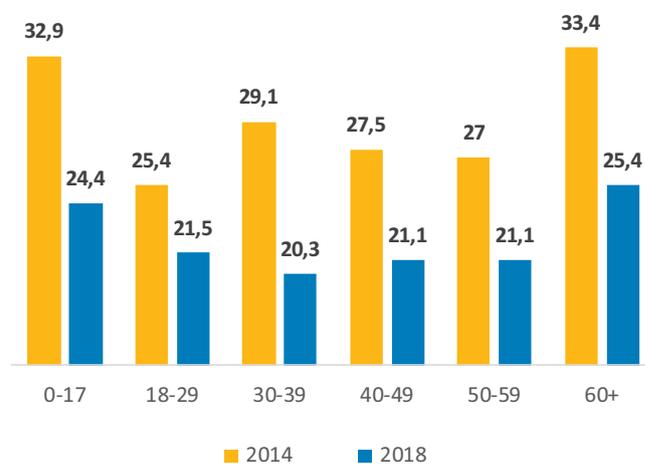
**Poverty mainly affects children and older people.** While there has been a clear decline in the poverty rate for all age groups, 24.4 per cent of children and 25.4 per cent of older people still live below the poverty line. **Poverty remains particularly prevalent among pensioners in rural areas,** and the 'Ajutor Social' cash transfer programme covers only half of the eligible population. The cash benefits are far below the minimum subsistence level, and the eligibility criteria are overly restrictive.<sup>68</sup>

The situation of children differs significantly depending on their area of residence. Children in rural areas are at much higher risk of poverty than children in urban areas: the poverty rate among children in rural areas was 34.7 per cent in 2018, compared to 9.4 per cent for children in urban areas.<sup>69</sup> Rates of poverty among Roma children, who mainly live in rural areas, are twice as high as those for non-Roma children.<sup>70</sup>

Large disparities persist in terms of access to public services, gaps in welfare provision, and access to services across urban and rural settlements and among ethnic minorities; Roma women are particularly disadvantaged.<sup>71</sup> People living in rural areas have limited access to health care and education.<sup>72</sup> In 2019, 75 per

cent of Roma who were registered as unemployed only had primary education.<sup>73</sup> Recent studies suggest that 95 per cent Roma women living in rural areas who are aged over 50 and have a low level of education are the most vulnerable social group financially.<sup>74</sup>

**Figure 16: Poverty rate by age group (per cent)**



Source: NBS

68 Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova (E/C.12/MDA/CO/3)', 2017, para. 48.

69 NBS and UNICEF Moldova, 'Analysis of Monetary Poverty and Wellbeing of Households with Children', 2020.

70 UNICEF Moldova, 'Children in the Republic of Moldova: A Situation Analysis', 2016, p.7.

71 UN Women Moldova, 'Impact of Covid-19 crisis on Roma population in the Republic of Moldova', Chişinău, June 2020

72 UNDP Moldova, 'Inequalities in urban and rural Moldova: Beyond incomes and averages, looking into the future of inequalities', 2020.

73 Committee on the Elimination of Racial Discrimination, 'Combined twelfth and fourteenth periodic reports, submitted by the Republic of Moldova in accordance with Article 9 of the Convention expected to be presented in 2020 (CERD/C/MDA/12-14)', June 2020. [in Russian]

74 UN Women Moldova, 'Impact of Covid-19 crisis on Roma population in the Republic of Moldova', Chişinău, June 2020

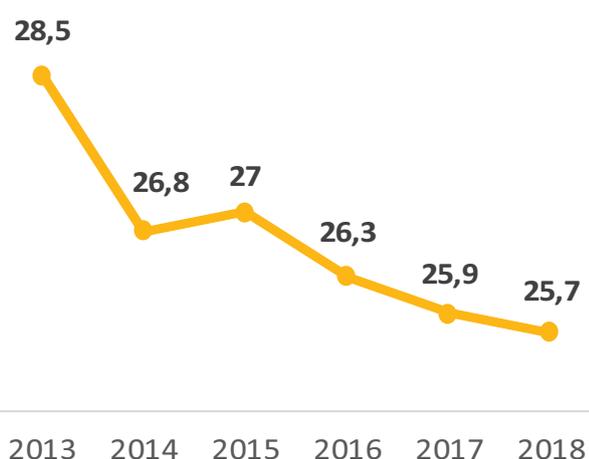
**There is a need to ensure an inter-sectoral approach to reducing the vulnerabilities [faced by] Roma and other minorities in Moldova.**

(Notes from consultations with Moldovan CSOs)

Persons with disabilities are among the poorest people in Moldova, along with older people. They receive most of their income from social protection schemes, rather than from employment and/or self-employment. In 2018, the depth of poverty in Moldova stood at 3.09 per cent,<sup>75</sup> which states the percentage of consumption of the population that needs to be increased in order to overcome poverty, in the conditions of maintaining or reducing the current level of inequality. At the same time, the severity of poverty was 0.85 per cent. Both indicators have decreased since 2017.

The Gini coefficient decreased from 28.5 per cent in 2013 to 25.7 per cent in 2018,<sup>76</sup> for both disposable personal income and consumption expenditure. Significant inequalities remain, however, in terms of disposable income, in particular disposable cash income. At the same time, the Gini coefficients for consumption expenditure are below 0.3, and even reach 0.25 if total consumption expenditure is considered, indicating a moderate level of inequality. In 2020 it is expected that the Gini coefficient will increase as a result of the impact of COVID-19 on remittances and employment.

**Figure 17: Gini index** (per cent)

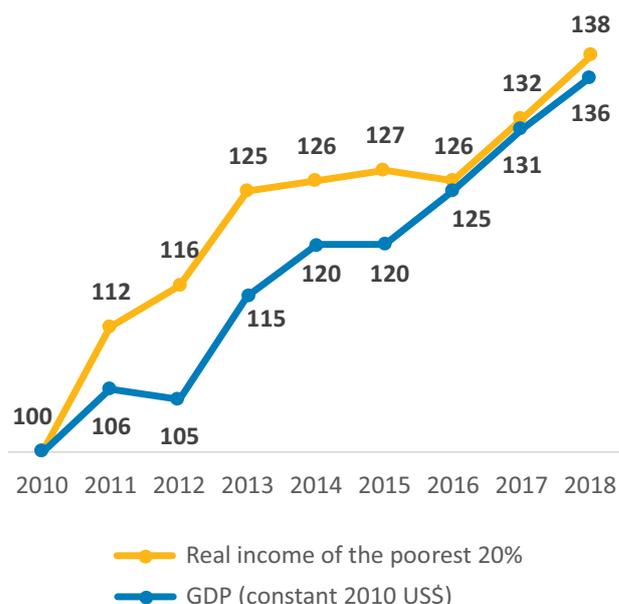


Source: World Bank

75 NBS data on 'Poverty levels in the Republic of Moldova in 2014-2018', 2020. [in Romanian]

76 World Bank, [Gini Index](#) measures inequality from 0 (perfect equality) to 1 (maximum inequality).

**Figure 18: Increase in income of the poorest 20% of households and GDP** (2010 = 100 per cent)



Source: NBS

The Voluntary National Review for Moldova highlights that **income levels for the poorest households are growing**. The real income level (adjusted for inflation) of the poorest 20 per cent of households was 38 per cent higher in 2018 than in 2010. Furthermore, the level and rate of income growth for the poorest households followed growth in gross domestic product (GDP) relatively closely, indicating the poorest households benefited from economic growth.

**Increased remittances and social assistance have resulted in higher incomes for the poorest households.**

Remittances represented 14.5 per cent of the income of the poorest 20 per cent of households in 2018, compared to just 9.3 per cent in 2010. Social assistance also became a more significant source of income, while salaries, as a share of the total income, slightly decreased during the same period.

**Household size is a factor determining well-being at the individual level.**

Households with five or more people face a higher risk of poverty (39.6 per cent in 2018), as poverty rates are 2.2 times higher than households with one person (18.2 per cent).

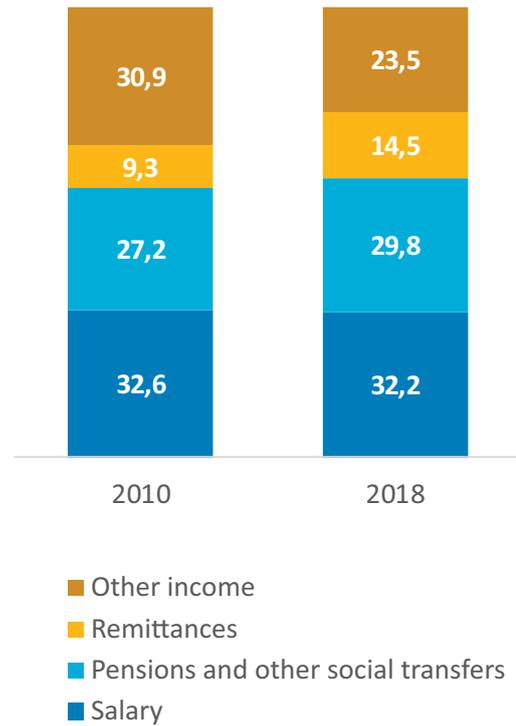
For households with children, the level of income depends on several factors, such as the number of children and the household type. Where the household is located is one of the most important factors. Households

with one child are in a better situation, with a monthly income of MDL 2,325.3 per person, compared to households with three or more children, where the average monthly income is MDL 1,384.1.<sup>77</sup> Notably, households with more than three children and those with at least one older person are the poorest. Regarding the type of household, households made up of several families have the lowest income levels: MDL 1,887.9 per person per month (Figure 19).

Poverty also varies depending on the level of education of the head of the household. The probability of being poor is lower in the case of households where the main breadwinner has a higher level of education. The risk of poverty decreases with each additional level of education attained by the head of the household decreases the risk of poverty. In the case of households where the head of the household has higher education the risk of falling into poverty is reduced by 5.2 per cent, while this risk can reach up to 48.5 per cent for those households where the head of the household has no primary education or is without studies.

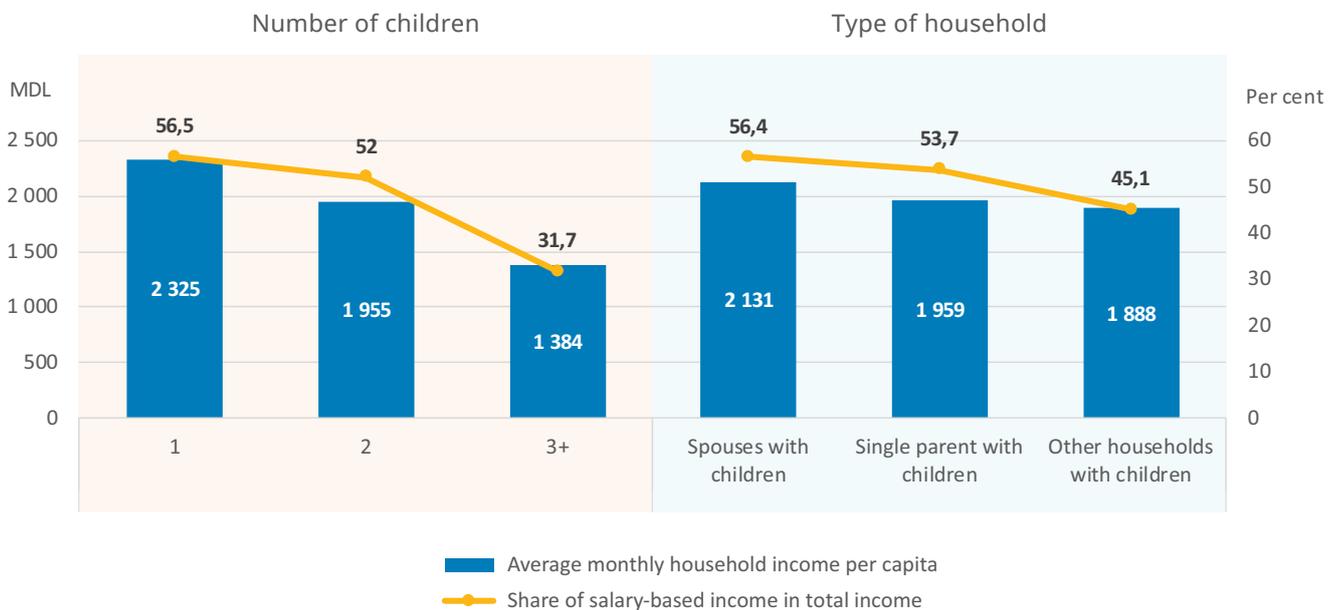
The main source of income of the head of the household also affects the household's level of poverty. The most disadvantaged households are those where the head of the household is self-employed in the agricultural sector (42.2 per cent), followed by households where the head of the household is employed in the agricultural sector (39.9 per cent), or retired (28.9 per cent).

**Figure 19: Income composition of the poorest 20% of households (per cent)**



Source: NBS

**Figure 20: Average income of households with children by number of children and type of household (2018)**



Source: NBS

77 NBS and UNICEF Moldova, 'Analysis of Monetary Poverty and Wellbeing of Households with Children', 2020.

78 UNDP, 'Social and Economic Impact Assessment of COVID-19 in Republic of Moldova' 2020.

Men-headed households are more likely to be able to afford unforeseen expenses (of 5,000 lei or more) than women-headed households (13.9 per cent compared to 9.8 per cent respectively, in 2018).

Parental alcohol abuse is a factor in poverty experienced by households with children. Lack of supervision and emotional and physical abuse from parents are factors prompting both child abandonment and children deciding to run away from home and ending up on the street. For instance, most of the beneficiaries of the Roadside Assistance Service within the Municipal Directorate for the Protection of the Rights of the Child in Chisinau fled their homes between the ages of 8 and 13.

Poor households suffer multiple deprivations and have notable overlapping vulnerabilities, particularly children and older people.<sup>78</sup> Households with 3+ children have the highest poverty rate among any other vulnerable group (42 per cent). A starting point that, by virtue of low resources, limits their ability to adapt to the COVID-19 pandemic. Furthermore, poor families with many children have a baseline vulnerability related to their daily diet (notably, 20-100 per cent less of each essential nutrient per family member versus wealthier income quintiles). About 12 per cent of poor households consulted in the recent COVID-19 impact assessment study experienced a 75 to 100 per cent decrease in their income and 76 per cent of poor households do not have enough income or savings to cover their recurrent monthly expenses.<sup>79</sup>

**Despite significant progress in recent years, the availability and accessibility of social services for vulnerable and older persons need to be further improved.** A mapping of social services for children from vulnerable groups in the country's 33 administrative-territorial units revealed uneven and insufficient social services at local level.<sup>80</sup> The absence or limited accessibility of these services for beneficiaries, including in districts with high service coverage, is caused by: lack of specialists to provide specialized services; long distances from home to the available service providers; lack of transportation, including vehicles specially adapted for children with disabilities; discrepancy between the demand and supply of specific services, regarding the type of service and the number of people who need the service; long waiting times to access social services; excessive bureaucratic procedures, often prompting potential beneficiaries to disengage; and lack of information on the availability of services. To date, the majority of Territorial Social Assistance Structures (TSAS) have expanded

**Limited access of children with sensory disabilities to necessary assistive technologies, support services and lack of specialized professionals to work with children with sensory disabilities represent a significant challenge.**

(Notes from consultations with Moldovan CSOs)

provision of home-based support services for children and/or to prevent child abandonment (such as Mobile Teams, Personal Assistants, Respite Care, Day Care Centres, Parent-Child Centres) and opted for the creation or expansion of family-type care services (such as Foster Care, Family-type Homes). At the same time, there is a clear need to establish Multifunctional Community Centres, as well as the need for specialized services for children in conflict with the law and children with behavioural problems both of which are currently lacking. Despite improvements, the inter-sectoral cooperation mechanism needs to be further enhanced to better address the difficulties and needs of vulnerable people.

**Moldova is ranked 90 out of 189 countries in the Human Development Index (HDI) for 2019.**<sup>80</sup> The HDI measures national progress in health, education and income. Moldova's HDI value for 2019 was 0.750, which puts the country in the high human development category. Within the Europe and Central Asia region, Moldova by 2019 HDI ranking is close to the performance of Turkmenistan and Uzbekistan.

**Under the Gender Inequality Index, Moldova ranked 46<sup>th</sup> out of 162 countries in 2019,** with a score of 0.204 points.<sup>81</sup> This low ranking suggests that despite much progress attained towards achieving gender equality, Moldova still lags behind.

**In 2019, Moldova lost another 10.4 per cent of human development progress due to persisting inequalities.**<sup>83</sup> The average deprivation score of people experiencing multidimensional poverty – the breadth (intensity) of deprivation – is 37.4 per cent in Moldova

79 The Public Opinion Barometer ran by the Institute of Public Policies in June 2020 found that 36.6 per cent of households with low socio-economic status could not afford monthly expenses and 43.1 per cent barely manage them. These figures highlight the increased extent of vulnerability of respondents in the VG sample.

80 Soros Foundation Moldova, 'Baseline Study on Social Services for People with Intellectual and Psychosocial Disabilities and Children from Vulnerable Groups', 2017. [In Romanian]

81 UNDP, [Briefing note for countries on the 2020 Human Development Report](#), 2020.

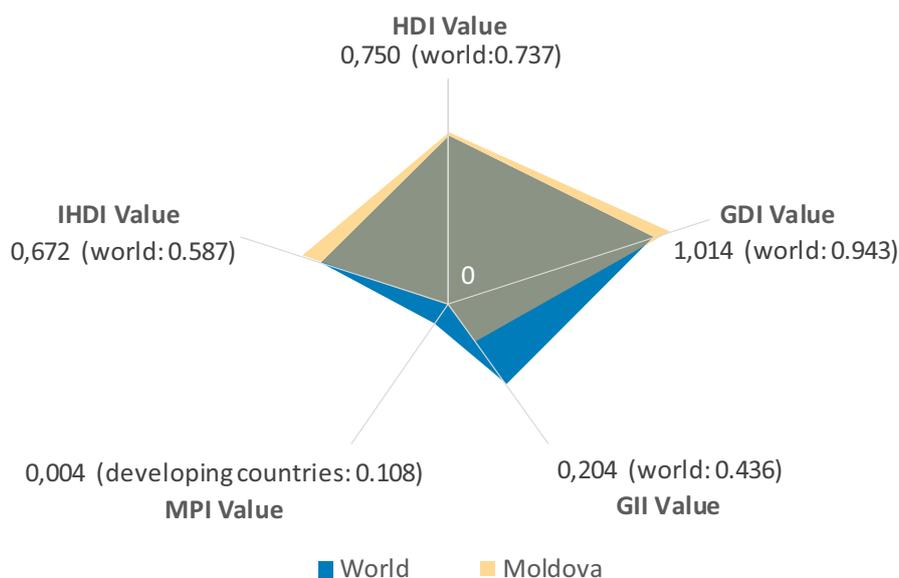
82 The [Gender Inequality Index](#) measures the loss in human development due to inequality between women's and men's achievements. UNDP, Table 5: Gender Inequality Index (GII), 2019.

83 UNDP, [Human Development Indices and Indicators: 2018 Statistical Update for Moldova](#), 2019

(Republic of). Income poverty only tells part of the story. The multidimensional poverty headcount in Moldova is 0.8 percentage points higher than income poverty. This implies that individuals living above the income poverty line may still suffer multiple deprivations in health, education and/or standard of living. In Moldova, UNDP is working on the development of a national multidimensional poverty index (MPI) to be released in Q1-2 2021, as part of a collaborative effort of UNDP, OPHI and the National Bureau of Statistics.

In conclusion, while the gap in basic living standards is narrowing, other forms of inequality remain a challenge for poorer and more vulnerable population groups. These include unequal access to education, health care, labour, and participation in public life and technology, to mention a few. These challenges are exacerbated by the climate crisis. An in-depth analysis of the different aspects that constitute multidimensional poverty will be covered in the following chapters.

**Figure 21: HID Index comparison**



Source: UNDP



## THE IMPACT OF THE COVID-19 PANDEMIC ON THOSE LIVING IN POVERTY

The COVID-19 pandemic has exacerbated pre-existing vulnerabilities and increased the exposure of existing and new population groups to the specific risks of poverty, exclusion, and limitations on their human rights. A number of already vulnerable groups in particular have been hard hit, such as people living in poverty, older people, persons with disabilities, Roma, young people not in education, employment, or training (NEETs), and vulnerable women, among others.

**Poor households were affected more severely by the pandemic**, since they do not have the resources to mitigate the risk of COVID-19 infection and the economic and social impact of pandemic-related restrictions. The Government's main anti-poverty programme was found in March to be insufficient and reaching too few of the poorest to alleviate the situation. Those with less space and access to water and sanitation – as well as protective and hygiene supplies – have fewer opportunities to adopt preventive and isolation measures. All this is happening in an already challenging context.

In terms of food security, for many children, especially for children from families living in poverty and Roma children, school feeding programmes were an important part of their daily food intake. School closures, coupled with reduced incomes, may mean a worsening of the country's malnutrition rates. Before the crisis, it was reported that every eighth teenager had excess body weight, and every fifth was underweight, while only half of the adolescents take breakfast every day. More than 20 per cent of women and men who participated in a rapid assessment reported facing barriers to accessing food due to COVID-19 restrictions.<sup>84</sup>

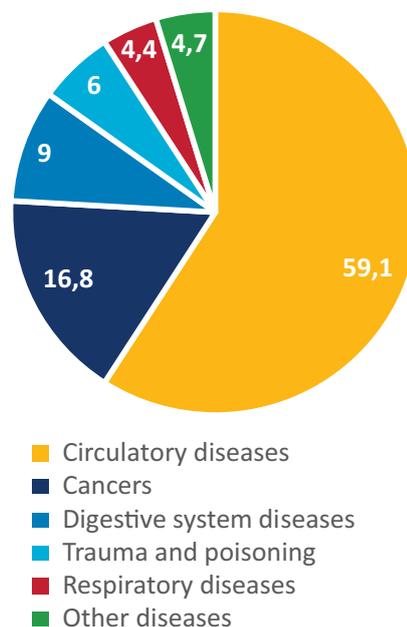
84 United Nations Moldova, 'United Nations Moldova COVID-19 Socio-Economic Response and Recovery Plan- updated version', 2020.

# GOOD QUALITY HEALTHCARE

In recent years there has been positive progress towards universal access to healthcare aimed at ensuring healthy lives and well-being. That said, Moldova still has much to do in terms of achieving better health outcomes. Despite a slow and steady positive improvement in life expectancy over the last few years, **with a life expectancy of 70.9 (2019), people in Moldova live on average 10 years less than their peers in the EU**, where life expectancy is 80.9 (2019).<sup>85</sup> Life expectancy at birth has increased by an annual average of 1.6 years over the last six years, primarily due to decline in infant mortality rates.

Extra years of life gained through increased longevity, however, do not translate into living those years in good health. **The number of healthy life years lived by Moldovans is the lowest in Eastern Europe, just behind Russia and Ukraine.** It is noteworthy that women spend a larger proportion of their life in poor health (11.2 years) compared to men (8.6 years).<sup>86</sup> People living in rural areas in Moldova live on average four years fewer than people in urban settings.<sup>87</sup> The health of the rural population seems to be lagging behind when compared to urban residents, with prominent gender differences. **Moldova faces a significant disease burden, primarily arising from non-communicable diseases (NCDs)** which are caused by behavioural and other socio-economic factors. In 2019, approximately 93 per cent of all deaths were attributable to NCDs, with a total mortality equalling 1,040 cases per 100,000 population. This represents a major burden of mortality and illness among the population. Cardiovascular diseases (CVDs) account for 59.1 per cent of all mortalities, followed by cancer (16.8 per cent), and traumas and poisonings (6 per cent). NCDs impact men and women differently: the likelihood of a man dying prematurely from a CVD, cancer, diabetes or chronic respiratory disease is 33.7 per cent, twice as high as the risk for women (17.3 per cent). CVDs and cancers are the main causes of death among older people, while among children, the greatest disease burden is attributable to neonatal disorders, unintentional injuries, nutrition deficiencies and childhood infectious diseases. Infections account for approximately 1 per cent of all causes of death in the population.

**Figure 22: Mortality structure** (per cent, 2019)



Source: NBS

**Mortality rates vary between regions.** The number of people dying from CVDs is twice as high in the north of Moldova than in Chisinau.

**High blood pressure, dietary risks, and tobacco** (followed by high body mass index, alcohol use, and high fasting blood glucose) **are the main risk factors driving mortality and disability.**<sup>88</sup> Around 50 per cent of Moldovan adults have high blood pressure. Among young adults and people of prime working age, nearly half of all men smoke, and close to half drink alcohol excessively. Around 10 per cent of deaths are caused by consumption of alcohol, twice as high as the global average. About 56 per cent of deaths from liver cirrhosis, 9 per cent of cancer deaths, 25 per cent of deaths from cardiovascular disease, and 51 per cent of intentional injuries (as a result of deliberate acts of violence against oneself or others) and unintentional injuries (including road traffic injuries, drowning, burns, poisoning and falls) are attributable to alcohol consumption.

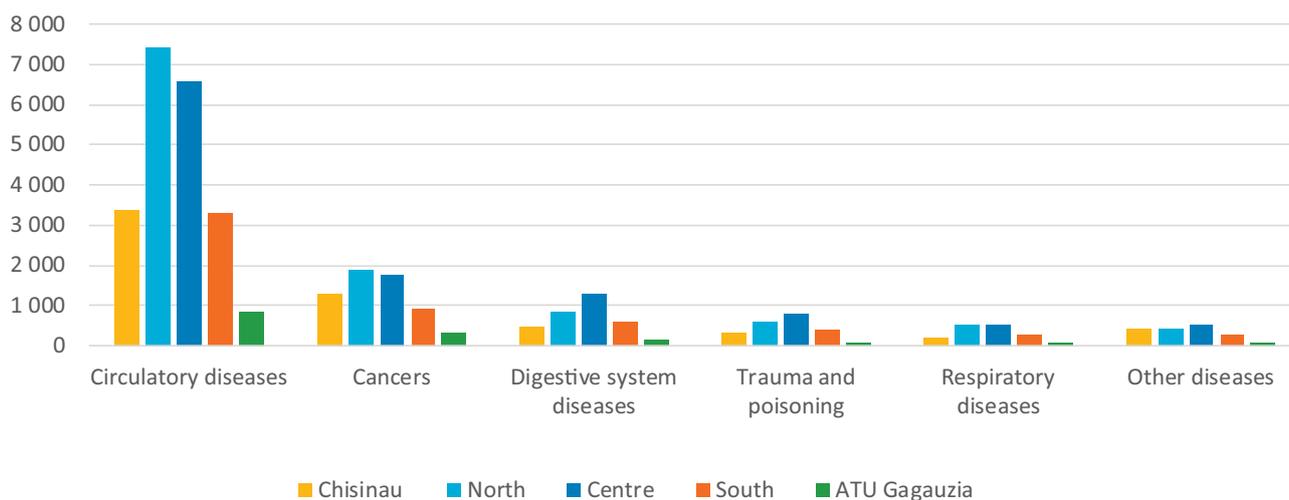
85 Eurostat, [Life expectancy by sex](#). 2020.

86 GBD 2017 DALYs and HALE Collaborators, 'Global, regional, and national disability-adjusted life-years (DALYs) for 359 diseases and injuries and healthy life expectancy (HALE) for 195 countries and territories, 1990-2017: a systematic analysis for the Global Burden of Disease Study 2017'. *Lancet* vol. 392, 10159, 2018, pp.1859-1922.

87 NBS 2016 data

88 IHME, [Institute for Health Metrics and Evaluation](#), Republic of Moldova.

**Figure 23: Number of deaths by cause of disease by region (2019)**



Source: NBS

**The prevalence of overweight and obesity in Moldova has been increasing in recent years.** Among the adult population, 47 per cent of people aged over 18 was overweight and 15 per cent are obese. A Health Behaviour among School-age Children Survey (HBSC, 2014) indicated that only one third of respondents (33 per cent) indicated that they eat fruits daily and one fifth (21 per cent) reported that they eat fruits once a week or less often<sup>89</sup>. People in rural areas consume more salt (25.2 per cent) than those in urban areas (23.4 per cent).

**Despite steady progress in improving infant mortality, this is still 2-3 times higher than the EU average.** In 2019, the infant mortality rate in Moldova was 9.7 per 1,000 live births,<sup>90</sup> compared to the EU average of 3.32 per 1,000 live births.<sup>91</sup> **Infant mortality exceeds neighbouring Eastern European countries** (Belarus, Ukraine, Russia). **Under-five mortality** at 11.1 per 1,000 live births in 2019 **is far below the SDG 3.2 target**,<sup>92</sup> but above all other Eastern European countries.<sup>93</sup> Conversely, **maternal mortality increased** from 15.3 per 100,000 live new-borns in 2018 to 16.8 per 100,000 live new-borns in 2019.

**Immunization coverage in Moldova continues to be an issue for all vaccine-preventable diseases,** and has been since 2013, when 91 per cent of children received the measles/mumps/rubella vaccine, compared to 95 per cent in the WHO European Region and in the

CIS. This indicator is still fluctuating around 90 per cent (87.1 per cent in 2018; 90.3 per cent in 2019), leading to 90 cases of measles registered in Moldova during 2019. The child immunization rate for poliomyelitis follows a similar trend; this was 92 per cent in 2013, three to four percentage points below the regional and CIS averages, while in 2019 there was a 90.9 per cent coverage rate with primary immunization, and up to 96-97.3 per cent revaccination rates. Outbreaks of measles and rubella (2002), mumps (2008) and tetanus (2010) indicate a need for immunization programmes to be improved, so that vaccine coverage reaches 95 per cent of the target population.<sup>94</sup>

**Moldova has declining morbidity for infectious diseases in different age groups.** Infections accounted for approximately 1 per cent of all deaths in 2019, however by the end 2020 this number is expected to increase as a result of the COVID-19 outbreak: 2.19 per cent of the population were infected with Covid-19 during 2020, and the COVID-19 fatality rate is around 2.7 per cent.<sup>95</sup>

At the same time, **Moldova remains among the world's top 30 countries with high multidrug-resistant Tuberculosis burdens (MDR TB) and is among the WHO European Region's 18 high-priority countries for TB control.** Estimated TB incidence (86 cases per 100,000 population in 2018, the second highest in the region) and mortality (5.1 deaths per 100,000 population in

89 The average daily intake of fruit and vegetables was 4.2 servings consumed in rural areas versus 3.9 servings in urban areas.

90 NBS data.

91 EUROSTAT portal, [Infant Mortality Rates](#).

92 Government of the Republic of Moldova, '[Nationalization of Indicators for Sustainable Development Goals](#)', 2017.

93 WHO, [European health information gateway](#).

94 WHO Regional Office for Europe, '[Republic of Moldova: Profile of Health and Well-being](#)', Copenhagen, 2016. 1

95 COVID-19 fatality rate of 2.7 per cent is as of September 2020.

2018), have been falling since the mid-2000s. However, rates are still very high, primarily due to high mortality among MDR TB patients. In 2019 there were 2,865 new and relapse TB cases, i.e., a case notification rate of 71.7 per 100,000 population (this was a 5 per cent reduction compared to 2018, and a 20 per cent reduction compared to 2015).<sup>96</sup> Most people affected by Moldova's TB epidemic are aged 18-64 years, and higher notification in specific risk groups, including people in prisons, migrants and TB-HIV co-infected persons. In Moldova TB affects mostly men: 74 per cent of notified cases were men in 2019. The absolute number of new TB cases notified in children (0-18 years) in 2019 was 136, or 4.7 per cent out of the total number.

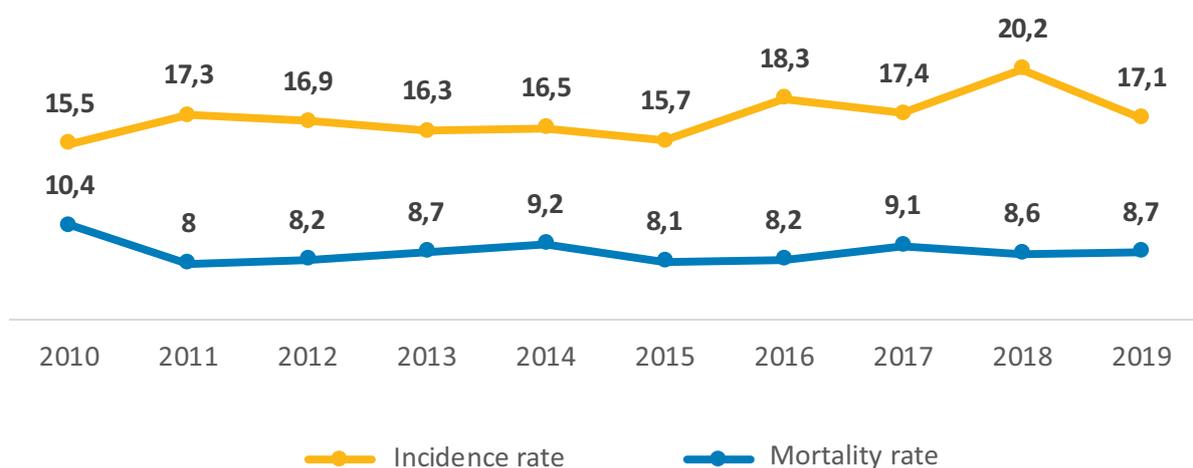
**Tuberculosis and HIV/AIDS remain a burden for prison institutions.** One third of all prisoners have a chronic disease and the main causes of death are injuries (including self-inflicted injuries), cardiovascular conditions and cancer. Up to 40 per cent of all prisoners are registered as having mental health issues, 16 per cent have cardio-vascular diseases, 14 per cent have diseases of the digestive system, 5 per cent are alcohol or drug dependent, and 4.5 per cent of prisoners are HIV positive and 1 per cent have cancer.

**The HIV prevalence is among the highest in Europe, and the second highest after Ukraine,** accounting for 9.4 per cent of Years of Life Lost (YLL) in the 15-49 age group. Moldova is experiencing a concentrated HIV epidemic, with the largest portion of new infections occurring among three key populations:

(i) people who inject drugs (PWID); (ii) men who have sex with men (MSM); and (iii) female sex workers (FSWs), their clients, and their sexual partners. According to SPECTRUM estimates,<sup>97</sup> the HIV prevalence in the adult population is 0.6 per cent (0.3 per cent among women and 0.6 per cent among men), and new infections occur mostly in the adult population aged over 24. The latest estimated number of people living with HIV (PLHIV) in Moldova is 14,589, which is lower than the previous estimate of 17,000 (2018); this decrease is attributable to recalculations based on 2014 Census data.

According to national statistics, a total of 13,656 people with HIV, 4,437 AIDS cases and 3,879 deaths were cumulatively registered since 1987, on both banks of the Nistru River. The readjusted prevalence based on new population estimates is 310 per 100,000 people.<sup>98</sup> In 2019, 922 new HIV cases were registered (31 per cent more compared to 2010), as were 206 AIDS-related deaths. Of the new cases registered, 58 per cent were men, 42 per cent were women, and 21 per cent were young people aged 15-24 years. There is significant variation in the HIV epidemic between the Right and Left Bank of the Nistru River: incidence was 20 cases per 100,000 inhabitants on the Right Bank and 47 per 100,000 inhabitants in the Transnistria Region (Left Bank). Mother to child transmission has been at less than 2 per cent in the past decade. In absolute terms between 10-20 new-borns are diagnosed with HIV every year. However, in 2019, the registered mother-to-child transmission (MCTCT) rate was 4.8 per cent.

**Figure 24: Cervical cancer incidence and prevalence per 100,000 population**



Source: Oncology Institute/National Public Health Agency

<sup>96</sup> Such a big difference between estimated and registered TB cases (i.e. a low case detection rate) should be interpreted with some caution, as WHO estimates are based on an overestimated general population size.

<sup>97</sup> UNAIDS supported AIDS Impact module contains SPECTRUM software that assists countries in monitoring their HIV epidemics.

<sup>98</sup> National Agency for Public Health 2020.

**Moldova has made progress in preventing cervical cancer among women.** This includes implementing a cervical screening programme, including building the capacity of health care providers, developing clinical protocols in line with international standards, and equipping laboratories to improve the accuracy of diagnosis, among other measures. Incidence of cervical cancer has fluctuated in the last couple of years, while the mortality rate has decreased in the last three years. Take up of cervical screening services is still low compared to other European countries and this is due to lack of knowledge. Only 24 per cent of women aged 25-61 know about existing services and only 47 per cent are aware that the services are free, which also affects take up. Additional efforts are required to sustain the investments and efforts that have been made, including increasing the demand for screening services as a prevention measure.

**Among women, use of modern contraceptive methods is still fairly low,** despite significant progress in ensuring access to sexual and reproductive health services and information. Only 31.6 per cent of women use modern contraceptive methods, compared to an average of 52 per cent across the Eastern European countries. The highest rates of unmet need for modern contraceptives are among those living in rural areas, in the north of the country, among those with the lowest levels of education and, significantly, among the poorest 20 per cent of the population. The adolescent birth rate has decreased in recent years but remains three times higher than the European average at 28.64 births per 1,000 girls aged 15-19.<sup>99</sup> Most adolescent births take place in rural areas.

**Girls and women with disabilities face particular obstacles to realizing their sexual and reproductive rights.** Not all facilities that provide sexual and reproductive health services are physically accessible, and often lack gynaecological examining rooms and equipment that are adapted to the needs of women with disabilities, particularly those with locomotor disabilities. Girls and women with disabilities also face discriminatory attitudes among healthcare providers regarding their rights to give birth to children; this particularly affects women with intellectual and psycho-social disabilities. Girls and women with disabilities also have limited access to information about their sexual and reproductive rights and about available services.

**A network of 41 Youth Friendly Health Clinics contributed to substantial progress in addressing adolescent health issues.** The so called “Youth Clinics” provide a variety of health care and counselling services to young people and enable their integration into the primary health-care system. The spectrum of health problems faced by adolescents and young people is very diverse and includes the use of psychoactive substances, STIs and HIV, unplanned pregnancies, mental health problems, violence, trauma, and stigma and discrimination.

<sup>99</sup> National Bureau of Statistics data.

**The health status of adolescents and young people remain a concern, in regard to the following issues, among others:**

- In recent years the incidence of HIV among young people aged 15-24 has increased. While there has been a slight decrease in incidence among girls and young women (26.8 cases among 1000 women aged 15-24 in 2018 compared to 27.2 per 1000 women in 2014), incidence among boys and young men has increased almost two-fold, from 12.4 per 1,000 in 2014 to 22 per 1,000 in 2018.
- Fewer sexually active adolescents (aged 15-17) are using condoms, with usage rates falling from 74 per cent in 2014 to 62 per cent in 2018.
- Nutritional disorder amongst adolescents has grown: if in 2014 every 4<sup>th</sup> teenager aged 11-17 years old had an abnormal body mass index, then in 2018 already every third adolescent experienced nutritional disorders, primarily different levels of obesity;
- Smoking is on the rise among adolescents (especially among girls), including smoking cannabis. Seven per cent of adolescents aged 11-17 reported that they smoked in 2018, compared to 5 per cent in 2014.
- Adolescents most frequently report on doing bullying against their peers or being bullied (4 out of 10 teenagers in 2018), including cyber-bullying (every 6<sup>th</sup> teenager involved during the last 2 months).

These **negative trends are partly explained by the fact that over one third of adolescents have at least one parent working abroad, and about 10 per cent of adolescents have both parents working abroad.** These young people are at higher risk of developing unhealthy behaviours and should be supported to transition safely to adulthood. Access to information and education on human rights, life skills and health, including comprehensive sexuality education in schools, remains limited, leading to harmful misconceptions about gender equity and sexuality and risky health behaviours among young people. The undermining of the right of adolescents and youth to access age-appropriate, rights-based information on sexual and reproductive health and rights results in teenage pregnancies and abortions among, relevance of STIs, including HIV, gender-based violence and bullying.

**Amongst others, the main barriers to accessing adequate healthcare are the lack of some primary healthcare services in rural areas, high emigration of the health workforce that facilitates geographical inequality in the availability of specialised healthcare, high out-of-pocket payments, as well as a low per capita allocation for healthcare.**<sup>100</sup>

**Poor coverage of health benefits package with healthcare services creates barriers to access.** In particular, some healthcare services are only partially covered by health insurance, are unavailable in public medical facilities, or are available but the waiting line is very long. Compliance with clinical treatment protocols can lead to patients bearing additional out of pocket costs to access treatment from private providers, even when they have health insurance. This situation is particularly challenging for vulnerable people. For instance, there are a lack of palliative care services, particularly for children, including lack of control and adequate disease management in the terminal stages of illness. This increases children's suffering, and leaves parents forced to cope with caring for their child without professional help, often administering opioids without any medical supervision. Rare diseases in children are often not properly diagnosed, and/or a lack of services specifically adapted to the needs of each child means that they do not benefit from rehabilitation support. The financial support provided to families raising children with disabilities is insufficient to provide them with an adequate standard of living. Similarly, a limited list of dental care services is included in the benefits package: adults pay the full price for dental care with the exception of emergency services and preventive visits, while children up to 12 years benefit from free access to publicly financed dental care, but must pay the full price for any dental restoration and orthodontics.

**Access to health care for Moldovans is unequitable due to physical and geographical barriers in access to services, a limited benefits package, and high out-of-pocket payments (OOPs).** Despite increases in public spending over time, and a ratio of public spending on health to GDP that is relatively high by lower-middle income country status, the out-of-pocket payment share of current spending on health is high, at 46 per cent in 2018. The use of outpatient and inpatient services continue to be strongly correlated with household consumption levels, indicating inequitable access to health care services. According to WHO study, the share of the population visiting family physicians grew from 51 per cent in 2008 to 65 per cent in 2016. However, the

use of family physician falls with income, while the use of specialists rises as income grows. The poorest 20 per cent of the population had worse access to both primary and hospital care in 2016 than they did in 2012.<sup>101</sup> People in the richest population quintile are twice as likely to use specialist outpatient care as people in the poorest quintiles, and five times as likely to use dentists. One reason for inequality in accessing specialist care is likely to be substantial variation in the supply of physicians across the country. Lack of doctors in rural areas, coupled with ineffective referral mechanisms, contribute to imbalances in accessing the healthcare system. Massive outmigration of health workers has also had an impact on access, and this is compounded by an uneven distribution of health workers in primary healthcare and in specialized care in particular. In 2016, the number of physicians per 10,000 population was 37 on average, but this falls to six in rural areas, compared to 78 in urban areas.<sup>102</sup> People living in rural areas are less likely to see specialists, pharmacists and dentists than people living in urban areas. Barriers to access in rural areas may also be linked to distance to facilities, poor road quality, and lack of public transport; these types of barrier have a greater impact on some groups of people, including pensioners, unemployed people and people with disabilities.

**Physical accessibility of healthcare facilities for Roma and other minorities and people with disabilities and special needs still represents a challenge.**

(Notes from consultations with Moldovan CSOs)

**Access to healthcare almost doubled across all population quintiles in recent years, but still largely depends on whether or not a person has health insurance.** The majority of people who are uninsured reside in rural areas (31 per cent) rather than urban areas (16 per cent).<sup>103</sup>

Accessibility of healthcare for Roma and other minorities<sup>104</sup> remains an issue. Roma adults are often in informal employment or have been unemployed

100 Mijatović D (2020). Commissioner for Human Rights of the Council of Europe. [Report following her visit to the Republic of Moldova from 9 to 13 March 2020. Strasbourg: Council of Europe, para 102, p.27.](#)

101 World Bank, [Moldova Policy Notes 2019: Sustaining Stability and Reviving Growth](#). 2019, p. 94.

102 National Agency of Public Health, 2019.

103 NBS, Idem.

104 Barriers to access to healthcare for Roma was also confirmed during the UN CCA consultations process, suggesting that Roma *inter alia* experience physical barriers to accessing healthcare facilities.

for a long time, making it difficult for them to access the health insurance scheme. The share of the Roma population with health insurance (48.8 per cent) is substantially lower than the share of insured people who are not Roma (72.3 per cent).<sup>105</sup> This translates into a Health Access and Quality index score of 67.4 in 2016, the lowest among South Eastern European Health Network (SEEHN) countries; the average for the SEEHN countries is 76.1. The United Nations Committee on Economic, Social and Cultural Rights raised this as a concern in its review of the Republic of Moldova in 2017.<sup>106</sup> The Committee also mentioned that Moldova faces other systemic problems relating to healthcare, such as: (i) restriction of access to healthcare services for people from rural areas accentuated by the optimization process in the health-care sector; (ii) poor overall quality of healthcare services and lack of mechanisms to monitor and oversee public health facilities; and (iii) discrimination in accessing health care services towards Roma, persons with disabilities, people living with HIV or AIDS, refugees and asylum seekers, and other disadvantaged and marginalized individuals and groups.

**Although a legal framework for integrated health-care provision is in place, in practice there is insufficient integration of social and medical care,** with the former focused primarily on children and the latter on adults. Integration of social and medical care is particularly important for vulnerable population groups and people with disabilities or special needs of all ages.

**The current health financing system does not guarantee universal health coverage for all, and consequently places a disproportional financial burden on the poorest groups of the population.** As access

**Limited availability of healthcare services tailored to vulnerable groups and persons with special needs (e.g., integrated socio-medical centres), and the development of services and policies [does not happen] in strong collaboration with patient communities.**

(Notes from consultations with Moldovan CSOs)

to health services has overall improved, increasing people's use of health care, the financial protection has deteriorated over time and it has also increased patient's exposure to out-of-pocket payments, particularly for medicines. It is worth mentioning that **every fourth person who is not insured reports that this is due to the high cost of health insurance and the poor financial protection it provides.** Furthermore, patients report experiencing high, sometimes catastrophic out-of-pocket payments in outpatient and inpatient care. About 17 per cent of all households experienced catastrophic health spending in 2016, up from 14 per cent in 2008, while nearly 7 per cent of households were impoverished or further impoverished after paying out of pocket for health care.<sup>107</sup> Catastrophic spending is also heavily concentrated among people living in rural areas and pensioners.

**Figure 25: Share of people who do not have health insurance by quintile (per cent)**



Source: NBS

<sup>105</sup> East European Foundation, 'UNEQUAL MOLDOVA Analysis of the most relevant inequalities in The Republic of Moldova', 2019, p.38.

<sup>106</sup> Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova (E/C.12/MDA/CO/3)', 2017, para. 56.

<sup>107</sup> WHO, 'Can people afford to pay for healthcare?' (new evidence on financial protection in the Republic of Moldova, 2020)

While there is no up-to-date data, **informal payments are commonplace in Moldova, inevitably disproportionately impacting the poorest households**, due to their regressive nature. Since poor health is directly correlated to reduced development and economic growth, it is imperative to focus on equitable access to health. This will increase overall economic growth and development of the country and will ensure that no one is left behind.

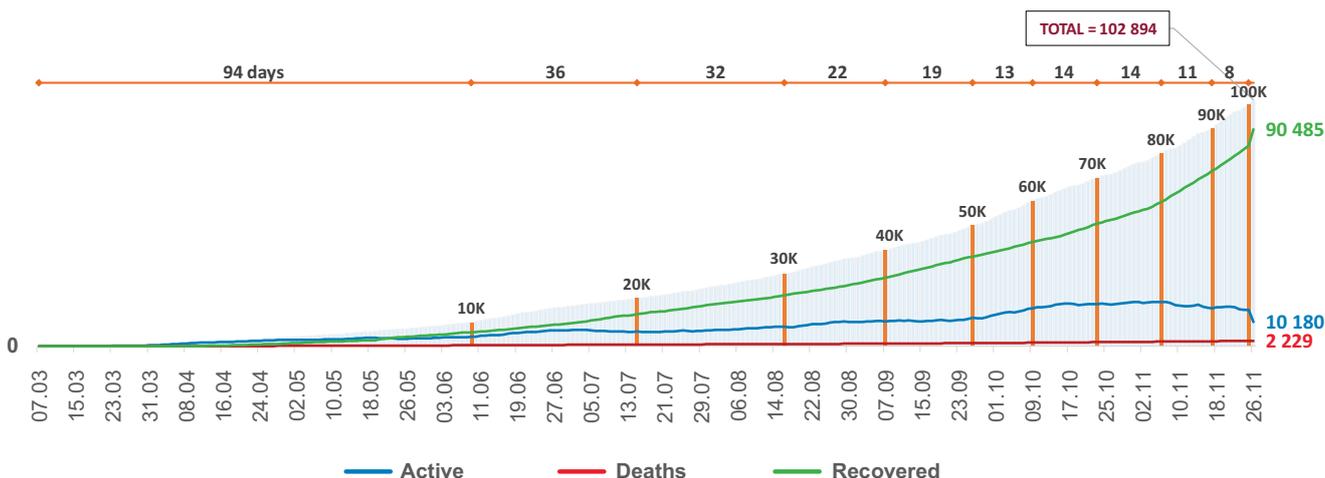
In general, **people in Moldova believe that the right to the highest attainable standard of health is the right that is least respected in the country**: 71.6 per cent of the population consider that the right to health needs more attention from the society.<sup>108</sup>



## THE IMPACT OF THE COVID-19 PANDEMIC ON ACCESS TO HEALTH

- The Moldovan health system has performed relatively well, given the heavy strain placed on it by the pandemic. The Ministry of Health Labour and Social Protection has developed a National Emergency Preparedness and Response Plan which was endorsed by the National Committee for Public Health Emergencies on 13 March 2020.<sup>109</sup> An update to the Plan was approved in September 2020.<sup>110</sup>
- The National Commission for Emergency Situations (NCES) declared a state of emergency on 17 March 2020,<sup>111</sup> to run until 15 May 2020, with strict quarantine and sanitary measures imposed.
- In Moldova, 71.6 per cent of hospitals do not have an epidemiologist and the number of infection control specialists per 250 beds is only 0.8.
- Since March 2020, when the COVID-19 outbreak reached Moldova, the total number of cases has reached 101,203 (26 Nov 2020),<sup>112</sup> while the mortality rate (case fatality rate) stands at 2.2 per cent, lower than in neighbouring Romania (2.4 per cent) yet higher than in Ukraine (1.7 per cent).<sup>113</sup>
- Initially, clinical case management of COVID-19 only took place in designated hospitals, with other hospitals continuing to provide their regular medical care. However, as the outbreak evolved, hospital capacity for other services was reduced, and regular health services were suspended to avoid in-person contact and to focus resources on the pandemic. This has caused delays and even a lack of care for a large proportion of the population.
- Preliminary estimations of the impact of the COVID-19 pandemic on TB and HIV service and TB and HIV morbidity in the country show a 30-50 per cent decrease in accessibility for check-up/diagnosis purposes and healthcare, which reflects on the total number of detected cases as well as mortality rates.

COVID-19 Cases: Total, Active, Recovered and Deaths



108 UNDP Moldova, [‘The population’s perception of respect for human rights in the Republic of Moldova has not changed significantly in the last two years’](#), 10 December 2018. [in Romanian]

109 The Government of Moldova developed the [National COVID-19 Preparedness and Response Plan](#) with the support of the WHO.

110 Government of Moldova, [‘New Coronavirus Infection Preparedness and Response Plan \(COVID-19\) Republic of Moldova Version 2’](#), 2020. [in Romanian]

111 Parliament of the Republic of Moldova, [Decision nr. 55 of 17 March 2020](#).

112 Worldometer, Moldova – [Coronavirus cases](#).

113 Johns Hopkins Coronavirus Resource Center, [Mortality analyses](#).

# ACCESS TO GOOD QUALITY EDUCATION, SKILLS, AND LIFELONG LEARNING

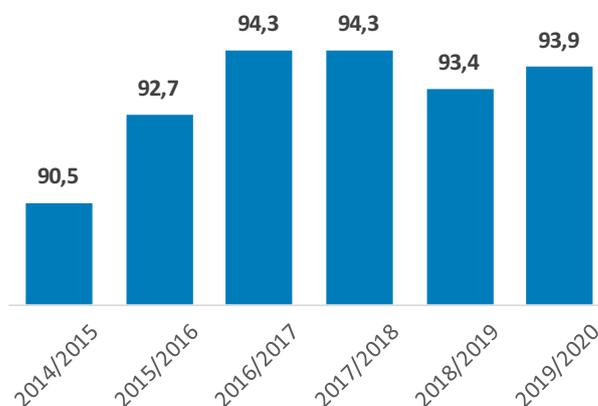
As of the beginning of 2020/21 academic year, Moldova's education system was made up of 1,241 education institutions, including 106 primary schools, 787 gymnasiums, 338 high schools (Lyceums) and 10 schools for children with intellectual, physical and sensory disabilities. In the 2019/20 academic year the number of students decreased by 1,000 compared to previous year; 333,100 students were enrolled in general and secondary education, representing 90.2 per cent of the population aged 7-18 years habitually resident in the country.

## A. PRE-SCHOOL EDUCATION

Moldova has one of the highest pre-school enrolment rates among countries in the CEE-CIS<sup>114</sup> region. The pre-school enrolment rate for children aged 3-6 is about 93.9 per cent<sup>115</sup> (compared to just 44 per cent in 2000) and is relatively high compared to other countries in the region. Enrolment rates accelerated between 2010 and 2020 as a result of an 8 per cent increase in the number of pre-school facilities, mostly in rural areas. That said, disparities in provision and access of pre-school facilities between rural and urban areas continue to widen, increasing from 27 per cent in 2010 to 41 per cent in 2019.<sup>116</sup> Almost one third of children in rural areas do not attend early education facilities, compared to almost universal access to kindergartens in urban areas.<sup>117</sup>

**An increase in the number of pre-schools from 1,381 to 1,486 between 2010 and 2019 has not kept up with demand, with persisting shortages and urban-rural imbalances.**<sup>118</sup> Pre-school occupancy in rural areas is below capacity, reaching 73 per cent on average; at the same time, there are approximately 150 villages without pre-school facilities at all. This represents a significant concern, given the importance of geographical proximity for educational facilities for very young children. Pre-schools in urban areas, particularly Chisinau municipality, consistently operate at over capacity, indicating a shortage of pre-school facilities in urban areas.<sup>119</sup>

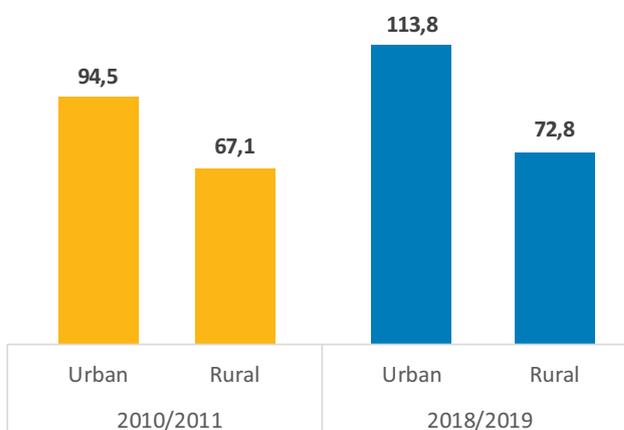
Figure 26: Gross pre-primary enrolment rate (per cent)



\* Data based on the resident population number. 2019 data is preliminary.

Source: NBS data

Figure 27: Gross pre-primary enrolment rate by urban/rural location (per cent)



Source: NBS data

114 Central and Eastern Europe, and the Commonwealth of Independent States

115 National Bureau of Statistics, Education in the Republic of Moldova, electronic publication, 2019/2020.

116 National Bureau of Statistics, Education in the Republic of Moldova, electronic publication, 2018/2019.

117 Preschool attendance is significantly lower in rural areas (64 per cent) than in urban areas (82 per cent), with a highest enrolment in Chisinau at 90 per cent. See UNICEF Moldova, [Early childhood development](#).

118 Early Education Institutions in 2019, National Bureau of Statistics.

119 United Nations Children's Fund (2016).

Increase in demand coupled with lack of capacity leads to overcrowding in pre-schools, affecting the quality of education that is provided. Three quarters of pre-schools have classes for children aged 3-6 that are larger than the standard for student-to-teacher ratios for this age group as laid down by the Ministry of Education, Culture and Research teacher-to-student ratios. These pre-schools are primarily in urban areas. In some cases, between 25 and 45 children are being taught in the same classroom;<sup>120</sup> the standard established by the Ministry of Education, Culture and Research is a maximum of 15 children per group for children aged 0-2 years, and 20 for children aged 3-6 years old.

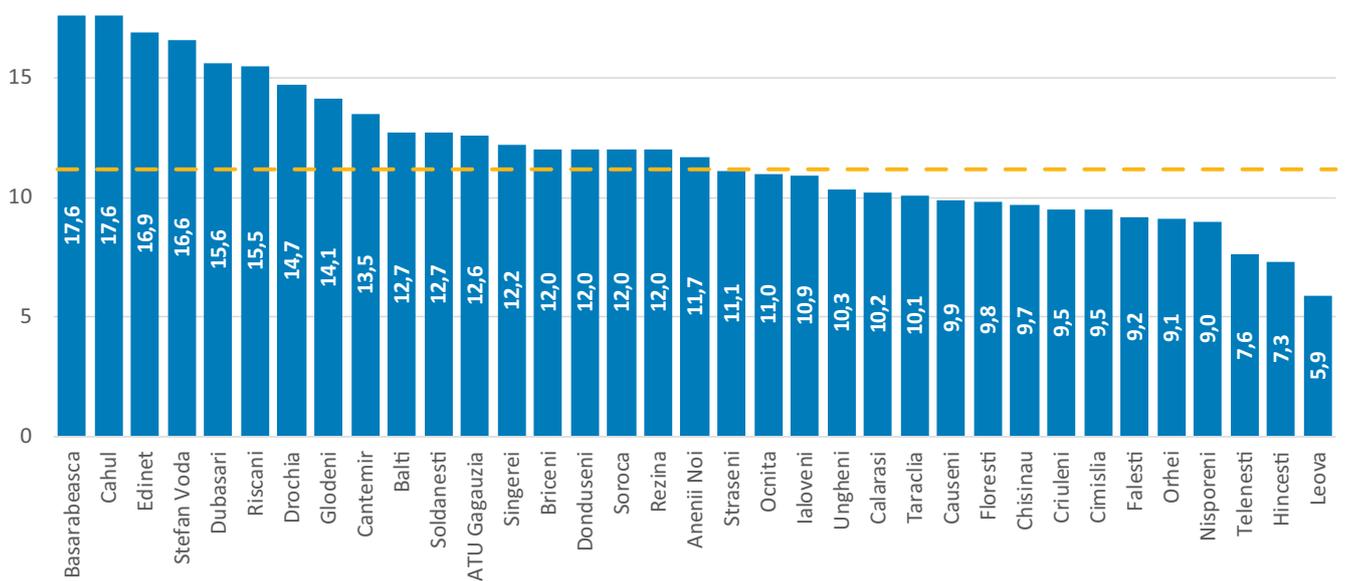
About 103,000 children were born in Moldova in the years 2017-2019. We can estimate from this that about 75,000 families failed to benefit from childcare services for children aged up to three, making it more difficult for parents to return to work. Among the reasons that determined this low rate of access to early childhood care services are the limited number of places in creches (or combined creche-kindergartens), the low conditions of these institutions, and the uneven distribution of early childhood care services across the country. In Chisinau, the enrolment rate of children up to the age of three in early education is below the country's average. At the national level, the average rate of access to early child-

hood care services for children up to 3 years old is only 11.2 per cent. In Chisinau, where most employees out of the total in the country are registered, the enrolment rate is below 10 per cent.

**Roma children, children with disabilities, and children from disadvantaged households still face barriers to access pre-school education.**<sup>121</sup> Only 20 per cent of Roma children aged 3-6 attend pre-school compared to 80 per cent of non-Roma children.<sup>122</sup> Only 11 per cent of the 2,169 children aged 3-6 years registered as having a disability were enrolled in pre-schools in 2019.<sup>123</sup> In Gagauzia, 45.58 per cent of children with disabilities from 0 to 6 years old do not attend educational institutions (vast majority of those not included in pre-school education reside in the two of three raions of Gagauzia: Ceadir-Lunga – 39 out of 70, and Vulcanesti - 8 out of 13).<sup>124</sup> The COVID-19 pandemic has significantly affected access to early childhood education and further exacerbated the existing problems.

**There are relatively few privately run early childhood education facilities,<sup>125</sup> due to the absence of a legislative regulatory framework.** Many private institutions currently operate as non-profit entities and are not subject to the same quality checks and educational standard requirements as public pre-schools.

**Figure 28: Enrolment rate in early education for children under 3 years old by raion (per cent, 2019)**



Source: NBS

120 United Nations Children's Fund (2016c). Op. cit.

121 Comprehensive Education Sector Analysis, pages 47-48.

122 UNICEF Moldova, [Roma children: Inclusion and reintegration of Roma children into the education system](#).

123 UNICEF estimates based on administrative data on children with disabilities provided by the MLHSP in 2019.

124 Main Department of Education of Gagauzia (DEG) data, November 2019.

125 Private institutions represent only 1 per cent of total number of preschools, Early Education Institutions in 2019, National Bureau of Statistics.

**There is a significant socio-economic gap in access to early childhood education:** 88 per cent of children living in the richest households attend pre-school, while the figure drops to 50 per cent among children living in the poorest households, where the need for preschool education is the highest. Likewise, children whose mothers have higher education are more likely to be enrolled children whose mothers only have secondary education.<sup>126</sup> Another vulnerable group are children who have at least one biological parent residing abroad.

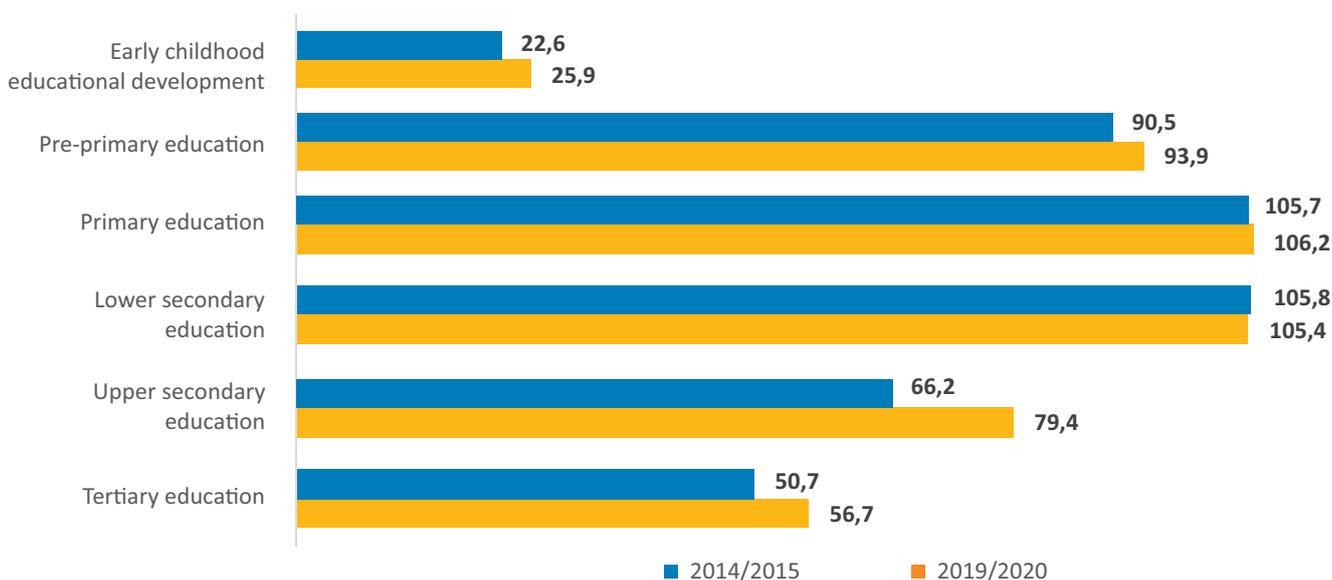
**School readiness improved, reaching 97 per cent in 2019,<sup>127</sup> as a result of the steady increase in the number of children attending pre-school and improvements in children's learning outcomes.<sup>128</sup>** However, data show that Roma children are significantly poorly prepared to start primary education compared to their non-Roma peers, mostly because very few are enrolled in pre-school education (21 per cent in 2011).<sup>129</sup> Indeed, if Roma children attend pre-school, they meet the requirements for enrolment in primary school, highlighting the importance of access to early childhood development services in ensuring improved learning outcomes for all children later in life.<sup>130</sup>

## B. PRIMARY AND SECONDARY SCHOOL EDUCATION

**Enrolment rates for primary, secondary and tertiary education improved between 2014-2015 and 2019-2020,<sup>131</sup> although access to good quality primary and secondary education remains relatively low** compared to other countries in the region.

**Issues related to the quality of education and barriers to access for children with disabilities and special educational needs persist.** In 2017 the Committee on Economic, Social and Cultural Rights (CESCR) expressed concerns over ensuring the right to education, in particular the low level of school enrolment among youth in rural areas, Roma children's access to good quality education, and high dropout rates, including among children of Moldovan migrant workers abroad, at all levels of education. The CESCR also pointed to the insufficient provision of inclusive education for students with disabilities, limited opportunities for education in regional languages, and the poor quality and condition of educational materials and school facilities.<sup>132</sup> Poverty also significantly impacts enrollment, the difference between the lowest and highest wealth quintiles being nearly 30 percentage points for preschools and 67 percentage points for upper secondary education.<sup>133</sup>

**Figure 29: Enrollment rates by education level (per cent)**



Source: NBS

126 Analytical Review of Governance, Provision and Quality of Early Childhood Education Services at the Local Level in Countries of Central and Eastern Europe and the Commonwealth of Independent States/ Country Report for Moldova, Yale University/UNICEF, 2018.

127 Brief analysis of primary and secondary general institutions in 2019-2020 school year, National Bureau of Statistics, December 2019.

128 National Bureau of Statistics (2015). 2014/15 Education in the Republic of Moldova. Statistical publication.

129 United Nations Moldova (2013). Op. cit.

130 UNICEF, 'Participatory assessment of barriers hampering the access of Roma children and their families to services', 2015.

131 The gross enrolment rate suggests that the closer this indicator approaches 100 (or even exceeds it in some cases), the better access to that level of education is. Gross enrolment can be above 100 per cent as it is computed based on the total number of children of all ages, enrolled at an education level divided by the total number of children of the school age for that specific education level.

132 Committee on Economic, Social and Cultural Rights, '[Concluding observations on the third periodic report of the Republic of Moldova \(E/C.12/MDA/CO/3\)](#)', 2017, para. 70.

133 UNICEF, 'Children in the Republic of Moldova: A Situation Analysis', 2016, page 6.

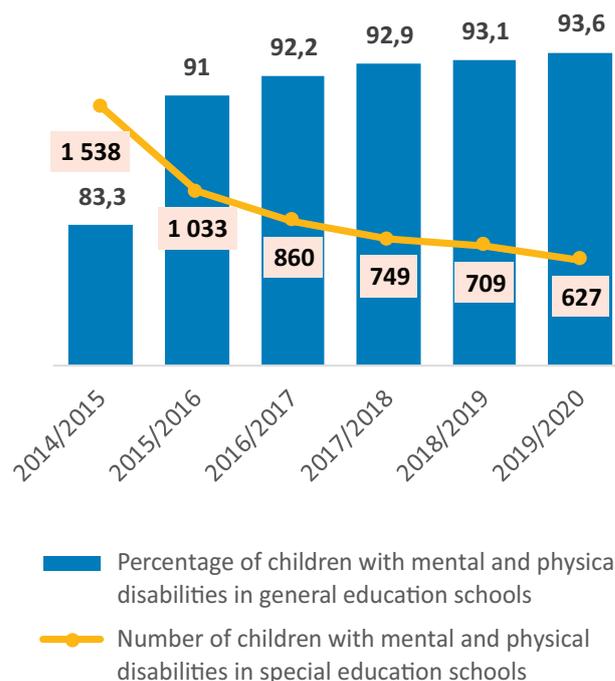
## C. INCLUSION OF VULNERABLE GROUPS IN THE EDUCATION SYSTEM

Despite substantial progress, the inclusion of vulnerable groups – including people with disabilities – into the educational system in Moldova remains an issue. Although the proportion of students with special educational needs (SEN) and disabilities enrolled in general education institutions increased from 83.3 per cent in 2014 to 93.6 per cent in 2019, most educational institutions are not adapted to meet inclusive education standards. In the 2019/20 academic year, overall 9,800 students with SENs and disabilities were enrolled in educational institutions, including 9,200 students in general education institutions and 600 in schools for children with intellectual or physical developmental disabilities.

In Gagauzia, only one preschool institution is adapted for inclusive education, and only 20 out of 49 primary and secondary schools have resource centres for inclusive education. The ramps have been installed in 27 out of 49 schools and in 10 out of 54 preschool institutions<sup>134</sup>. Noteworthy that the majority of children with disabilities in raion Vulcanesti do not attend upper secondary educational institutions. Furthermore, **out of 174 children in situation of risk** (from socially vulnerable families; children from ethnic minority groups; children of migrants; children living in streets; children with AIDS) in 2018-2019 **only six persons benefitted from psycho-pedagogical support**<sup>135</sup>.

Despite some progress in recent years, barriers to accessing education remain. These include lack of physical infrastructure adapted to special educational and disability needs; lack of appropriate teaching materials and specialized support; and the limited capacities of teachers to work with children with special education needs, especially children with severe disabilities, Autism Spectrum disorders, learning and intellectual disabilities, and sensory disabilities. Stigma and bullying among peers also persist. The Committee on the Rights of Persons with Disabilities (CRPD) expressed concerns related to limited support for children with disabilities and SENs to access inclusive education in 2017.<sup>136</sup> Also, in 2020 the Committee on Elimination of Discrimination Against Women (CEDAW) expressed concerns related to the limited number of women and girls with disabili-

Figure 30: Children with special educational needs and disabilities in the education system



Source: NBS

ties in mainstream and inclusive education, due to the lack of accessible school buildings and transportation facilities, as well as the lack of training on inclusive education for teachers and staff in schools.<sup>137</sup> Inadequate human and financial resources also create barriers to supporting the inclusion of children with disabilities in general schools. All children attending primary school receive free meals, but this does not routinely continue beyond primary level. Many secondary schools do not provide free meals to children with disabilities and with SENs, even though they often come from families in very poor financial situations.<sup>138</sup> The exception is in Gagauzia, where all children from pre-school to secondary general education benefit from free meals.<sup>139</sup>

**Issues faced by children with disabilities persist, despite the presence of a strong legislative and policy framework.** These issues are addressed in a range of national strategic documents, laws and regulations. Moldova reformed its child protection laws and these are now aligned to international and European standards. A regulatory framework has been put in place, with

134 Main Department of Education of Gagauzia, DEG. [Inclusive education](#). Statistical data, June 2018-November 2019.

135 Available at [statistical data for inclusive education in Gagauzia](#).

136 Committee on the Rights of Persons with Disabilities, [‘Concluding observations on the initial report of the Republic of Moldova \(CRPD/C/MDA/CO/1\)’](#), 2017.

137 Committee on the Elimination of Discrimination against Women, [‘Concluding observations on the sixth periodic report of the Republic of Moldova \(CEDAW/C/MDA/CO/6\)’](#), 2020.

138 Free meals are offered to all children in primary education. Provision of free school meals to specific vulnerable groups beyond primary education is regulated through other mechanisms, implemented in consultation and with the support of the local public administration.

139 Local law of ATU Gagauzia on the [Fund ‘Healthy generation’ No. 13](#), 10 November 2017; [Local law of ATU Gagauzia on compensation of parental fees for children’s meals in pre-school / pre-school education institutions, general education institutions with combined educational programmes No. 49](#), 17 December 2019.

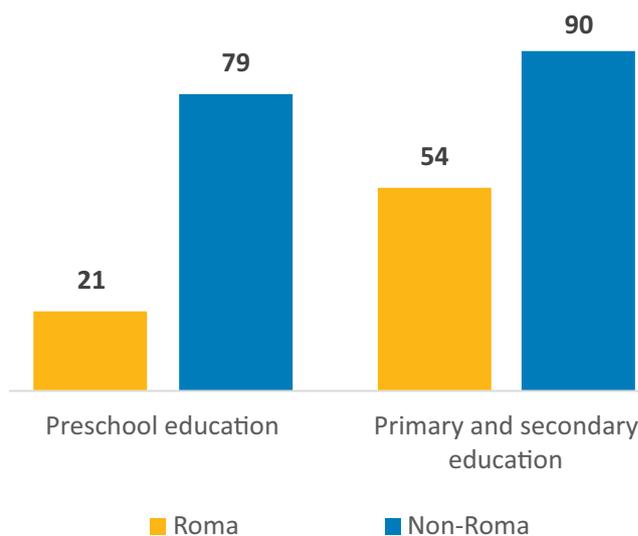
emerging institutional capacities to implement these requirements. Challenges remain, however, as mentioned by the CRPD in its Concluding Observations for Moldova (2017). The Committee expressed concern about: i) stigmatizing attitudes towards children with disabilities; ii) lack of community services; and iii) the fact that children with disabilities do not systematically participate in decision-making that affects their lives, and that they lack opportunities to express their opinion on matters pertaining to them directly.<sup>140</sup>

**Specific groups of children, notably girls in rural areas, including Roma girls and girls with disabilities, are at high risk of being out of school.**<sup>141</sup> For instance, on average only half of Roma children attend primary and secondary school, compared to 90 per cent of non-Roma children.<sup>142</sup> The Roma minority is one of the most vulnerable population groups, and often adult household members are illiterate and/or very poor. As a result, children from many Roma families need curricular and extra-curricular support (e.g., afterschool homework groups) to ensure their learning outcomes are commensurate with their peers. Sometimes, Roma children lack space or materials to do their homework (such as a desk and stationery), which can lead to not being able to meet the requirements of the school programme, or even school drop-out.<sup>143</sup> For this reason, in 2020 the CEDAW Committee recommended the adoption of temporary special measures to accelerate equal access to education and provide inclusive re-entry programmes for women and girls who have dropped out of school, including in rural areas and in Roma communities.<sup>144</sup> To address some of the material needs experienced by Roma students, the local administrations in Chisinau, Calarasi, Balti, Glodeni, Drochia, Hincesti, Basarabeasca and Riscani allocate resources for providing free meals to Roma children at all levels of education.<sup>145</sup>

School drop-out is higher among girls (10.3 per cent) than boys (9.8 per cent).<sup>146</sup> Just over a quarter of young women (25.2 per cent) are not in work or education, as are 30.2 per cent of young men.<sup>147</sup> Roma girls and boys make up a significant portion of these young people.

**The number of children living in state institutions has decreased in recent years, while at the same**

**Figure 31: Gross participation rate of Roma and non-Roma children in education (per cent, 2011)**



Source: UNICEF (based on the 2011 UNDP/WB/EC report „Situation of Roma in Roma-Populated Communities”)

**time, more children are legally separated from their parents. Children still face barriers to the realization of their rights.** There are more than 6,000 children living in residential care (4,500 children in 49 large-scale institutions and 1,557 children in 27 small group homes). In its Concluding Observations on Moldova in 2017, the Committee on the Rights of the Child (CRC) acknowledged the results of the deinstitutionalization reforms and the adoption of legislative and policy measures on child protection. At the same time, the Committee raised the following as growing concerns: the increasing number of children being legally separated from their parents; high numbers of new-born babies being abandoned; the fact that a large number of children are still living in institutions, in particular infants under three years old; and children left behind when parents migrate abroad.<sup>148</sup> Lack of individual care plans coupled with inadequate monitoring of institutional placement of children minimizes the child’s chances of reintegration within a family. Lack of adequate support for children

140 Committee on the Rights of Persons with Disabilities, ‘Concluding observations on the initial report of the Republic of Moldova (CRPD/C/MDA/CO/1)’, 2017.

141 In 2017, the UN Committee on Economic, Social and Cultural Rights recommended that Moldova should address low enrolment rates among Roma children and young people in rural areas, and high drop-out rates at all levels of education.

142 UNICEF, ‘Children in the Republic of Moldova: A Situation Analysis’, 2016, p. 53.

143 The need to organize afterschool clubs for Roma and other ethnic minorities was highlighted during UN CCA consultations.

144 Committee on the Elimination of Discrimination against Women, ‘Concluding observations on the sixth periodic report of the Republic of Moldova (CEDAW/C/MDA/CO/6)’, 2020, Recommendation no.19.

145 Committee on the Elimination of Racial Discrimination, ‘Twelfth - fourteenth periodic reports submitted to CERD by the Republic of Moldova in accordance with Article 9 of the Convention, expected in 2020 (CERD/C/MDA/12-14)’, June 2020. [in Russian]

146 World Economic Forum, ‘The Global Gender Gap Report 2017’, 2017, p. 239.

147 Ibid.

148 Committee on the Rights of the Child, ‘Concluding observations on the combined fourth and fifth periodic report of the Republic of Moldova (CRC/C/MDA/CO/4-5)’, 2017.

leaving the care system when they turn 18 and move to independent living increases their vulnerability, as many of these young people do not have the basic resources needed to live independently, such as housing and/or financial sources for survival. Furthermore, when young people enrol in professional studies, they no longer receive the monthly social allocation payment of 1,400 MDL (equivalent of \$US 80 per month), as highlighted by their tutors and the Professional Parental Assistants who are their guardians. Lack of access to housing for 18-year-olds leaving the care system is a considerable impediment to the protection of their rights: at 18 they are by definition no longer children, and hence are not eligible for housing support.

The CRC also raised concerns regarding the deinstitutionalization of children with disabilities from Temporary Placement Centres for Children with Disabilities in Hancesti and Orhei districts. As highlighted in the People's Advocate report, these facilities are designed to host children with severe disabilities. At present, however, a much larger number of adults than children live in these centres, contradicting international provisions on child protection and potentially endangering the life and health of children.<sup>149</sup>

## D. DECREASE IN THE NUMBER OF STUDENTS

According to baseline scenario projections made by the Centre for Demographic Research, by 2035 the population aged under 24 will decrease by almost 33 per cent, compared to the Centre's estimates for 2014. The most drastic reduction is anticipated in the early education (pre-school) population at almost 50 per cent. The main

factor of this decrease in population is the anticipated decrease in fertility rates, compounded by the decrease in the overall female population.<sup>150</sup>

In line with overall population trends and due to the compounding factors detailed above, segments of the school-age population have suffered a significant decline. The number of people aged from 0 to 23 decreased from 1.38 million people in 2003 to 949,000 in 2018, or by about 31 per cent. The 16- to 18-year-old segment shrank by about 48 per cent and the 7- to 15-year-old segment fell by 38 per cent. The exception is the age group of 3- to 6-year-olds, which increased by 9 per cent. This is most likely a temporary effect of a generation of baby boomers (those born in the 1980s) entering their child-bearing years towards the start of the century.<sup>151</sup>

A continuous **decline in the number students in the last decades has had a negative impact on the efficiency of the education system, forcing the optimization of school infrastructure and introduction of per-capita financing.** In turn, this has led to a decrease in Government spending on education as a share of GDP from 9 per cent in 2009 to 5.8 per cent in 2019. The per-capita funding mechanism is based on the principle of 'money follows the pupil, under which the allocated resources for each student are transferred to the educational institution where s/he is enrolled. The introduction of a new financing formula streamlined financing of 'hub schools' and facilitated the upgrading of school infrastructure.

In recent years the funding allocated to upgrade schools and for repairs had offset the savings from the optimization of the school network; however, the ongoing prioritization of upgrading school infrastructure reversed the trend and slightly increased the share of education spending in GDP in 2019.

**Table 1: Actual and projected youth population reduction through 2035, in thousands.**

Age group	Estimates			Projections		
	2004	2014	2020	2025	2030	2035
<b>0 years</b>	34.9	35.7	31.9	25.5	21.4	19.8
<b>1-3 years</b>	101.9	114.3	101.9	82.6	67.1	59.7
<b>4-6 years</b>	110.7	114.1	107.4	93.1	74.3	62
<b>7-11 years</b>	233.2	167.2	187	172.1	145.2	115.6
<b>12-16 years</b>	306.6	167.1	165.8	181.5	166.7	14.0
<b>17-19 years</b>	197.7	119.9	89.8	98.3	103.6	94.9

Source: Analysis of population situation in the Republic of Moldova, Centre for Demographic Research, Chisinau, 2016

149 Office of the People's Advocate of the Republic of Moldova, 'Report on Observance of Child's Rights in The Republic of Moldova in 2019. Report of Ombudsperson For Children's Rights', 2020. [http://ombudsman.md/wp-content/uploads/2020/08/Raport\\_anual\\_copii\\_2020-coperta-20.08.2020.pdf](http://ombudsman.md/wp-content/uploads/2020/08/Raport_anual_copii_2020-coperta-20.08.2020.pdf)

150 Centre for Demographic Research, 'Analysis of population situation in the Republic of Moldova', Chisinau, 2016

151 Ibid.

**Table 2: Government spending on education, 2018/2019**

Types of expenditures	2018	2019 <sup>152</sup>
Expenditure on education as share of total GoM expenditure, %	17.5	18.4
Expenditure on pre-primary education as share of GoM expenditure on education, %	24.4	N/A
Expenditure on primary education as share of GoM expenditure on education, %	23.3	N/A
Expenditure on secondary education as share of GoM expenditure on education, %	36	N/A
Expenditure on tertiary education as share of GoM expenditure on education, %	11.9	N/A
GoM expenditure on education as % of GDP, %	5.5	5.8

**Despite the implementation of efficiency measures, reduction in class sizes and the shrinking of the child population, there has not been a reduction in teaching and non-teaching school staff as might have been expected.** In the last few years, Moldova has improved its student-to-teacher ratio, which now stands at 11.9:1 in all segments of the education sector. However, this optimization in staffing levels would require more time and effort to further streamline efficiency through redistribution of wage bills towards: (i) higher salaries for more qualified and competent teachers, and (ii) increased allocations for training and retraining of teachers.

## E. STUDENT PERFORMANCE

Moldova's performance in the Programme for International Student Assessment (PISA)<sup>153</sup> is a substantive illustration of the challenges the system currently faces in terms of the quality of the education that children in Moldova receive. Despite of some progress achieved in 2015, there have been few improvements since then. **According to PISA 2018, students in Moldova scored lower than the OECD average in reading, mathematics, and science.**<sup>154</sup>

Most 15-year-old Moldovans lack basic skills to participate effectively and productively in society: 43 per cent of Moldovan students are functionally illiterate (i.e., four out of ten 15-year olds cannot effectively summarize and systematize information), and 43 per cent do not have minimum knowledge in science. Furthermore, only 2 per cent of students scored at Level 5 or higher in mathematics, versus the OECD average of 11 per cent, and far behind their peers in China (44 per cent), Singapore (37

per cent), and Korea (21 per cent). Disparities in learning are also linked to area of residence and socio-economic status, with the latter being a strong predictor of performance in mathematics and science of Moldovan students. In terms of gender, girls outperform boys in reading and science, while they score equally in maths. There are substantial disparities in all three areas (reading, maths, science) between students attending rural and urban schools:<sup>155</sup> the gap between students from rural and urban settings is equal to roughly 1.4 years of schooling.<sup>156</sup>

Furthermore, there are clear disparities in performance according to the socio-economic status of the child's family, while children in rural areas perform worse than their peers in urban settings, and girls usually outperform boys.

**Discrepancies in attainment related socio-economic status are linked to parents' ability to pay for additional extra-school hours of tuition or other activities for their children.** Estimates show that parents with school-age children pay about 232.8 million lei annually for additional books and notebooks, 332.6 million lei for individual lessons in or out of school, 44.8 million lei for gifts offered to teachers, 90.5 million lei for school events, 77.9 million lei for sports circles and sections.<sup>157</sup> According to a recent survey financed by the Moldova Soros Foundation, for every 1 MDL spend by the Government on children's education, parents are contributing 0.9 MDL. It is noteworthy that for 35 per cent of families, these additional payments represent a substantial financial burden, while for 37 per cent of families, the amount paid is acceptable. Furthermore, the level of spending correlates with the availability of access to additional extracurricular activities; in rural areas these are often not available.

152 NBS publication, ['Education in The Republic of Moldova Statistical Publication, 2019/2020'](#), Chisinau, 2020.

153 The Programme for International Student Assessment (PISA) is a triennial survey of 15-year-old students that assesses the extent to which they have acquired the key knowledge and skills essential for full participation in society. The assessment focuses on proficiency in reading, mathematics, science and an innovative domain (in 2018, the innovative domain was global competence), and on students' well-being.

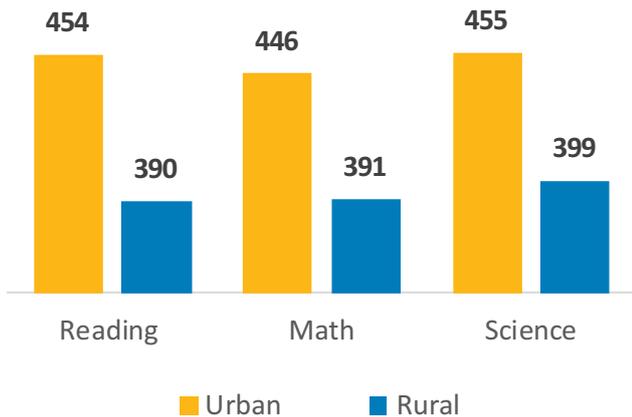
154 OECD, ['Programme for International Student Assessment \(PISA\), Results from PISA 2018: Country Note for Moldova'](#), 2018.

155 Ministry of Education, Culture and Research, ['Republic of Moldova in PISA 2018'](#), Chisinau, 2018. [in Romanian]

156 World Bank, 'Education Public Expenditure review', 2018.

157 SOROS-IPP, ['Study on informal payments in schools'](#), 2020.

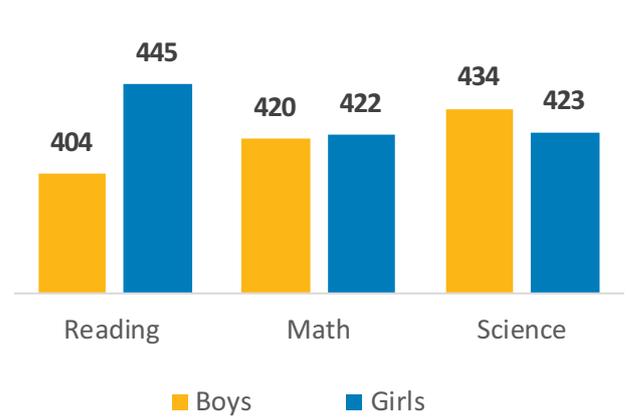
**Figure 32: Urban/rural inequalities in academic performance (score, 2018)**



Source: PISA, OECD

**Suboptimal PISA results are caused by inadequate curricula and poor teaching quality: the latter is considered to be one of the most important contributing factors to improving student achievement.** The latest school-level data from the NBS show that 27,400 teachers are employed in the country's general education institutions, two thirds of whom hold some sort of pedagogical certification and 19 per cent of whom are of post-retirement age.<sup>58</sup> The share

**Figure 33: Gender inequalities in academic performance (score, 2018)**

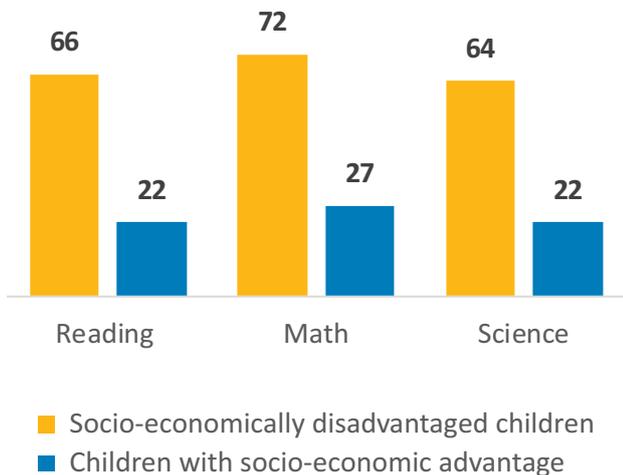


Source: PISA, OECD

of teaching staff of retirement age has more than doubled in the last decade, indicating a rapid ageing of the profession.

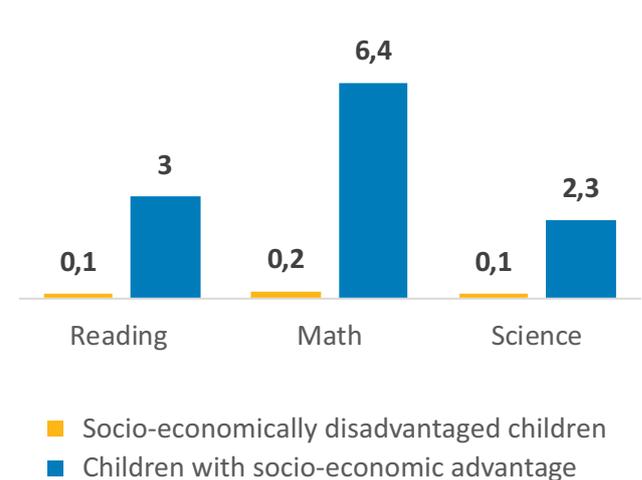
Teaching staff engaged in pedagogical work for 20 years and over accounted for 57.7 per cent of the total number of people employed in the education system. Overall, 86.9 per cent of teachers are women, while women occupy 91.3 per cent of management positions.<sup>159</sup>

**Figure 34: Percentage of children with poor performance by socio-economic background (2018)**



Source: PISA, OECD

**Figure 35: Percentage of children with top level performance by socio-economic background (2018)**



Source: PISA, OECD

158 NBS, 'The activity of primary and general secondary education institutions in the 2019/20 academic year', 2019.  
159 Ibid.

## F. INFRASTRUCTURE

**The school network infrastructure in Moldova is obsolete, often putting children's health at risk.** In particular, many rural schools are not connected to sewerage and do not have well-equipped sanitary blocks. Toilets are usually located outside the building and are not safe, particularly for young girls, who may easily turn to develop chronic diseases of the reproductive system at an older age. Out of the total of 1,240 schools, 1,048 have sanitary facilities indoors.<sup>160</sup> However, only 80 per cent (879) of them are compliant with sanitary requirements. Out of all schools, **only 24 per cent have sanitary facilities adapted to the needs of children with disabilities. There are 7 out of 45 schools in Gagauzia, mainly in rural areas, with no sanitary facilities while only 26 have good sanitary conditions.**

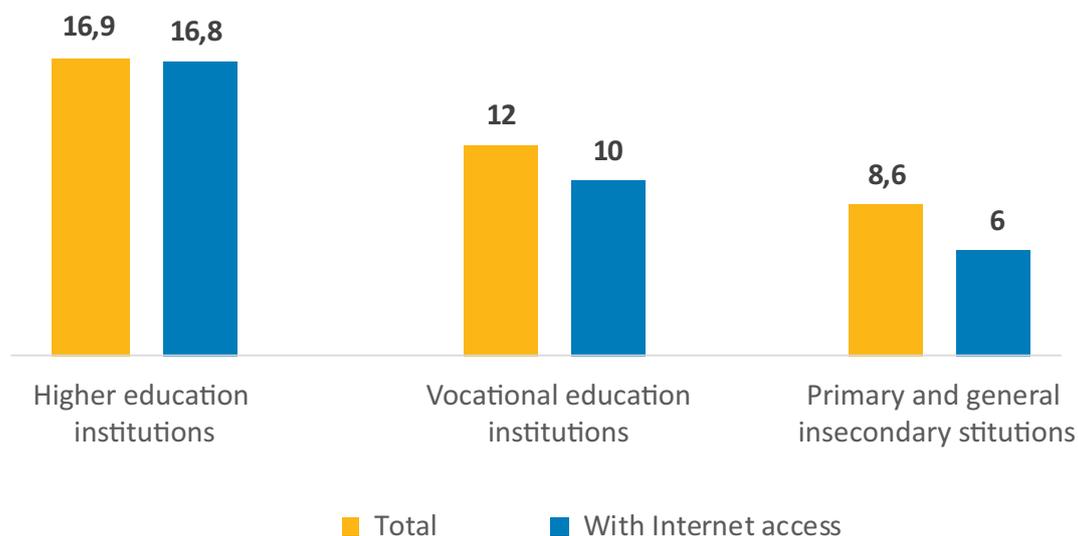
**The has revealed that the education system does not have tools and skills to provide good quality education remotely.** The majority of schools identified a shortage of necessary equipment and communication infrastructure and elementary IT skills as key challenges in responding to the new requirements of online training. About 16,000 students (4.8 per cent), and 3000 teachers (10.6 per cent of total) had no or limited access to ICT technologies (a laptop/tablet or access to internet).<sup>161</sup> This made it impossible to deliver or receive instruction (let alone organize lessons and monitor and assess learning progress) for a substantial share of students and teachers. Families with

school-aged children living in areas where internet connectivity rates are lower are potentially most affected, for instance, those in rural areas (74.5 per cent of households have an internet connection in rural areas, compared to 86.1 per cent in urban areas), families with lower levels of education (64.7 per people who were not able to complete secondary education have an internet connection, compared to 94 per cent among those with higher education), and households with on low incomes (56.7 per cent internet connectivity among those with a monthly income under 3,000 lei, compared to 96.5 per cent in households with an income of over 6,000 lei per month).

Gender impacts on access to a computer at home, as women-headed households are 11.7 per cent less likely to have a computer at home than households headed by men. Over time, these differences are accentuated: the number of men-headed households with access to computers and the Internet is growing faster than the number of households led by women who have access to these resources. In rural areas, 24.1 per cent fewer people have access to a computer at home than those living in urban areas. Public services are accessed more frequently by men (28 per cent in 2016) than by women (21 per cent).<sup>162</sup>

Consequently, students with no access to technology (as well as children and adolescents with disabilities) are most at risk of falling further behind their peers in terms of future academic performance.<sup>163</sup>

Figure 36: Computers per 100 students (2019/2020)



Source: NBS

160 Administrative data from local public administrations as of 1 October 2020.

161 National Pupils Council from VET, 'Assessment on distance learning among VET students', June 2020.

162 NBS, 'Population Access and use of Information and Communication Technology (ICT)', n.d. [https://statistica.gov.md/public/files/publicatii\\_electronice/Femei\\_barbati\\_TIC/5\\_Accesul\\_utilizarea\\_TIC\\_de\\_populatie.pdf](https://statistica.gov.md/public/files/publicatii_electronice/Femei_barbati_TIC/5_Accesul_utilizarea_TIC_de_populatie.pdf) [in Romanian]

163 Government of the Republic of Moldova, 'Republic of Moldova Voluntary National Review Progress Report 2020', 2020, p.31.

## G. YOUNG PEOPLE NOT IN EDUCATION, EMPLOYMENT OR TRAINING (NEET)

In Moldova 27.4 per cent of young people are not in education, employment or training (NEET).<sup>164</sup> This is more than twice the EU average.<sup>165</sup> It is noteworthy that the share of NEET adolescents aged 15-19 (16 per cent) is lower than the share of NEET youth aged 20-24 (25 per cent). Girls and young women are more likely to be NEET than boys and young men: the figures are 35.5 per cent for girls and young women, and 19.4 per cent for boys and young men. Young people residing in rural areas are overall more likely to be NEET. In Chisinau, the region with the most opportunities for study and work, about a third of women aged 15-29 do not work, study or receive any training. In the southern region of Moldova, the share of NEET among young women is even higher - about 35 per cent.

**Challenges faced by young people are not sufficiently addressed in the policymaking:** (i) youth programmes are underfinanced while Local Public Authorities (LPAs) do not allocate resources for youth support and development, due lack of efficient implementation at local level; (ii) there is no mechanism for effective youth engagement in decision-making at local level (youth and CSOs representing them are not sufficiently consulted during implementation of local policies).

A deeper analysis of the factors leading to such a high NEET rate in Moldova shows that the challenges are related to lack of opportunities in the labour market, resulting from the economic and social crisis in recent years, low incomes that do not provide a decent living, and inequalities in the workplace. Many young people are discouraged, or see no prospect of future success in the domestic labour market, and so choose to work abroad, or are looking for a job abroad.<sup>166</sup> Among students from the poorest backgrounds, 22 per cent are looking to enrol at university is 22 per cent, compared

to 77 per cent of students from higher income groups. A significant number of young people do not have access to post-secondary education. According to PISA, in Moldova, about one in three high-achieving students from disadvantaged backgrounds do not expect to complete tertiary education, compared to one in 10 high-achieving students from advantaged backgrounds.

## H. HIGHER EDUCATION

**Enrolment in Moldova's higher education system has declined over the last decade.** In 2019/2020 only 56,840 students were enrolled in tertiary education in Moldova (excluding foreigners), 85 per cent of whom are studying at public educational institutions.<sup>167</sup> About 58 per cent of enrolled students are women. The number of university students per 10,000 inhabitants decreased from 312 to 222 during the period of 2014-2018. The high outmigration of young people for educational purposes (accessing scholarship opportunities or taking advantage of dual citizenship to study at an EU university) was one reason for this, among others. In line with demographic trends and given behavioural changes related to seeking a better quality of education elsewhere, the share people enrolled as students at higher education institutions are expected to continue decreasing by an average of 8-10 per cent annually.

**The major challenge faced by Moldova's higher education system is related to its internal financial inefficiency and poor quality of teaching.** The share of spending for tertiary education as a share of the Government of Moldova's expenditure on education is roughly 11 per cent (2018), which is higher than in similar countries in the region (Belarus, Armenia, Georgia). Although the share of spending on tertiary education has declined in recent years, in real terms expenditure per student has increased, as fewer students are enrolling. These changes, however, have not translated into improvements in quality. Furthermore, 90 per cent of the total budget allocated for higher education is used to pay the salaries of teachers and non-teaching staff, while a very low amount is set aside for measures to improve academic performance. The share of students enrolled in universities 2019/20 school year reached 56,840, which is 30 per cent lower than in 2015/16.<sup>168</sup> However, amid the COVID-19 pandemic, many educational institutions have registered a slight increase in the number of students, and this dividend should be used as an opportunity for improvement.

164 NBS, 'Young people in the Republic of Moldova in 2019', 2020. [in Romanian]

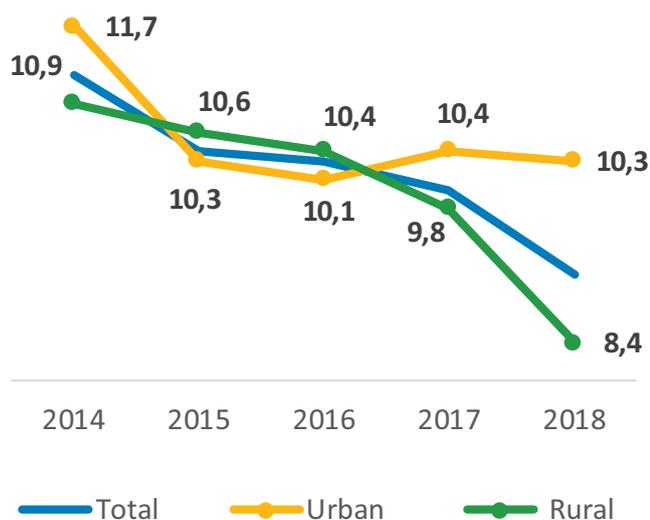
165 EU average: 12.9 per cent of 15-29 year olds. and 10.5 per cent 15-24 year olds.

166 UNDP, UNFPA, CNTM, INCE, 'Inclusion of Youth Not in Employment, Education or Training (NEET Youth): Sociological Study', Chisinau, 2017, p.12.

167 NBS, 'The activity of higher education institutions in the 2019/20 academic year', 2019. <https://statistica.gov.md/newsview.php?ro&idc=168&id=6547> [in Romanian]

168 NBS, 'Young people in the Republic of Moldova in 2019', 2020. [in Romanian]

**Figure 37: Participation rate of young people and adults in formal and non-formal lifelong learning by urban/rural location (per cent)**



Source: NBS

**Moldova’s higher education and Vocational Education and Training (VET) systems do not meet labour market demands in terms of skills mix.**

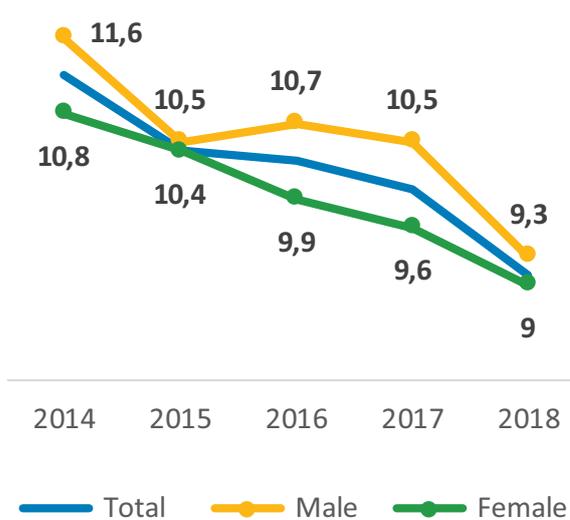
In the past 10 years, overall enrolment in VET has declined by 20 per cent and enrolment in secondary VET has decreased from 24,270 students in 2008/09 to 14,700 students in 2019/2020. Over the same period, post-secondary VET has also seen a decline. Enrolment at these levels decreased from 32,683 students in 2008/09 to 28,900 students in 2019/2020.<sup>169</sup>

**The low quality of education provided in Moldova constrains young people’s access to the labour market.**

Barriers to the labour market include: (i) longer and more insecure transitions from school to work; (ii) inability to meet the requirements of employers who need for a skilled, experienced workforce in a market economy environment; (iii) insufficient correlation between the educational offer and the requirements of the labour market, which leads to young people being employed in jobs requiring lower qualifications than the qualifications they hold; (iv) the salary levels offered by employers being below the expected level; and (v) the default to migration that has shaped Moldovan society over the last two decades.<sup>170</sup>

Lifelong learning has not yet been fully embraced, as the society in Moldova has lost touch with the culture

**Figure 38: Participation rate of young people and adults in formal and non-formal lifelong learning by gender (per cent)**



Source: NBS

and traditions of volunteering and community service. In addition, there are few opportunities and incentives to acquire new skills and knowledge, particularly for older adults.

**Challenges related to deficiencies in the education system, as well as the absence of a culture of lifelong learning, have resulted in a skills mismatch in Moldova’s labour market.**

For about 40 per cent of Moldovan companies, the skills deficit represents a major or severe constraint for their business development; this is one of the highest levels in Europe and Central Asia. Moreover, the current lifelong education model perpetuates structural inequalities in the labour market and does not effectively ensure equal access to education for vulnerable groups, in particular Roma, young people (particularly young women), those engaged in agriculture, and persons aged over 50.<sup>171</sup>

**Adults’ participation in lifelong learning is decreasing among both men and women, as well as for those from both urban and rural areas.**

Very few adults participate in lifelong learning, particularly among older adults. Only 0.3 per cent of people aged 55-74 are involved in lifelong learning activities. Family duties and financial costs limit access to lifelong learning, particularly for women: more than half of women reported that they could not access lifelong learning

169 NBS, 'The activity of primary and general secondary education institutions in the 2019/20 academic year', 2019.

170 Government of the Republic of Moldova, 'Republic of Moldova Voluntary National Review Progress Report 2020', 2020, pp.29-30.

171 Centre Partnership for Development, 'Uncertain path to adult qualification: An Analysis of Lifelong Learning Inequalities in the Republic of Moldova', Chisinau 2020, p.3.

for these reasons. 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, a person's intention to access 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 fit with the timetable for studying, or an employer does not encourage these activities).<sup>172</sup>

**Generally, Millennials (20-39-year-olds) is more educated than the Baby Boomer generation (55-74-year-olds): 13.7 per cent of the total number of people who have higher education are aged 20-39, while 5.4 per cent are aged 55-74.** By contrast, 3.6 per cent of all people who have just a primary education or no education at all are aged 55-74, compared to 1.8 per cent who are aged 20-39.

## I. CULTURAL HERITAGE AND ACTIVITIES

**Interest in cultural heritage is increasing in Moldova's society**, even if progress in this sector requires alignment to the minimum standards in force in Europe and advancements in the implementation of the relevant international standards. These include the international conventions in the field of culture to which Moldova is a Party. **The public funding allocated to the Ministry of Education, Culture and Research for education and culture is quite modest**, representing 0.5 per cent of the State budget (approximately Euro 35 million in 2018). Local governments have extensive authority in the field of culture, but invest and contribute modestly to the cultural sector.

**Households' cultural consumption is very low:** surveys show that 80 per cent of the population said that they did not attend or participate in a cultural event (cinema, performing arts, museum, art exhibition, etc.) in the past year. Romanian and Russian TV Channels are more popular than local TV because of their greater capacity to invest in content. A specific (modest) funding

programme has been set up to support the film industry and the Moldova Centre for Cinematography (CNC). International feature films are widely available for free via pirate web platforms established in neighbouring Russia, which contributes to the weakening of the audio-visual industry in the country.

**The Ministry of Education, Culture and Research manages a considerable number of cultural institutions, which take up 80 per cent of its financial resources.** These comprise 16 theatres and concert venues, nine art institutions (education), five museums, and two libraries. Most of these institutions remain underfunded and lack the capacity to invest in the development of the art, culture and recreation sector. Cultural infrastructure at local level has largely been inherited from the Soviet period, and maintaining this is not given priority. Moldova has participated in the Creative Europe Programme since 2015.<sup>173</sup> The country benefits from foreign financial aid from individual countries, as well as from the EU, through different programmes (Creative Europe, Eastern Partnership, Cross border cooperation programme with Ukraine and Romania, Confidence Building Programme related to Cultural heritage).<sup>174</sup> However, there is a clear need to develop Moldova's cultural education, in the sense of integrating culture, cultural heritage, and arts into the educational system and cultural institutions, and harnessing culture in both formal and non-formal education settings.

The COVID-19 pandemic has had a substantial impact on the culture sector. Many cultural institutions and organizations, as well as independent artists, transferred their cultural content online (films, recordings of theatre performances, concerts, museum and library collections etc), exploring new channels for communicating with audiences in order to promote their activities and distribute their products. Digital platforms such as Facebook or YouTube became even more important distribution channels for cultural products. The cultural institutions under the management of the Ministry of Education, Culture and Research made a series of concerts, shows, digital resources, and online exhibitions available to the public. Most libraries also redirected their activity to the virtual space, contributing to the development of online services for users.

172 Government of the Republic of Moldova, '[Republic of Moldova Voluntary National Review Progress Report 2020](#)', 2020, pp.51-53.

173 Moldova has not yet become a member of Eurimages (membership is not felt to be a priority considering the state of the local film industry, as well as the cost of membership - 130 000 EUR/year).

174 Council of Europe, '[Cultural Policy Review of the Republic of Moldova: Towards a Strategy for the Development of Culture and Creative Industries](#)', Chisinau, 2019.

## THE IMPACT OF THE COVID-19 IMPACT ON EDUCATION

In response to the outbreak, the Government of Moldova closed all schools on 11 March. Approximately 434,000<sup>175</sup> students in all academic institutions at all levels were asked to stay at home, and schools were tasked with providing distance learning opportunities.

The closure of early childhood education, pre-school and school institutions meant that many parents – mothers especially – had to temporarily leave work or be released from work to care for young children. This situation is aggravating the financial situation of families with young children and pushing young families deep into poverty, negatively affecting the well-being of children.

**Pupils in all age groups did not have equal access to good quality online education, due to lack of devices, connectivity issues, and many teachers being unfamiliar with online teaching methods.** Over 150,000 children of pre-school age were unable to attend kindergarten and pursue their schooling.

In June 2020, almost 50 per cent of students in the VET system reported limited constructive feedback from their teachers, with 16 per cent reporting very limited feedback and another 7 per cent reporting no feedback at all. This has demotivated students and increased their levels of uncertainty and frustration.<sup>176</sup>

**The COVID-19 pandemic is also having an impact on the psycho-emotional well-being of young people.** Young people already faced problems relating to psycho-emotional well-being before the onset of the pandemic. Measured on a scale from 0 to 10, the perceived level of life satisfaction among young people aged 15-29 was at only 6.5 points in 2015. According to a study conducted in 2018, about 36 per cent of young people in Moldova were deprived and dissatisfied with their situation in one or more dimensions of well-being: health, education, employment, participation and inclusion.

Problems related to psycho-emotional well-being persist in 2020: 1 in 10 young people is dissatisfied with living, both from a social and economic perspective. With the spread of the pandemic, anxiety, depression and emotional turmoil worsened: 20 per cent of young people have reported a worsening in their psycho-emotional well-being during the pandemic crisis, compared to the first months of the year (January- February). The negative effects of the isolation measures were most pronounced for girls and young women, young people in urban areas, and those with modest incomes. Young people also engaged in risky behaviours more intensely and frequently during the isolation period than before the onset of the crisis. Out of the total number of young people who consumed tobacco in the pre-pandemic period (24 per cent), about 38 per cent used it more often during the pandemic crisis. Of those who had previously self-harmed (6.5 per cent), about 13 per cent said they made more attempts during the period of isolation. Also, during the pandemic, rates of violence increased, resulting in a considerable deterioration in the psycho-emotional well-being of young people. Changes in psycho-emotional well-being and behaviour require urgent support: one third of young people felt they needed help during the pandemic crisis to overcome or alleviate anxiety and depression, and also to maintain emotional integrity. The need for support is higher among girls, who were the most psycho-emotionally affected by the pandemic crisis (43 per cent of girls and 17.9 per cent of boys reported feeling affected).<sup>177</sup>

175 NBS, 'Education in the Republic of Moldova, statistics periodical (2019/2020)', 2019.

176 National VET Students Council, Assessment on distance learning among VET students, June 2020

177 UNFPA and Centre Partnership for development in coordination and with the support of the RCO, SDC and Ministry of Education Culture and Research, 'The impact of the covid-19 pandemic on the psycho-emotional well-being of young people', Chisinau, 2020.

# GENDER INEQUALITIES

**Gender inequalities still persist in Moldova.** Despite making up 51.8 per cent of the population, women continue to be under-represented in the Parliament, district and local councils, as well as in central and local government. Women's labour force participation is still lower than men's, even though female students outnumber male students in tertiary education. As already mentioned, the limited availability and accessibility of childcare facilities for children below the age of three, the existing mismatch between qualifications and labour demand, as well as existing barriers and gender-based discrimination in access to employment limit women's full participation in the labour market and their capacity to secure income. The gender wage gap is 14 per cent, which is slightly above the OECD average, but in some sectors, such as finance, it reaches 38 per cent. Women's engagement in the private sector and business development is predominantly in small and medium businesses. Women continue to represent the majority of survivors of gender-based violence.

**Patriarchal social norms and gender stereotypes impact women's and men's, girls' and boys' lives differently.** Socially constructed roles typically assign women and girls to the private, unpaid domestic sphere, and men and boys to the public, paid working sphere. The 2017 Gender Barometer Study conducted in Moldova found that only 20.5 per cent of respondents disagreed with common gender stereotypes related to family decision-making roles and perceptions on men's role as primary breadwinners. When disaggregated by sex, women were nearly five points less likely than men to hold stereotypical perceptions on gender roles. On the other hand, 58.3 per cent agreed with at least one of two of the following stereotypical gender roles: (i) men have more responsibility to bring money into the house, and (ii) decisions should be taken predominantly by one gender (i.e., men). Overall, 21.2 per cent of respondents supported both statements with little difference between male and female respondents.<sup>178</sup> Over the past 10 years, perceptions of traditional gender roles have not improved significantly.



Photo: UNFPA Moldova

178 Centre "Partnership for development" (CPD), 2017, Gender barometer. "Policy-making and decision-taking by women and men?", UN Women/ UNDP, p. 10; 22.

In 2016, 64 per cent of respondents agreed with the statement that 'it's man's responsibility to bring money home' and 'it's woman's duty to take care of the family and the household'. In 2006, 67 per cent of respondents agreed with these statements, representing a change of just 3 per cent in perception over 10 years.<sup>179</sup> Such perceptions and beliefs exert strong pressure on men and shape expectations of masculinity, contributing to unhealthy habits and shorter life expectancy. Men face barriers in exercising their parental rights on an equal footing with women. On the other hand, women bear a disproportionate burden of unpaid care work in the home, which often impacts on their ability to secure economic independence and creates numerous barriers for women's engagement in public life. The unequal power relations that exist in the family and in the society lead to gender-based discrimination and gender-based violence. These inequalities reflect differently in the overall well-being of women and men.

Specific groups of women, such as **Roma women, women with disabilities, women from rural areas, women living with HIV, and single mothers face multiple and intersecting forms of discrimination based on their gender and other characteristics**, such as age, ethnicity, health status, disability, place of residence, sexual orientation etc. While school drop-out is recorded among both Roma boys and girls, the percentage is higher among girls. Women with disabilities face additional and different challenges in accessing sexual and reproductive health services and face stigma and discrimination concerning the recognition of their sexual and reproductive rights. Overall, 30.4 per cent of women and 38.9 per cent of men work in the informal sector. Men predominate among self-employed workers (60.5 per cent), and women among unpaid domestic workers (72.5 per cent).

**Moldova has made progress in reducing gender inequalities in the past 10 years through the introduction of an improved normative and policy framework.** The representation of women in the national Parliament and Government has improved (the number of women in Parliament has risen by 5.1 per cent) but is highly dependent on political influences. At the local level, women's representation is steadily growing. For the first-time the political participation of women from excluded groups has grown: 16 Roma women and eight women with disabilities ran in recent local elections, and six Roma women and six women with disabilities were elected as councillors.<sup>180</sup> While political parties are still inclined to include men in winning positions on electoral

lists, the application of a double quota (40 per cent gender quota and placement provisions) has positively contributed to increasing the share of women on electoral lists and in elected positions. However, women candidates in elections, as well as women who are elected or appointed to office face various forms of gender-based violence and harassment, such as hate speech, sexual harassment, being excluded from or placed lower down electoral lists without prior notification, and sexist stereotyping in the media.<sup>181</sup>

**The participation of women in business has improved** by 6.4 per cent, although men still benefit more from state support for entrepreneurship. There are progressively more young women taking up roles in Science, Technology, Engineering and Mathematics (STEM), as well as entering the so-called 'non-feminine' sectors, such as law enforcement, security and defence. **National legislation has been amended to eliminate discriminatory provisions as well as to strengthen prevention, protection and prosecution of gender-based violence**, in line with the global normative framework. Still, reporting rates for domestic and gender-based violence are very low: one in three women survivors of domestic violence and one in five women who are victims of violence at the hands of someone who was not their intimate partner never reported the violence.<sup>182</sup>

**40 per cent of women reported being victims of physical violence committed by the current or most recent husband/partner.**

**Progress is too slow**, and at the current pace, the country will not be able to meet the objectives, goals and targets regarding gender equality that it has set. Consequently, Moldova will not be able to meet the goals and objectives set in the 2030 Agenda, considering the centrality of gender equality to the Agenda.

**Data on violence in the family convey an alarming picture.** Almost 40 per cent of women report physical violence from a current or recent husband or partner over the course of their lifetime; 9 per cent experienced

179 Centre "Partnership for development" (CPD). Idem.

180 Improving the representation of women from different vulnerable groups is still at the initial stages. Forty-eight women with disabilities and 51 Romana women enhanced their confidence and skills to run for local elections through participating in a complex capacity-building programme. In total, 16 Romana women and eight women with disabilities ran for elections, of whom six Romana and six women with disabilities were elected as local councillors.

181 Platforma pentru Egalitate de Gen, 'Raport prealabil privind violenta impotriva femeilor in alegerile locale generale 2019', 2019.

182 NBS, UNDP, UNWOMEN, 'Profile of Women-Victims of Violence', 2016.

violence from a partner or former partner in the last 12 months. Rates of physical violence are particularly high in rural areas. Women aged 45-59 are most vulnerable to physical violence over their lifetime, while women aged 15-34 are more likely to have suffered violence in the last 12 months. Divorced and separated women reported higher rates of sexual abuse perpetrated by husbands or partners compared to married women and widows.

The national women's machinery and gender equality mechanisms lack decision making power and sufficient human capacities and financial resources to implement the country's commitments to gender equality. **Gender equality has not been mainstreamed into central and local level processes for strategic planning,** policy development and budgeting. Placing this issue at the periphery instead of the centre of decision-making processes. The average level of gender mainstreaming in public policies in 2015-2016 was 0.88 out of a maximum of four possible points and showed a low level of gender mainstreaming in public policies. According to the results obtained, out of 13 policies evaluated, eight

The average level of gender mainstreaming in public policies in 2015-2016 was **0.88** out of **4**.

were at an incipient level and five at an intermediate level of gender mainstreaming. Most of the public policies evaluated in this analysis did not integrate a gender dimension into the definition of the problem, did not address existing differences and did not present an analysis of the causes of these differences. At the stage of defining the problem and understanding its context, policy makers were not undertaking gender-specific needs analyses or collecting sex-disaggregated data for all relevant socio-economic aspects. As a result, the gender dimension was not being integrated into implementation plans, not appearing in the results of the policy.<sup>183</sup>

## THE IMPACT OF THE COVID-19 IMPACT ON GENDER INEQUALITIES



The need to integrate gender equality in policy planning and budgeting is becoming even more important in light of the different ways that the COVID-19 is impacting on women and men. Impacts on employment and income have hit women's economic security hard, and women's share of unpaid care and domestic work has increased. The proportion of women (60 per cent) who reported challenges in covering basic expenses, such as buying food or paying for rent and utilities, is alarming. At least half of women in need of family planning services reported major difficulties in accessing these services, due to travel restrictions and periods of lockdown.

Also, many women reported increased incidences of domestic violence during lockdown and challenges in accessing the already limited number of support services. While alternative solutions to continue providing services were sought and offered through the civil society sector in cooperation with the Government, these are short term solutions mitigating the impact of the pandemic. Longer term solutions for preventing the widening of gender inequalities should be sought through mainstreaming human rights and gender equality in the COVID 19 recovery policy, but also in the overall policy making and budgeting processes of central and local government.

183 East European Foundation and Development Partnership Centre, 'HAVE WE REDUCED GENDER INEQUALITIES? Gender mainstreaming index in public policies 2013-2016', 2016. [http://www.progen.md/files/3229\\_index\\_dimensiunea\\_de\\_gen\\_in\\_politici\\_2013-2016.pdf](http://www.progen.md/files/3229_index_dimensiunea_de_gen_in_politici_2013-2016.pdf)

# PROSPERITY



ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

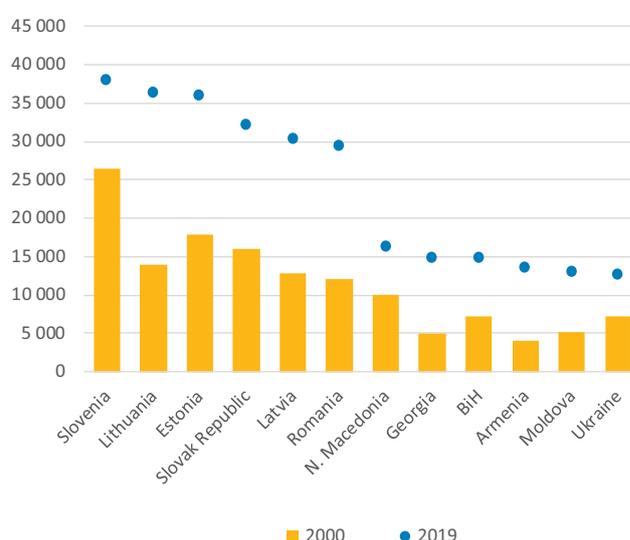
## SUSTAINABLE ECONOMIC DEVELOPMENT

**Moldova remains one of the poorest countries in Europe, with the lowest GDP per capita in the region** (approximately US\$4,498.50 in current prices). Between 2016 and 2019 the country's real GDP grew at an average rate of 4.15 per cent,<sup>184</sup> propelled by consumption and fuelled by remittances. Although Moldova's economy had turned towards recovery following the 2015 economic crisis in Russia, the rate of growth was already slowing down.

In 2019 Moldova's GDP grew by 3.6 per cent, mainly driven by investments and private consumption as a result of higher wages, social allocations and remittances. The decline from an annual average of 4.15 per cent reflected among other factors deceleration in Europe and Central Asia (a 2.2 per cent growth rate), triggered by a slowdown in Russia and Turkey, two major regional economies.

**During 2016-2019 the GDP growth was fostered by positive trends in all sectors and components contributing to output generation, however with different dynamics.** In particular, the contribution of Gross Value Added (GVA) to GDP increased from 83 per cent (2017) to 89 per cent (2019), growing at an annual average rate of 4.14 per cent. Net taxes have also positively affected GDP growth, yet between 2017 and 2019 their contribution in real terms decreased from 16.6 per cent to 10.56 per cent as a result of the implementation of new fiscal policy measures.<sup>185</sup> The average rate of this decline (4.3 per cent) slightly exceeded the average GDP growth rate. In terms of industry, growth in Gross Value Added (GVA) was mainly sustained in the construction sector, which increased on average by

**Figure 39: GDP per capita, PPP** (constant 2017 prices, selected countries)



Source: World Bank

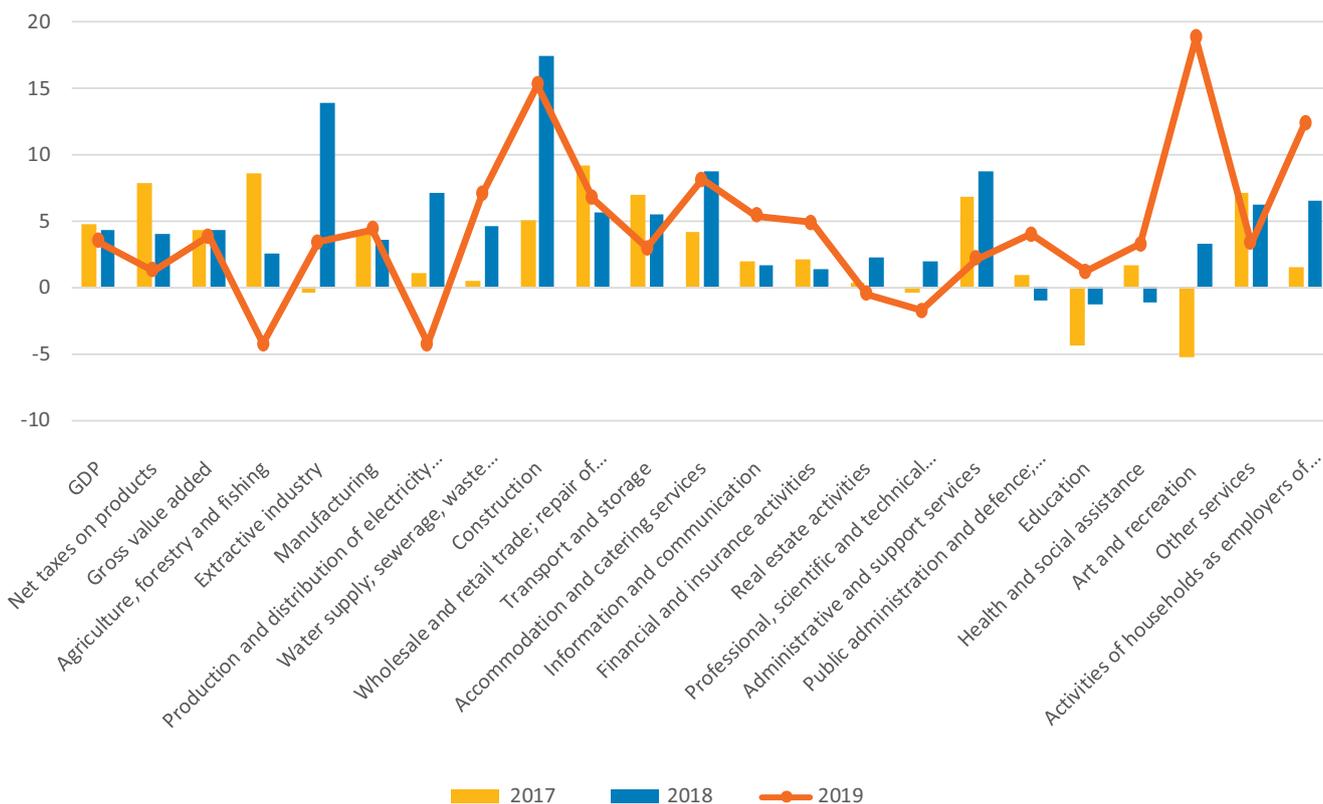
12.4 per cent (in real terms), to make up 24 per cent of GDP in 2019 compared to 9.41 per cent in 2017. Despite this increase, there is a risk that the construction industry will reach its maximum capacity in the coming years. Wholesale trade increased on average by 7.2 per cent and hence also slightly increased its contribution to GDP, from 14.2 per cent in 2016 to 15.7 per cent in 2019. Despite its long tradition of agriculture, the contribution from agriculture, forestry and fishing to Moldova's GDP declined from 13.1 per cent in 2016 to 9.5 per cent in 2019.<sup>186</sup>

<sup>184</sup> GDP in real terms increased from 160.1 to 210.1 billion MDL during 2016-2019.

<sup>185</sup> In October 2018, the Government adopted a set of fiscal policy measures that reduced personal income tax from a progressively increasing 18 per cent rate to a flat rate of 12 per cent. Other measures included reduction in corporate tax for the hospitality sector and the introduction of tax-exempt food tickets.

<sup>186</sup> NBS, *Gross domestic product in 2019 and the fourth quarter of 2019*.

**Figure 40: GDP and GVA dynamics, year-on-year percentage change**



Source: NBS

**Cumulatively, the contribution of the agricultural sector to GDP has been negative in recent years,<sup>187</sup> but it has still maintained an average growth rate of 2 per cent.** This negative contribution was amplified in 2019, and its intensity offsets the positive contribution from previous years. Conversely, the GVA produced by the manufacturing sector grew on average by 4.0 per cent in 2019 compared to 2016, while its contribution to GDP declined on average by 3 per cent (from 11.5 to 8.8 per cent). It is noteworthy that the ICT sector now makes a substantial contribution to GDP: 8.9 per cent in 2019 versus only 3.7 per cent in 2017). The same is true of public administration, defence and social insurance (increased from 2.4 per cent in 2017 to 5.5 per cent in 2019), and education, health and social assistance. The arts and recreation sector registered an 18.9 per cent increase in GVA in 2019, yet its contribution to GDP growth was only 1.9 per cent, as its share in GDP is relatively low (0.7 per cent in 2019). Overall, the trends in the country's GDP suggest that Moldova's economy is gradually mov-

ing away from a traditional, agriculture-based economy towards diversification into other sectors.

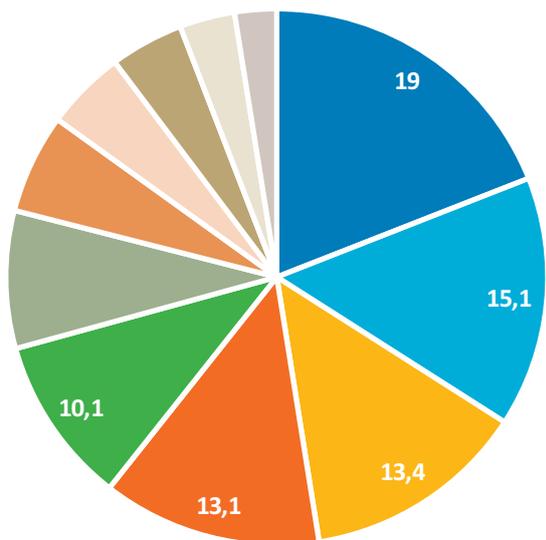
**After quite solid growth in recent years, the COVID-19 crisis has hit Moldova's economy sharply, decelerating economic activity, weakening public finance and challenging macroeconomic stability.** The COVID-19 outbreak hit the economy through supply chain disruptions and contracting of production and domestic trade. In the first quarter of 2020 GDP declined by 7.3 per cent, and it continued its downward trend in the second quarter, falling by 14 per cent (in gross terms) compared to 2019. In the first semester of 2020, GDP was affected negatively by a 2.1 per cent fall in trade, vehicle maintenance and repair, transportation and storage and hospitality altogether leading to a decline in GVA of 10.7 per cent. In addition, a GDP decline of 1 per cent was triggered by slowdown in extractives, manufacturing, energy production and supply, waste management sectors, leading to a GVA decline of 6.8 per cent.<sup>189</sup>

187 During 2000-2016 the share of agriculture in GDP almost halved from 29 per cent to 14 per cent, while in contrast the share of the service sector increased from 49 per cent to almost 70 per cent of GDP.

188 NBS, *Gross Domestic Product in the second quarter and first half of 2020*.

189 UNDP, *'Social and Economic Impact Assessment of COVID-19 in Republic of Moldova'* 2020.

**Figure 41: Contribution to GDP formation** (per cent, Q1 2020)



**Top five components:**

- Wholesale and retail trade; repair of motor vehicles and motorcycles; transport and storage; accommodation and catering services
- Extractive industry; manufacturing; production and distribution of electricity and heat, gas, hot water and air conditioning; Water supply; sewerage, waste management and remediation activities
- Net taxes on products
- Public administration and defence; compulsory social security; education; health and social assistance
- Construction

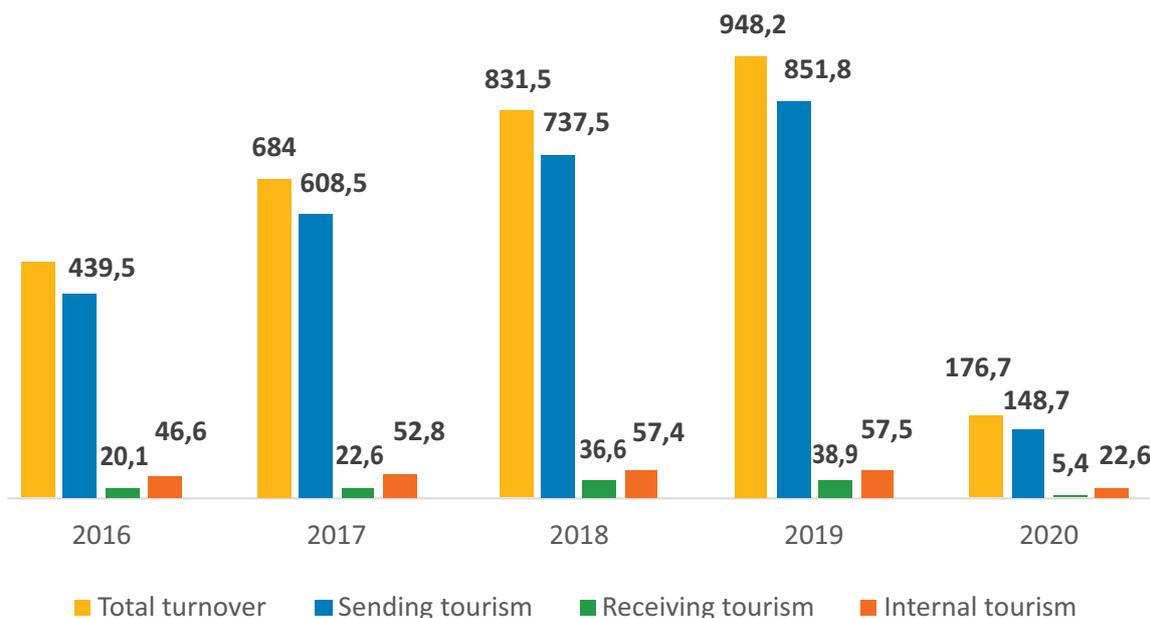
Source: NBS

Furthermore, COVID-19 related measures and the reduction in remittances in the first quarter of 2020, led to a decline of 9.7 per cent in household consumption in the first half 2020, pushing GDP down by 8.1 per cent. Similarly, fixed capital formation was reduced by 6.4 per cent while contributing to a fall of 1.7 per cent in GDP.

**As the service sector makes up over 57 per cent of Moldova’s economy and at the same time is one of the most affected by COVID-19, it is likely that the**

**overall economic impact will be high.** Furthermore, although the contribution of tourism and hospitality to GDP is low (below 1 per cent), this sector emerged as one of the fastest growing; if affected by containment measures, the sector will lose its dynamism in the coming year. Restrictions related to the COVID-19 pandemic led to a decline of over two thirds in the tourism sector: outgoing tourism declined by 84.3 per cent, domestic tourism fell by 46.3 per cent and incoming tourism went down by 20.2 per cent. This led to a substantial fall in

**Figure 42: Turnover in the tourism sector** (million MDL)



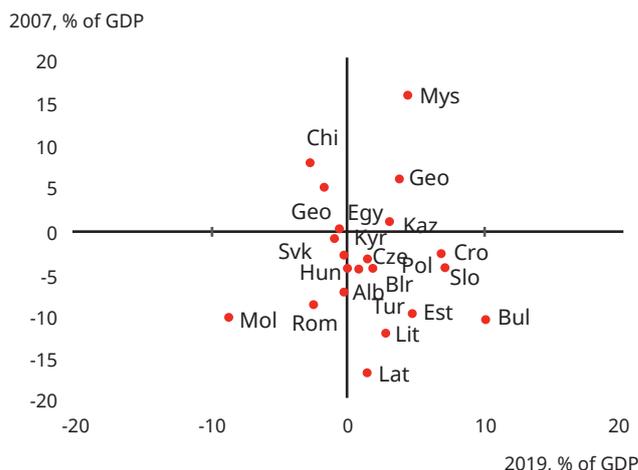
Source: NBS

revenues for tourism companies (-81.4 per cent versus 2019), with the largest decline for outgoing tourism (-86.1 per cent) and incoming tourism (-82.5 per cent), followed by a decline in domestic tourism of 60.6 per cent between January and June 2020. Similarly, hospitality employees were among the most affected in the overall economy especially the ones working in the urban areas. The average number of employees decreased in the 2nd quarter of 2020 (compared with the similar period of 2019) with more than 60 per cent<sup>190</sup>.

**Projections for the expected impact of the COVID-19 crisis on Moldova's economic growth are rather pessimistic.** In particular, the European Bank for Reconstruction and Development (EBRD) predicts an economic decline of 5.5 per cent in 2020, to be followed by a recovery of 3.5 per cent GDP growth in 2021.<sup>191</sup> The World Bank predicts a slightly worse economic decline of 5.8 per cent of GDP, followed by a recovery of 3.6 per cent GDP growth in 2021 and 4 per cent growth in 2022.<sup>191</sup> The International Monetary Fund (IMF), meanwhile, predicts an economic decline of 4.5 per cent, which would be less than that projected in neighbouring Romania and Ukraine, followed by a bounce back the following year with 4.1 per cent in GDP growth.

**Between 2016 and 2019, performance in the banking sector improved substantially, leaving Moldova better positioned to face the COVID-19 crisis than other countries in Europe and Central Asia.** Before the crisis, the share of non-performing loans more than halved,<sup>192</sup> suggesting that: banks' portfolios became healthier; their liquidity continued to grow as the volume of deposits from individuals increased;<sup>193</sup> banks' capital improved, and the overall profitability of banks increased. Though the number of loans issued has been growing steadily in recent years, overall lending to the real sector of the economy is still low, due to rigid risks policies and a deficit of bankable projects. At the same time, lending from non-financial institutions grew from 14 per cent of all loans in 2016 to 20 per cent in 2019, offsetting the effects of the more rigid regulatory requirements for commercial banks and reflecting the demand for finance in the economy. The COVID-19 has affected the sector, with the share of non-performing loans increasing slightly; this share could grow as the financial situation of private companies is likely to deteriorate towards the end of 2020. Small commercial banks are more likely to be affected by the crisis, while the stronger financial standing of the largest banks will allow them to maintain their positions.<sup>194</sup>

**Figure 43: Current Account Balance (net of FDI)**



Source: Oxford Economics/Haver Analytics

Public debt as a proportion of GDP has been gradually declining, reaching 27.4 per cent by the end of 2019; this is relatively low compared to other countries in the region. However, **it is expected that in the context of the COVID-19 crisis, public debt will reach 36 per cent of GDP by the end of 2020.**<sup>195</sup>

Before the economic crisis caused by the COVID-19 pandemic, **the fiscal space available for the financing of capital spending was limited, due to the large share of recurrent expenditures and low absorption capacity on investment projects.** To stimulate the economy, the Government doubled investment in the road fund, while expansion of lending under the 'prima casa' programme stimulated an increase in private investment in construction by approximately 18 per cent.

In recent years **the current account deficit had narrowed from 10.6 per cent of GDP in 2018 to 9.7 per cent in 2019. This remains high compared to peer countries in the region and is likely to widen by the end of 2020** as a result of a contraction in exports and the expected decline in remittances. If remittances decline, it would be harder for Moldova to finance the current account deficit.

**Between January and June 2020, weakened demand from Moldova's key trade partners<sup>196</sup> reduced exports by 14 per cent, while the contraction in local consumption led to a 14.8 per cent decline in**

190 EBRD, 'Regional Economic Prospects in the EBRD Regions. Covid-19: Early estimates of the damage, uncertain prospects', London, September 2020.

191 World Bank, 'Moldova - Economic Update', 7 May 2020.

192 The share of non-performing loans declined from 18.5 per cent in 2017 to 8.8 per cent by June 2020 due to stricter and prudent risks policies implemented by the commercial banks.

193 The volume of bank deposits reached 40 billion MDL, while deposits in foreign currency reached US\$1.6 billion by the end of 2019.

194 There are four large commercial banks in Moldova, all of which have foreign capital: MAIB, MICB, Victoriabank and Mobiasbanca.

195 As of 30 June 2020, public debt reached 31.7 per cent of GDP (Ministry of Finance data).

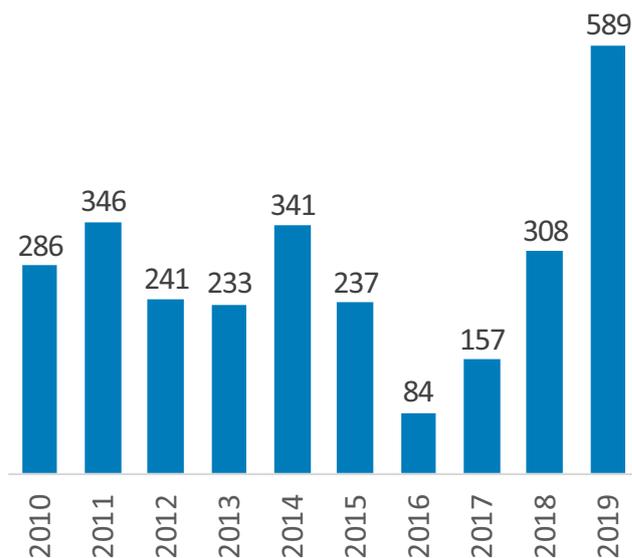
196 Moldova's key trading partners are Romania, Italy, Russia, Germany, Poland and Turkey.

**imports.** Most affected were exports of engineering components (such as cables, wires, generators, and so on) which are part of European automotive supply chains<sup>197</sup> and account for 20 per cent of Moldova's total exports.<sup>198</sup> Falls in exports of apparel and clothing – another leading export sector that makes up approximately 11 per cent of total exports – also significantly contributed to the contraction in exports in the first half of 2020. However, in July external trade showed signs of recovery: exports increased by 10.3 per cent compared to June 2020, while traditionally imports being higher than exports by almost double (20.2 per cent) compared to June 2020.

**Foreign direct investment (FDI) increased steadily between 2016 and 2019, but is still suboptimal, and Moldova lags behind peer countries, both in terms of volume and number of projects.** FDI inflows rose from US\$84 million in 2016 to US\$589 million in 2019. The surge in FDI is mainly explained by integration into regional chains from Eastern European countries and from Germany, as well as by several inbound FDI projects that target export-oriented automotive production, as well as tourism. These sectors are particularly likely to face severe consequences as a result of the COVID-19 pandemic and its impact on global and regional value chains, and this positive FDI trend will likely be affected.

**Despite recent increases, FDI remains low compared to other countries in the region.** In relative terms (i.e.,

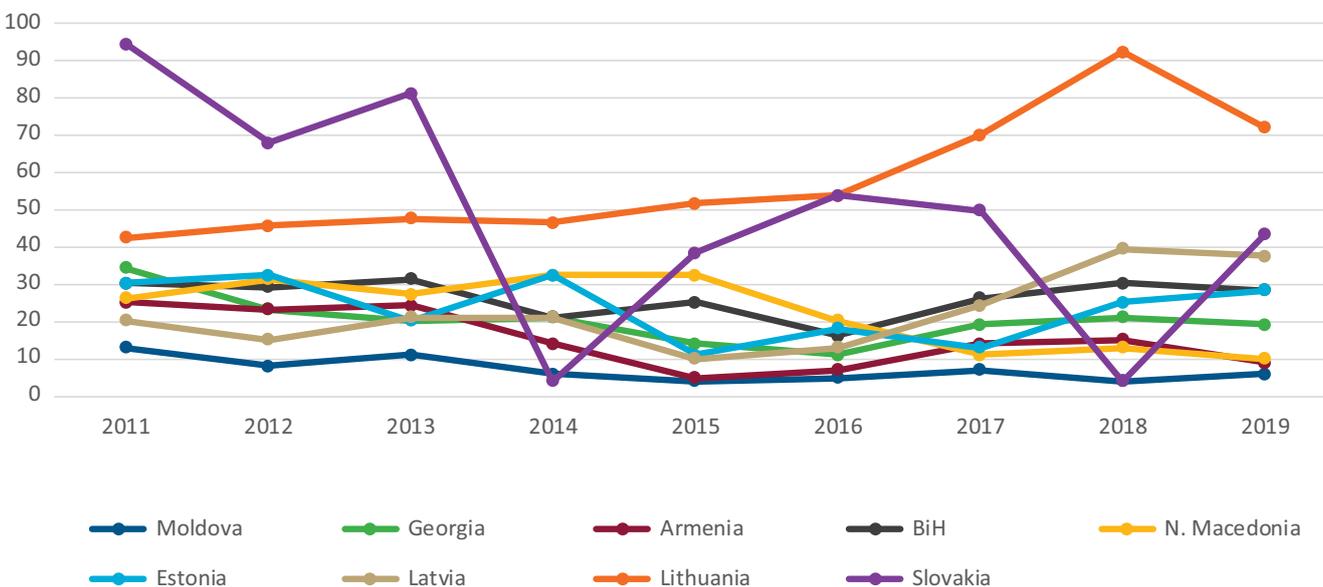
**Figure 44: Foreign direct investment (million \$US)**



Source: UNCTAD

per capita, per US\$1,000 GDP and as a percentage of fixed capital formation), FDI inflows to Moldova remain lower than several comparator countries, including Albania, Estonia, Romania and Ukraine. The data also show that these statistics for Moldova are lower than

**Figure 45: Number of FDI greenfield projects announced**

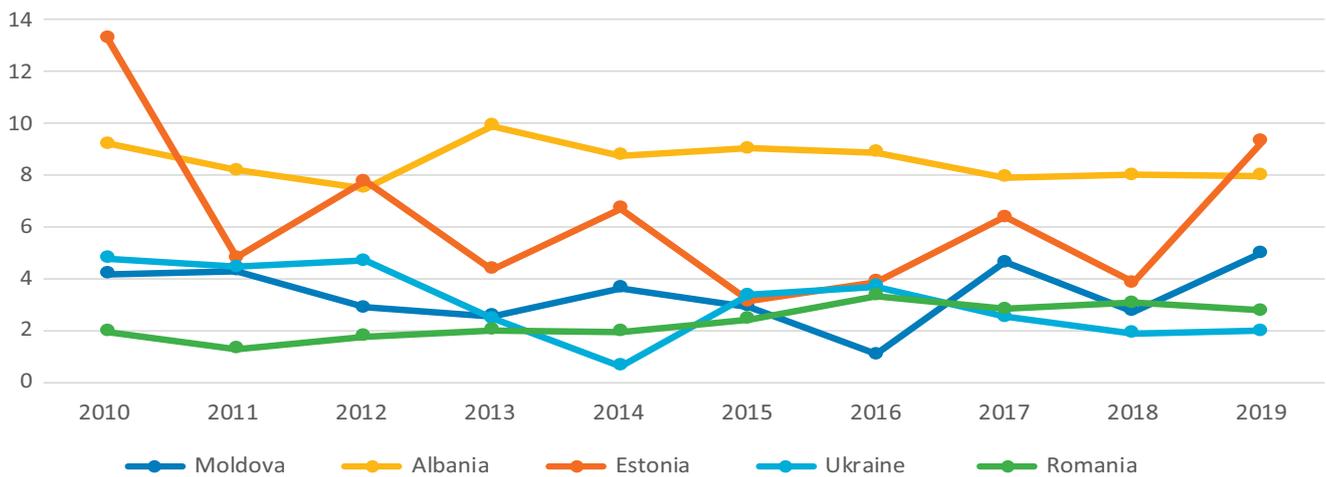


Source: UNCTAD

197 Some affiliated companies had to scale down or suspend production with spill over effects on Moldova's exports

198 Exports of electrical components such as cables, wires and component parts of household appliances declined by over one third, while exports of textiles fell by a quarter during the first semester of 2020.

**Figure 46: Foreign direct investment (as percentage of GDP)**



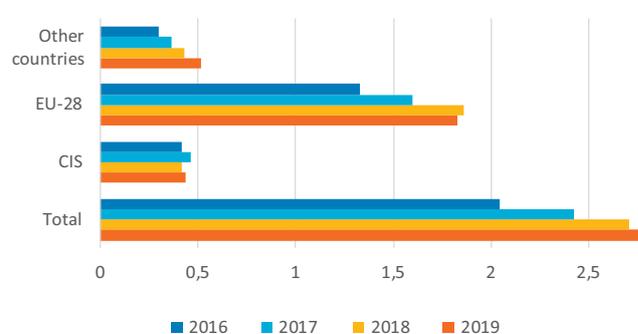
Source: UNCTAD

the average for countries with economies in transition. The weakness in FDI inflows can be partly explained by the underutilization of the country's export potential, notably due to the low competitiveness of Moldovan companies, and also to political instability, weak protection of foreign investments, and insufficient knowledge of the country's potential.

The implementation of the EU free trade agreement (Deep and Comprehensive Free Trade Areas - DCFTA, 2014) has improved trade relations between the EU and Moldova in recent years, and the EU now buys close to two thirds of Moldova's total exports and accounts for 54 per cent of its total trade. That said, the full trade potential of this agreement has not been exploited. Moldovan authorities have achieved substantial progress in harmonizing trade legislation with the requirements of the EU Acquis Communautaire, including non-tariff measures. At the same time, the capacity of different State agencies has lagged, so that they remain ill-equipped to ensure proper implementation of DCFTA requirements. At the same time, enterprises have weak technological capabilities that make it difficult for them to comply with EU regulatory requirements. These two weaknesses have created bottlenecks throughout the international supply chain for Moldova's small and medium enterprises (SMEs). SMEs face regulatory and procedural difficulties when obtaining trade documents, as procedures for submitting information remain repetitive and paper based. Consequently, products that are integrated into regional cooperation agreements are primarily agricultural products with low value added. Partly, the underutilization of export potential can be explained by low total factor productivity and innovation shortfalls, resulting in the low competitiveness of Moldovan companies. Political instability and weak protection of foreign investments are also factors.

**The country's dependence on energy imports is still high, at 87 per cent.** This dependency inter alia contributes to high energy prices and large debts to foreign suppliers, making affordability of energy a primary concern. The residential sector is the largest energy user, with a 40 per cent share of national energy consumption. Around 70 per cent of energy consumption for heating is dependent on connection to the electricity grid. However, in rural areas access to the gas pipeline network is not uniform due to low incomes and poor affordability, and most rural households utilize wood burners for heat during the winter. Since 2012, Moldova has been developing a legislative framework to stimulate the industrial use of renewable energy sources, which presents great opportunities for investments in energy efficiency to deliver both cost savings and reductions in greenhouse gas emissions (GHG). Further efforts to support responsible consumption and behavioural change are required, as most inefficiencies derive from consumption behaviour and outdated practices, or failure to practice energy saving at the level of households and enterprises.

**Figure 47: Exports by destination (billion \$US)**



Source: NBS

# INDUSTRY AND PRODUCTIVITY

**Over the last decade, the agri-food industry grew at an annual average rate of 4.5 per cent, which was slower than the average annual growth in the manufacturing industry (5.2 per cent).** In addition, between 2015 and 2019, average annual growth rates for the two sectors were much lower, at around 1.1 per cent and 2.9 per cent respectively. Despite the country's commitment to industrialize, the contribution of the industry to GDP remains one of the lowest in the region. After steady growth between 2010 and 2015, there was a clear downturn between 2015 and 2019, when the industry's contribution to GDP fell to 14.2 per cent, including 11 per cent in manufacturing. The GVA created by the industry is caused primarily by narrow specialization throughout its value chains with low resource intensity.

**Activities of low and medium technological intensity make up 80-85 per cent of manufacturing, dominating the sector.** These include food and beverage manufacturing, and the manufacture of non-metallic mineral products, textiles and clothing, and products from rubber and plastics.

The last five years has seen a significant increase in the share of industries of medium to high technological intensity in the total volume of production of the manufacturing sector (from about 7 per cent in 2014 to about 15 per cent in 2019). These mainly manufacture electrical equipment and produce motor vehicles, trailers and semi-trailers, and manufacture substances and chemicals. This increase is due to the Free Economic Zones (FEZs) development policy. Continuous improvements to the fiscal-customs framework in place in the FEZs have attracted foreign investors and enabled already established companies to consolidate their investments. The increase in FDI in these areas has had positive impacts on the volume of production, employment and exports, with one direct result being a slight change in the distribution of exports geographically and by product category. At the same time, these activities are largely based on local production schemes that generate little local added value. In addition, it is unlikely that growth in these sectors will continue due to availability of FEZ and relatively low labour costs.

**Manufacturing activities that are highly technology intensive (the production of medicines, the manufacture of computers and electronic products) make up a very small share in the value of production (1.6 per cent),** and this has declined over the last five years.

The total value of goods produced in Moldova in the last five years has increased at a higher pace than in

previous years, including the share of products exported to foreign markets (which rose from 37.9 per cent in 2014 to 42.3 per cent in 2019). At the same time, the share of foodstuffs produced in Moldova and exported to foreign markets fell in the same period, from 28 per cent in 2014 to 21 per cent in 2019.

The distribution of types of goods exported from Moldova reflects the situation in the production sector. In 2019, about 31 per cent of the goods that for export consisted of primary commodities (unprocessed agricultural products), slightly more than in 2010, while the share of resource-intensive products (mainly food) is only 15 per cent, 6 per cent lower than in 2014 and 10 per cent lower than in 2010. The share of goods produced through medium and low intensity technologies has increased in the last 10 years, from 42 per cent to 52 per cent; these mainly consist of products generated by the automotive industry, electrical machinery and equipment, clothing, textiles, and furniture. The share of highly technology-intensive products in the total value of exports is very small (2 per cent).

The supply of goods for export is poorly diversified and reflects a high degree of concentration on products with very low added value. This makes exports and the revenues obtained from exports vulnerable to domestic shocks (for instances, shocks generated by climate conditions, or the financial crisis of 2015), as well as to external shocks. In 2019, Moldova had the narrowest range of export products among Balkan countries.

**The increase in the number of preferential trade regimes that Moldova now enjoys has had an ambiguous effect on exports.** Easier access to the EU market following the signing of the Moldova-EU Association Agreement was offset by a reduction in access to another important economic partner, Russia, which has issued embargoes on key export goods. Against the background of the geopolitical and economic crisis in the East, these trends have led to a reorientation of exports towards Western Europe, and the sophistication of the sales markets in these countries is likely to have positive effects on exports and investment. At the moment, however, the small range of exported products, their low added value, the large gaps in quality and in infrastructure and the limited progress in eliminating these gaps are just a few of the major impediments to capitalizing on the opportunities offered by preferential trade regimes.

External demand for Moldovan goods is small and not stable. Exports of goods totalling US\$ 2,779.2 million provide Moldova with a very small share in world exports (0.01 per cent), which has held steady since Moldova's

transition to a market economy began. Other states in the region are advancing at a faster pace, such as Georgia, Romania, Bosnia and Herzegovina, and the Baltic countries.

**In recent years the manufacturing sector in Moldova has grown by 3.4 per cent year on year on average, although by 2019, this had slowed.** The expansion in manufacturing has been driven by the activity of FEZs, especially in the automotive industry, and by an increase in external and internal demand for domestic products. Manufacturing of spare parts for the automotive industry was the main driver of growth, reaching a share of 3.5 per cent in the sector. At the same time, as construction grew on average by 10 per cent during 2019 compared to the previous year, the production of goods in this supply chain – products from plastic, metal and wood – also rose.

**MSMEs represented approximately 98.6 per cent of all enterprises in 2019**

Growth in the food processing industry was generated by beverages, processing of fruits and vegetables, production of vegetable and animal oils and fats, bakery goods and meat processing. By contrast, the dairy industry is declining, affected by depletion of farming related to reduction in livestock. This was a result of a lack of adequate infrastructure and technologies in livestock farming, as well as lack of knowledge regarding quality and marketing standards for basic dairy products. There is insufficient production of meat and milk both for both local and international markets.

The gender distribution within economic sectors reveals a **higher share of women employed in the service sector** (59.0 per cent women and 41.0 per cent men, respectively, in 2018). Fewer women are found in the agricultural sector (45.5 per cent), industry (44.4 per cent) and construction (6.9 per cent). Rather, women predominate in activities as trade (55.8 per cent), hospitality (69.2 per cent), education (78.0 per cent), and health and social assistance (79.8 per cent).

**Micro, small and medium Enterprises (MSMEs)<sup>199</sup> represented approximately 98.6 per cent of all enterprises in 2019 and** employed 61.6 per cent of all economically active people. **Micro-enterprises accounted for 85.1 per cent of the MSME sector.** MSMEs are unequally distributed across the country, with about 65 per cent operating in Chisinau, and 4.7 per cent in Balti (the second largest city).

The return of migrants to Moldova as a result of the COVID-19 crisis is an opportunity to boost the MSME sector, as up to 9 per cent of migrants who participated in a survey conducted by IOM in July-August 2020 expressed an interest in starting a business or being self-employed if they were to return to Moldova.

**Despite many challenges, almost a quarter of MSMEs are owned by women.** In 2017, about 33.9 per cent of enterprises were owned or operated by women, 6.4 per cent more than in 2009.<sup>200</sup> Women only own about 1.3 per cent of medium and large enterprises. Obstacles such as low level of initial capital and access to finance, as well as lack of time, mean that women are half as likely as men to start businesses. This fact translates into a lower level of profitability (lower than men's by approximately 60 per cent) and productivity (by about 18 per cent). Women predominate in retail and services, while men dominate the ICT sector. Lack of access to finance means that younger women mainly open micro businesses (92 per cent). Combining family and professional life can be a challenge for many women, and this is reflected in the fact that among entrepreneurs, the share of married women is 10.2 per cent less than the share of married men, while women entrepreneurs are twice as likely to be divorced as men entrepreneurs. The share of women with children under the age of seven is 7.9 per cent less than men with children under seven. Women entrepreneurs were 1.4 per cent more likely to use early childhood education services and 2.5 per cent more likely to employ nannies. Sometimes they leave the children alone without supervision during working hours.

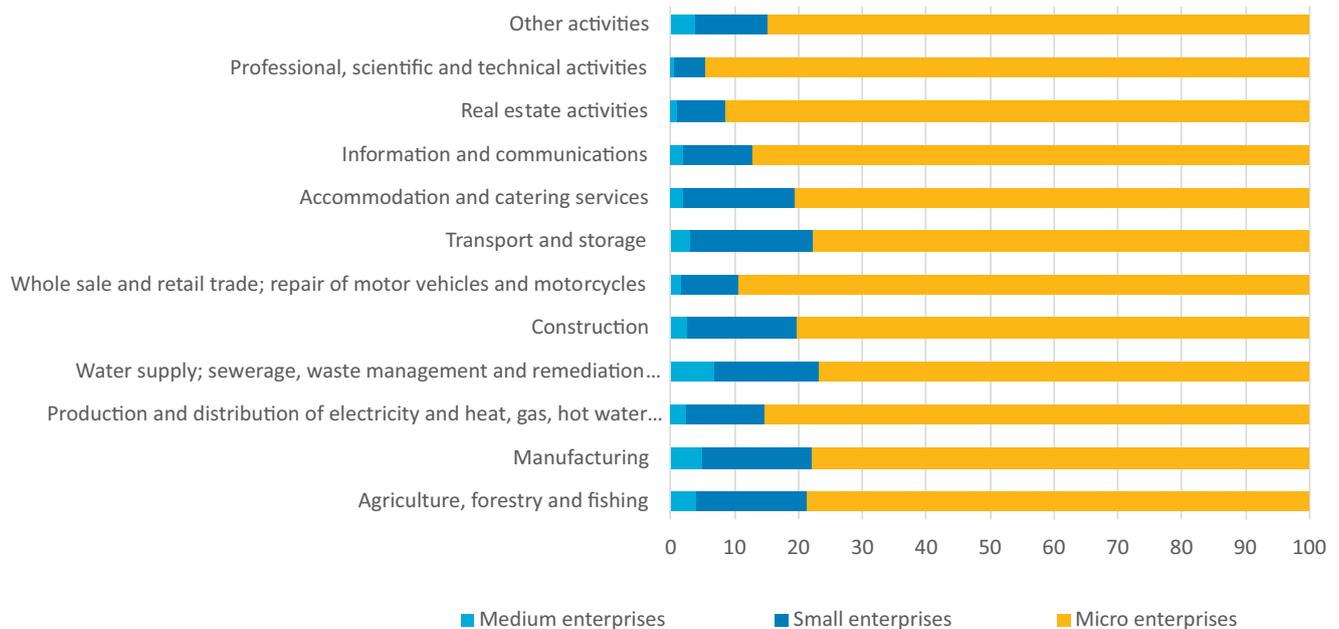
**There are various support programmes for female entrepreneurship, but knowledge of these among entrepreneurs it is not very high** (only about 15.4 per cent). The number of beneficiaries of support programmes offered by the state and other organizations at national level is limited, with only 5.2 per cent of

199 The official definition of a MSME is as follows:

- A micro-enterprise is a company with no more than nine employees, with an annual turnover of no more than 9 million lei or whose total assets do not exceed 9 million lei;
- A small enterprise is a company with up to 49 employees, annual turnover of no more than 25 million lei or whose total assets do not exceed 25 million lei and that is not classified as a micro-enterprise;
- A medium-sized enterprise is a company with up to 249 employees, annual turnover of no more than 50 million lei or whose total assets do not exceed 50 million lei and that is not classified as micro- or small enterprise.

200 NBS, UNW, UNDP, [Informe analítico sobre la participación de mujeres y hombres en el emprendimiento](#), 2020.

**Figure 48: MSMEs by type of activity** (per cent, 2018)



Source: NBS

enterprises making use of these. The share of women beneficiaries is also lower than that of women who are nationally registered as entrepreneurs (23.8 per cent compared to 33.9 per cent), and this serves to deepen gender differences in entrepreneurial activities. The biggest gender difference is registered in the agricultural sector, where women’s businesses are 11 per cent less likely to receive support.

In 2016, MSME productivity<sup>201</sup> was around EUR 6,700 per person per year, only 16 per cent of the EU average.<sup>202</sup> **The proportion of MSMEs that offer green (environmentally friendly) products or services halved between 2015 and 2017, from 35 per cent to just 17 per cent.** In 2017, 2 per cent of MSMEs benefitted from public support measures for the production of green products. While this is an increase, it is still below the EU average of 25 per cent.

**E-commerce is still not used by most local companies, and most of their transactions are conducted in traditional ways.** Stimulating digitalization of operations and skills development in this regard would enable a possible increase in commerce at national and international levels. The fact that there is limited competition among delivery and transportation services in the country increases costs and has led to an overload of orders for companies that have started making one-off sales using e-commerce.

**Moldova lags behind its peer countries in terms of labour productivity and innovation, reducing the overall competitiveness of the economy.** In order to converge to EU income levels, Moldova will need to improve its total factor productivity, find new sources for growth, stimulate job creation and private sector investment, and increase exports. Moldova’s labour productivity is one of the lowest in Europe. Moldova’s score under the Global Competitiveness Index for 2019 was 56.75 (out of 100),<sup>203</sup> below neighbouring Romania and Ukraine; and Moldova also performs worse than its other peers. The country’s lowest scores are for innovation capacity.

**At national level, too few enterprises integrate innovations into their activity (only about 19 per cent of enterprises).** More large enterprises (61 per cent), than micro (17 per cent) and small enterprises (29 per cent) innovate, implicitly limiting the efficiency of the smaller businesses. Certain gender differences have also been identified: 19.7 per cent of enterprises owned by men reported introducing new products and services, compared to 18.3 per cent of enterprises owned by women. Women-owned enterprises were slightly more likely to make changes to existing products and services (4.4 per cent versus 5 per cent), which generally entails less expense. Introducing innovative solutions into company activities is directly related to improving their financial possibilities, as well entrepreneurial knowledge and skills.

201 SME productivity is calculated by the ratio of value added to employment

202 European Commission, ‘2018 SBA Fact Sheet Moldova’, 2018.

203 Covering 141 economies, the Global Competitiveness Index 4.0 measures national competitiveness—defined as the set of institutions, policies and factors that determine the level of productivity. World Economic Forum, *The Global Competitiveness Report 2019*, 2019.

**Substantial progress was achieved in the reduction of state interference in the private companies' activity:** 40 per cent of businesses felt **less pressure** from inspections while the number of companies complaining about the abusive **requests for additional documents decreased three times** according to the World Bank Cost of Doing Business Survey 2019. The annualised and quantified compliance costs savings reached \$US 1.9 mln in 2018. Noteworthy, that the share of companies paying bribes declined by 3 per cent. In addition, the implementation of electronic one-stop-shop substan-

tially reduced the amount of time for bureaucratic procedures by almost twice. However, import procedures have worsened along with overall worsening in the business environment, challenges related to personnel shortage and tax system. The construction sector was the most vulnerable, where entrepreneurs were still facing the problem of obtaining building permits. In 2020 Moldova made dealing with construction permits easier by enabling quality control by supervising engineers and by no longer requiring clearances from health and environmental agencies for low-risk structures.<sup>204</sup>



## THE IMPACT OF THE COVID-19 PANDEMIC ON MSMEs

**The COVID-19 crisis has pushed many small businesses to the brink of collapse.** MSMEs have fewer cash reserves to maintain employee salaries when shocks occur and have more trouble navigating and accessing channels of aid. Job losses are rippling through multiple industries and occupations. The impact across employment and productivity is expected to be at levels not seen before in Moldova. The pandemic has attacked the economically vulnerable, much like it has attacked those with pre-existing health vulnerabilities. The economically vulnerable part of the population is the least able to withstand this disruption: already in its inception phase, the COVID-19 pandemic affected over 33,000 Moldovan workers vulnerable to pay cuts, lost hours and layoffs.

The number of people working remotely has doubled, particularly affecting women and young people. Sectors like accommodation and food service, retail, and manufacturing are experiencing the greatest economic impacts.<sup>205</sup> The biggest losses in income for women and men are those generated from family businesses (66 per cent), farming (42 per cent), as well as remittances (40 per cent). Around 21 per cent of women in Moldova who took part in a rapid assessment reported that they had experienced a reduction in remittances from abroad.<sup>206</sup> As the majority of Roma have a low level of education and skills, they are the group most heavily affected by the COVID-19 crisis, making up the highest share of those who have lost their jobs (69.2 per cent); Roma aged 35-49 are particularly affected.<sup>207</sup>

**75% -100%**

Experienced declines in sales

**1/3**

Have capital/liquidity that covers no more than 3 months of operations

**Only 12%**

Have access to external financing sources

**50%**

Have no proper internal procedures for crisis management

204 [Cost of Doing Business report](#), Moldova 2020

205 NBS, Q1, 2020. Labour Force Survey results

206 UN Women, ['The Impact of Covid-19 on Women's and Men's Lives and Livelihoods in Europe and Central Asia: Preliminary Results from a Rapid Gender Assessment'](#), 2020.

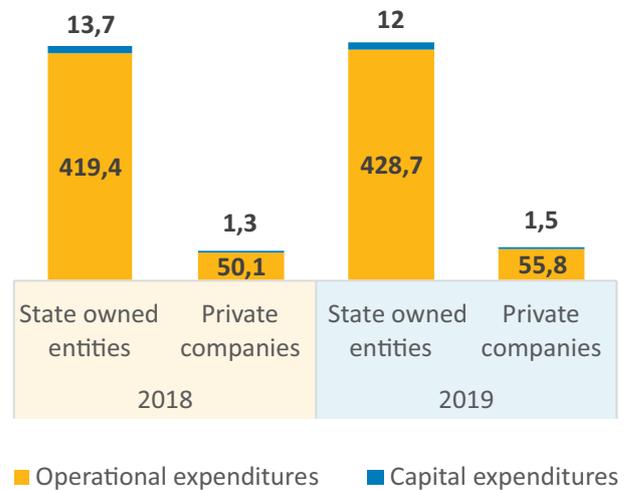
207 UN Women Moldova, 'Impact of Covid-19 crisis on Roma population in the Republic of Moldova', Chisinau, June 2020, p. 22.

# RESEARCH AND DEVELOPMENT (R&D)

Moldova spends a modest amount on research and development (0.24 per cent of GDP in 2019), eight times less than the European average of 2.18 per cent and around half as much as neighbouring Romania (0.51 per cent, 2018) and Ukraine (0.47 per cent, 2018). Moldova ranked 59<sup>th</sup> out of 131 countries and economies in the Global Innovation Index (GII) ranking in 2020, accumulating a total of 32.98 points out of possible 100.<sup>208</sup> According to the 2020 global ranking on the Innovation Input Sub-Index, Moldova stands in 75<sup>th</sup> place, while in the Innovation Output Sub-Index, it is ranked 48<sup>th</sup>. In Infrastructure, Moldova took 88<sup>th</sup> place; in Human capital and research – 75<sup>th</sup>; in Creative activity outputs – 51<sup>st</sup>; in Market sophistication – 42<sup>nd</sup>; Business sophistication – 88<sup>th</sup>; Institutions – 81<sup>st</sup>; and Knowledge and technology outputs – 51<sup>st</sup>. Amongst lower middle-income countries, Moldova ranked 6<sup>th</sup>, after Ukraine, India and the Philippines.

In 2019 expenditure on R&D amounted to 498 million lei (approximately EUR25.5 million Euro), or 0.24 per cent of GDP. Most expenditure is on operational costs and capital investments. This low level of spending on R&D leads to an innovation shortfall and losses in the country's competitiveness and productivity. Moreover, weak linkages between research institutions and the

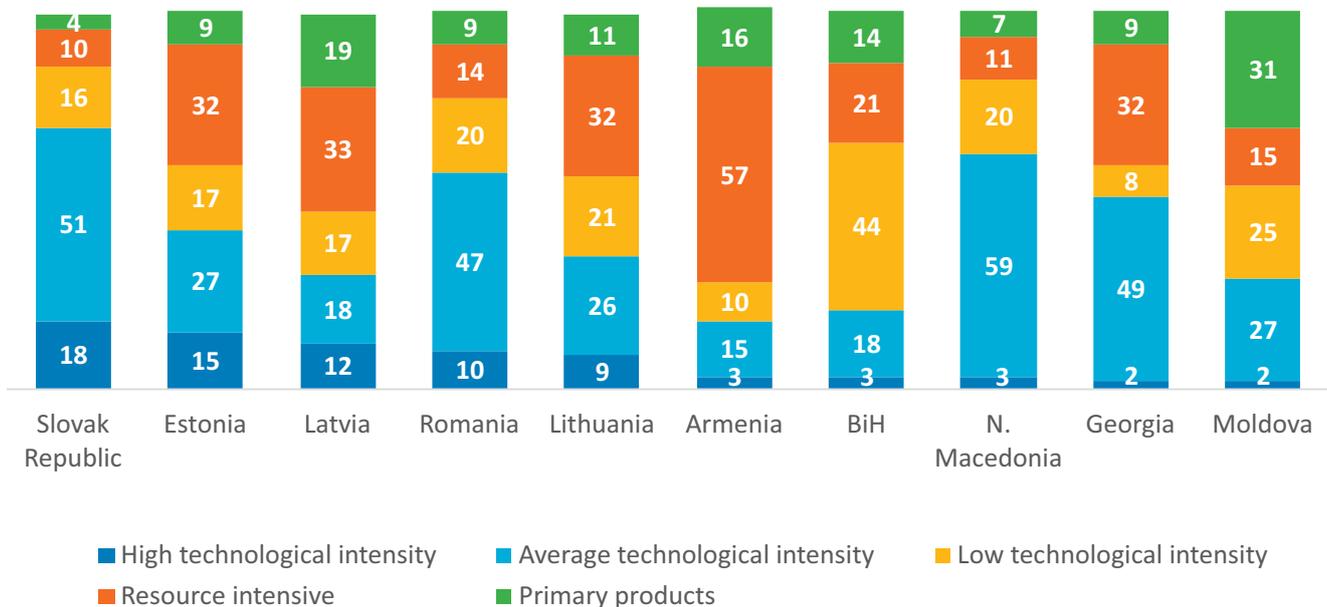
Figure 49: Expenditure on R&D (million MDL)



Source: NBS

private sector makes innovation transfer rather difficult and sporadic, with many R&D products not reaching the market, and lower value-added sub-contracting developing.

Figure 50: Technological intensity of goods exports (per cent, 2019)



Source: National Institute for Economic Research (NIER, based on WITS data)

208 Furthermore, in the Global Innovation Index Moldova scored 35.5 points in 2019, the lowest since 2013. For comparison, the world average in 2019 based on 129 countries was 36.31 points. The Global Economy, Moldova. <https://www.theglobaleconomy.com/Moldova/>

In 2019, about 31 per cent of the total value of Moldovan exports pertained to primary goods, substantially higher compared to similar countries. The proportion of resource-intensive products in exports that would imply the processing of raw materials (primary commodities) is quite low. The opposite of primary commodities are goods produced with a high intensity in technologies, whose share in the exports value is low. This includes some re-exported products, such as pharmaceuticals and medical products.

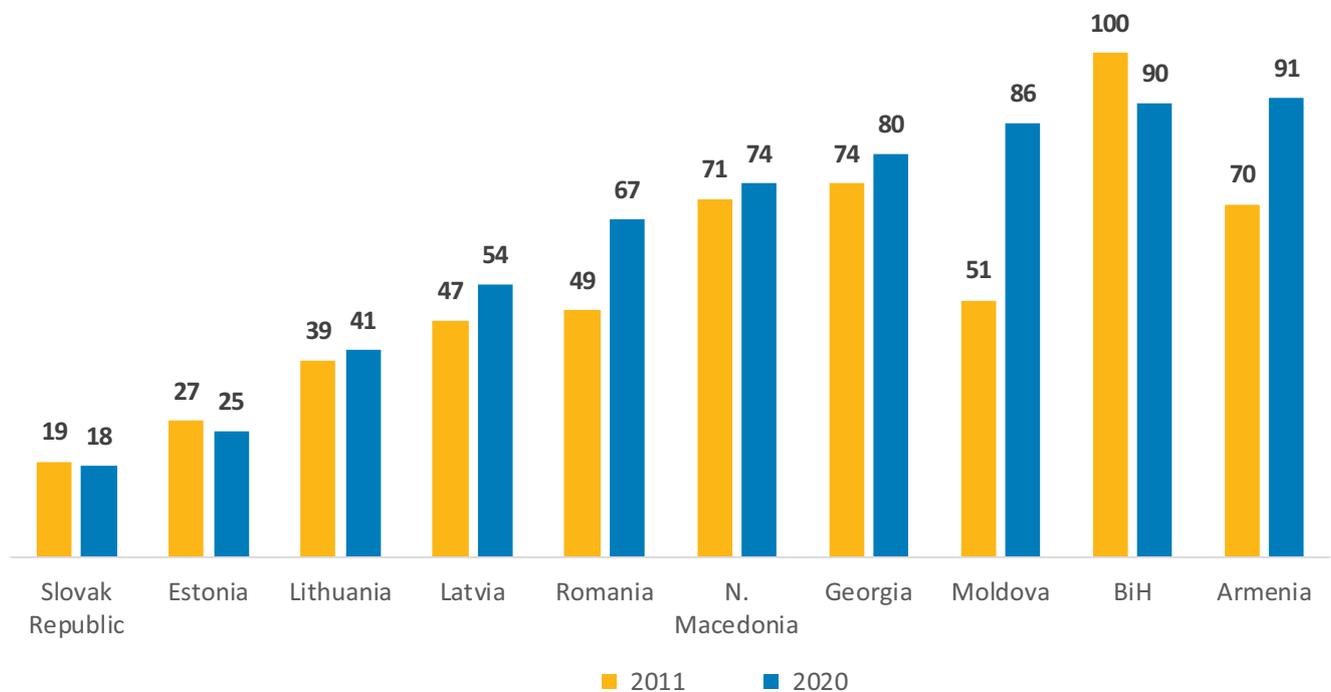
Moldova faces difficulties in adjusting its export-oriented production to the resource-intensive technological change. Comparative analysis of the share of gross expenditure on R&D in GDP in comparable countries suggests that Moldova underinvests in science and technology, innovations, and knowledge transfer. Global

Innovation Index shows Moldova declining ranking of expenditures on research and development by 35 places being surpassed by Georgia and North Macedonia in 2019.

Labour productivity is very low in all three sectors of Moldova's economy, which is evident in international comparisons. Compared to the averages in the countries of Central Europe and the Baltics, the value of this indicator does not even reach 50 per cent.

Boosting productivity is a necessary condition for economic development, but not the only condition, as Moldova's economy is being affected by structural changes related to population ageing, emigration, and macroeconomic and fiscal stability. All of these need to be addressed with equal attention.

**Figure 51: Share of gross expenditure on R&D in GDP by competing countries in the region (per cent)**

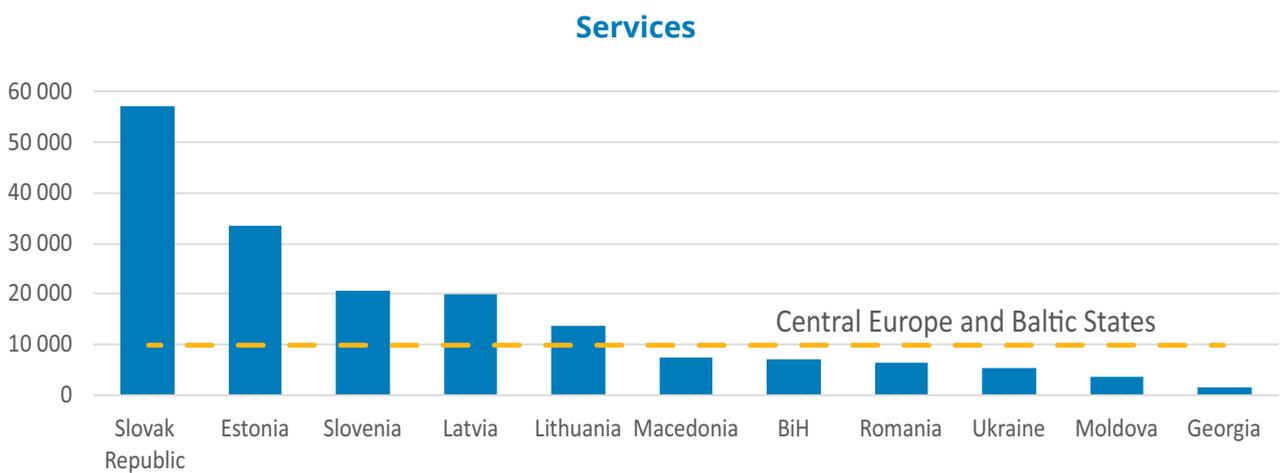
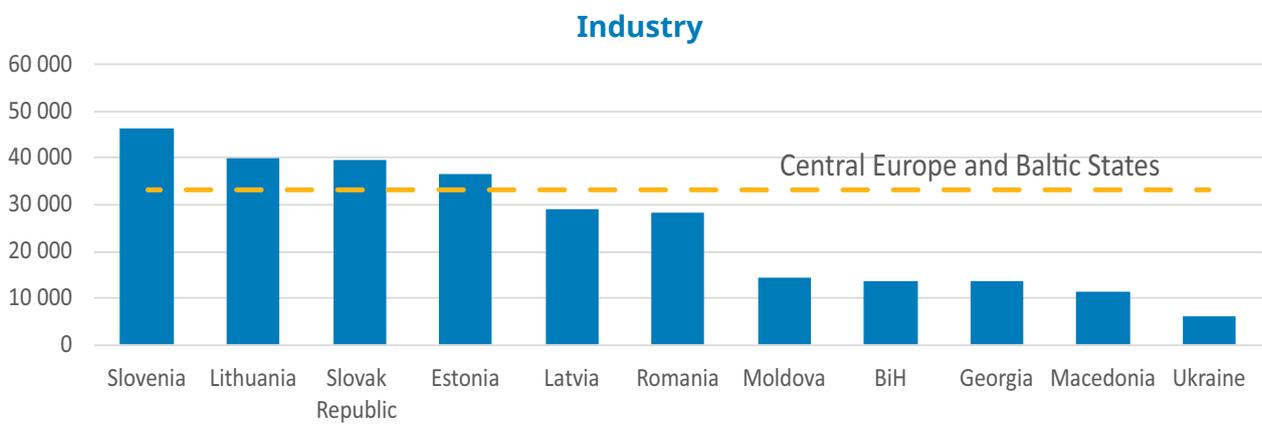
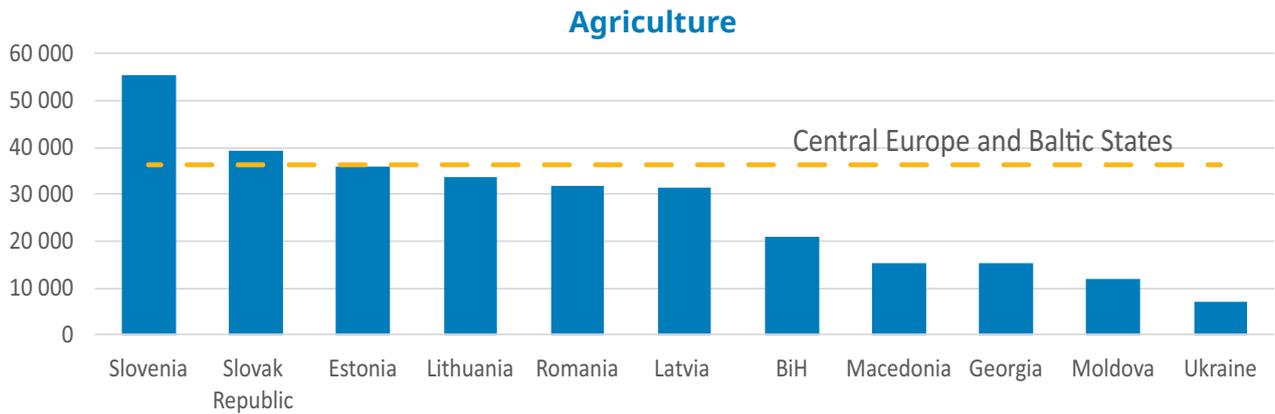


Source: NIER (based on the Global Innovation Report)

Moreover, it should be noted that low labour productivity is a result of the concentration of employment in activities that require low-intensity or low-medium intensity knowledge and technology, especially in rural areas. Low incomes, poor living conditions, reduced access to good quality infrastructure and services, including

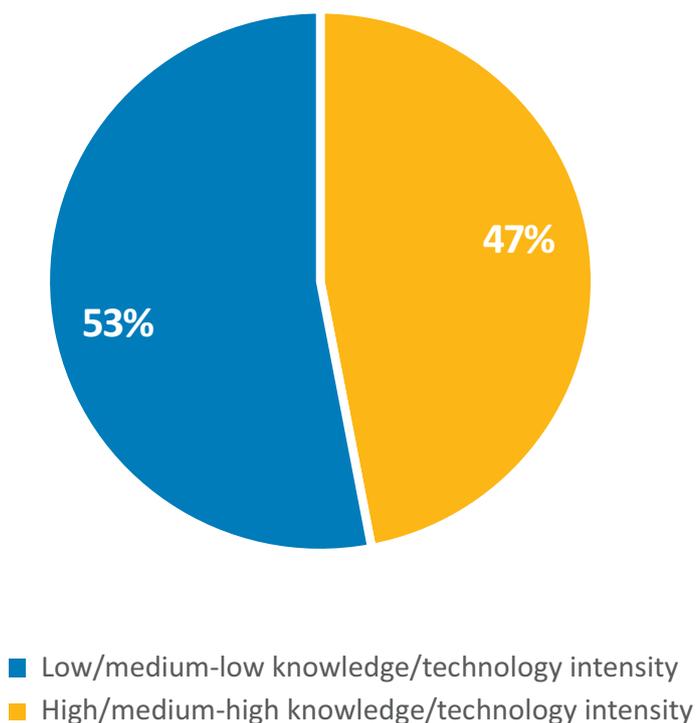
education and medicine, and poor business conditions in the country limit opportunities for the rural population to engage in non-agricultural businesses. The outcome is a reduced demand for labour, including educated and highly qualified labour.

**Figure 52: Labour productivity in agriculture, industry and services in regional perspective (\$US, 2019)**



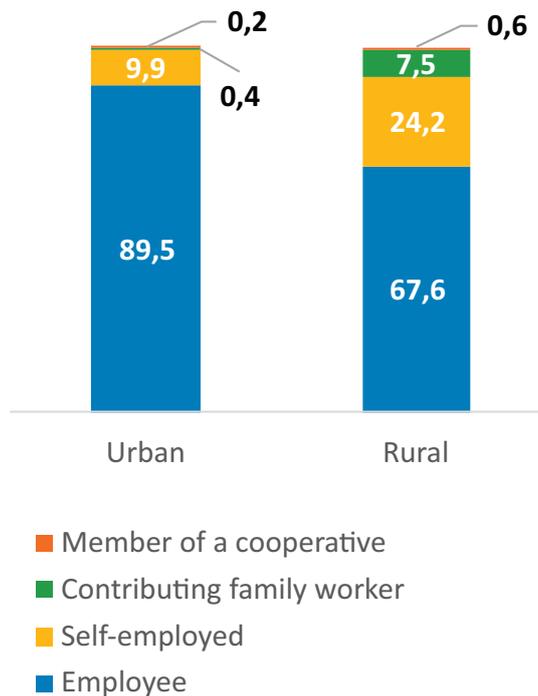
Source: NIER (based on the World Bank data)

**Figure 53: Structure of employees in the economy according to the technological/knowledge intensity of the economic activities in which they are trained (per cent, 2019)**



Source: NIER (based on NBS data)

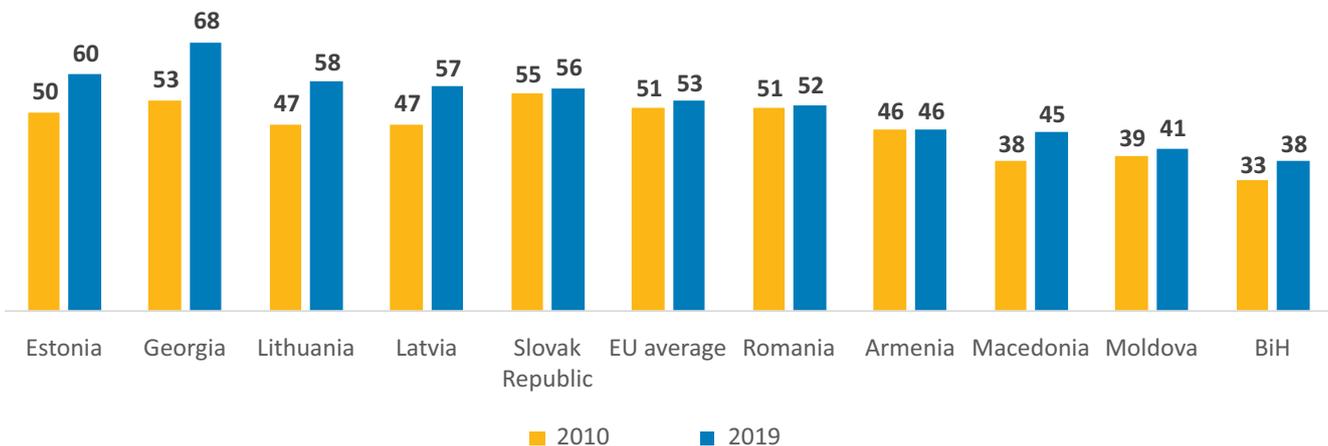
**Figure 54: Structure of the occupied population according to professional status by urban/rural location (per cent, 2019)**



- Member of a cooperative
- Contributing family worker
- Self-employed
- Employee

Source: NBS

**Figure 55: Employment rate in competing countries in the region (per cent)**



Source: NIER (based on the World Bank data)

# INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Moldova has a dynamic and competitive telecommunication market characterized by high internet access speed, good mobile services accessibility, and technological development.

**In recent years, the ICT sector has become one of the most dynamically developing sectors in Moldova's economy.** In 2019, the ICT sector contributed 4.7 of GDP, while its gross value added was 9.2 per cent higher than in 2018. This was a result of Government policy measures to stimulate growth in the ICT sector and in innovation, through the establishment of the Moldova IT Park in 2018. The Park<sup>209</sup> is virtual, and residents of the Park can operate in any region of the country<sup>210</sup> while benefitting from a specially simplified business model that includes a single tax of 7 per cent on sales income. At present, there are 567 companies<sup>211</sup> in the IT Park, a quarter of which are companies with foreign capital, and more than 80 per cent of the products and services delivered by these companies are exported to developed markets. It is worth noting that in 2019, the IT Park companies that have foreign capital registered 60.45 per cent of total exports, compared to 39.55 per cent of those that just have domestic capital. The average salary of an IT Park employees grew by 22 per cent from 2018 to 2019, reaching 29,766 lei, and IT Park residents' real revenue reached US\$ 210.7 million (3.69 billion lei) in 2019.<sup>212</sup>

**The combined ICT services market was valued at approximately US\$154.4 million in 2018, growing from about US\$107.5 million in 2016.** The domestic ICT market grew from US\$27.5 million to US\$33.5 million in the same period, while the value of the export market grew from around US\$80 million to US\$120.90 million.<sup>213</sup> Nevertheless, Moldova is still behind Ukraine and Belarus in the development of its ICT sector. The domestic ICT market has been developing at a slower pace than the export market. However, the increasing migration to Cloud technologies in the domestic market and implementation of a digitalization roadmap, as well as the growing demand for ICT products spurred by the COVID-19 crisis will increase the demand for ICT consulting and support services.

**Over 76 per cent of the population use the internet,<sup>214</sup> digital literacy is one of the most advanced in the region, and access to the internet is ubiquitous.** More than 98 per cent of localities in the country have access to fibre optic networks and to high-capacity mobile internet. However, internet penetration at household level is still relatively low: only 49 per cent of households had access to broadband internet in 2018, substantially lower than the average in the EU, and lower than in neighbouring Romania. Furthermore, only 51.3 per cent of households in rural areas have internet access,<sup>215</sup> and access is much lower for vulnerable groups living in poverty. Among these groups, Roma households are least likely to have internet access.<sup>216</sup>

## AGRICULTURE

**Agriculture was traditionally a key sector in Moldova's economy and the largest contributor of exports.** This sector is still one of the main drivers of economic development in the country, although its share in GDP has been decreasing in recent years. Agricultural output is affected by climate change and faces challenges related

to the underutilization of modern technologies and innovations. As a result, it is growing at a slower rate than the emerging ICT, construction, and service sectors. Nevertheless, **approximately 57 per cent<sup>217</sup> of the country's population live in rural areas and depend on agriculture and related activities to sustain their livelihoods.**

209 Eligible activities include software development, data processing, IT consulting, hardware management, R&D, animation, digital design.

210 In 2019 the majority of companies (495) were registered in Chisinau, followed by Gagauzia (5), Balti (4), Cahul (2) and Ialoveni (2).

211 Out of all companies-resident in the IT Park, 44 per cent are micro-enterprises and 32 per cent are small enterprises.

212 Moldova IT Park, 'Annual Report 2019', 2019.

213 EU Mayors for Economic Growth, 'Market Research of the IT Sector of economy in the Eastern Partnership Countries', 2019.

214 World Bank database, [Individuals using the Internet \(% of population\)](#) – Moldova.

215 NBS data, 2019.

216 Toarta V., 'Profile of Roma Women and Girls', UNDP & UN WOMEN, 2016, p. 25.

217 NBS data, 2019.

**Climate change is increasingly affecting Moldova's agriculture, resulting in degradation of arable lands and decreases in production,** among other negative effects. The main climate adverse phenomena occurring in Moldova over the last decade are **increasingly intense droughts, floods,** torrential rain, hail, strong winds, and landslides. Droughts vary in duration from a few days to several months. However, in the years of 1990, 1992 and 2003, the events have extended throughout the active growing season (April - September) causing particular negative agricultural impacts. All these are leading to losses in food production and are having a negative impact on human health and on standards of living. Food security is recurrently affected by weather conditions. Extreme events occur regularly and have a significant impact on rural livelihoods, and the economy as a whole.

**The economy of Moldova already bears significant costs from climate extremes and foregoes potential benefits and these real and opportunity costs will continue to grow with a future changing climate.** Potential savings from better protection against current harmful climate impacts are estimated to be substantial, amounting to more than \$US 100 million per annum in total. These are mostly due to damages caused by flooding and a variety of weather impacts on agriculture, as well as the cost of climate-related health impacts (extreme heat mortality and food-borne disease). Projections for the future indicate that the frequency and duration of hot days with temperatures above 30°C will increase,<sup>218</sup> In addition, the probability of heavy rainfall and damage from hailstorms will increase. The frequency of wet days in summer is projected to decrease, but the intensity of extreme events is projected to increase. These changes in heavy rainfall events have implications for crop damage<sup>219</sup>. The present total cost of inaction on climate adaptation is estimated at around \$US 600 million, equivalent to 6.5% per cent of GDP. This value is expected to more than double in real terms by 2050 to around \$US 1.3 billion. The forecast is that there will be substantial water shortages for the Prut and Nistru River basins in the future leading to insufficient water available to irrigate crops<sup>220</sup>. The agricultural sector would need to improve adaptive techniques such as mainstreaming Conservation Agriculture and introducing climate smart water efficient technologies.

**Moldova possesses large areas of farmland as a share of the total land in the country** (75 per cent compared to the European average of 45 per cent), **yet this is not efficiently utilized.** Pastures (land suitable for hay and grazing) occupy around 14.8 per cent of the total land used for agriculture in Moldova. Land degradation is evident in pasture areas and 48 per cent are affected by different levels of degradation. The current productivity of pastureland has been estimated at 20-50 per cent of its potential. Climate change is expected to further reduce the productivity of pastures, as there is little investment in improving and developing pastureland; this in turn will have substantial impact on the livestock sector.

**Every fifth employed person in Moldova is engaged in agriculture, forestry, or fishing** (61 per cent of men, 39 per cent of women, and 38 per cent of youth), **however the share of informal employment in agriculture is quite high** (around 64.3 per cent in 2019, according to the NBS).<sup>221</sup> According to the Agricultural Census (2011), only 36 per cent of agricultural farms are managed by women, and most of these women (57 per cent) are of pre-retirement or retirement age.<sup>222</sup> Together, women farmers administer just 19 per cent of the total farmland in the country. Most people working in the sector – 73 per cent of men and 84 per cent of women – are employed informally.<sup>223</sup> In particular, women work more in low value-added agricultural production sub sectors, operate on a smaller scale, and more likely to work as family workers. Women entrepreneurs face barriers getting access to bank loans and to state-funded business and entrepreneurship development programmes.<sup>224</sup>

**Wage levels in the agricultural sector are 34.1 per cent lower than the national average,** due to the seasonality of labour demands, and the low level of qualifications among agricultural workers. The Government provided tax incentives in attempt to increase the level of qualifications and knowledge among agriculture workers, but this had little impact.<sup>225</sup>

**Younger people in rural areas have seen their income from agricultural activity decrease by half in recent years, while at the same time, more and more are now earning part or all of their income in other areas of the economy.** Statistical data reveals a change in the distribution of income sources in young households (aged 23-38) during the period 2009-2018.

218 These simulations are produced by the HIRHAM model. The HIRHAM model is a numerical short-range weather forecasting system developed by the international HIRLAM Programme (<http://hirlam.org>) and is used for routine weather forecasting by a number of meteorological institutes.

219 World Bank data, 2018.

220 World Bank data 2016.

221 The NBS categorises a job as Informal when employees do not benefit from annual leave and social protection.

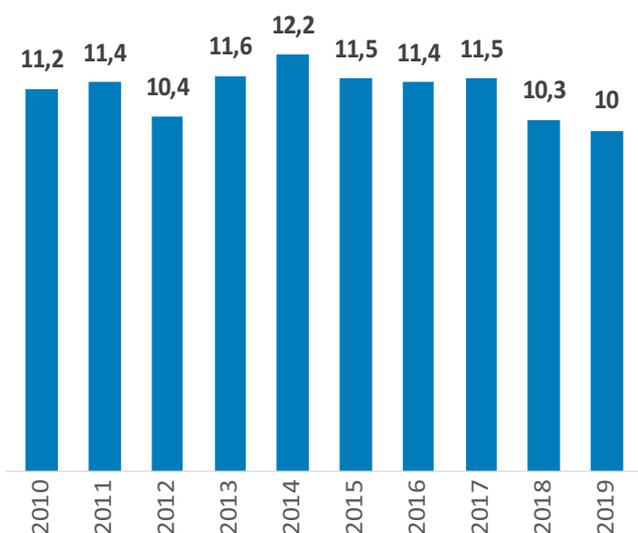
222 M. Vremis, 'Women in rural areas', UN Information Note developed within the project on 'Strengthening of the National Statistics System', 2016.

223 UNDP Moldova, [Inequalities in urban and rural Moldova: Beyond incomes and averages, looking into the future of inequalities](#), 2020.

224 However, the Government and donors have initiated several initiatives targeted at women such as the Ministry of Economy's initiative to help women in business and the special initiatives for women to access AIPA resources. The EU-funded Business Academy for Women (BAW) assists women to start and manage their own businesses. The project implemented by the Organization for Development of the SME Sector (ODIMM) has contributed to the formation of a community of entrepreneurs and the creation of a National Network of Women Mentors.

225 NBS, ['Earnings, labour costs and number of employees in 2019'](#), 2020. [[in Romanian](#)]

**Figure 56: Share of agriculture in GDP (per cent)**



Source: NBS

In 2009, over 22 per cent of men and 20.3 per cent of women in the age group 23-38 were solely reliant on income from agricultural activities. By 2018, this had decreased to 10.4 per cent for men and 10 per cent for women. Over the same period, the number of young people with sources of income in other sectors of the economy than agriculture increased by over 3 per cent for both women and men, from 23.0 per cent in 2009 to 26.6 per cent in 2018 for women, and from 29.0 per cent in 2009 to 32.4 per cent in 2018 for men. Young men and women are trying to engage in very diverse forms of agro-based enterprise development in rural areas, but they face many challenges. These include the lack of: (i) access to consistent mentoring, coaching and support to develop business plans to identify feasible options; (ii) access to capital and collateral to access institutional credit; and (iii) technical knowledge, information, and access to markets.

**The share of agri-food sector production within the wider processing industry has declined by 3.5 per cent in recent years** (from 37 per cent in 2014 to 33.5 per cent in 2019). Over the same period, the volume of production within the food industry increased by more than 40 per cent. Wine production accounts for one third of the food processing industry. The makeup of the food processing industry did not change very much, but there have been noticeable improvements in quality in vegetable and animal oil processing, meat processing, and bread and patisserie processing. Sugar production has fallen by about 46 per cent, as a result of the impact of climate conditions and a lack of labour.<sup>226</sup>

**The share of plant and animal production remained roughly constant from 2014 to 2019, but plant production has been heavily affected by the impacts of the COVID-19 crisis and by drought in 2019-2020.** This has led to a fall in production of 27 per cent in the first half of 2020 compared to the same period in 2019.

**Horticulture has been emerging as a priority sub-sector with higher value added, yet traditional agricultural crops (wheat, corn, sunflower) and viticulture still predominate.** Orchards, vineyards, and vegetable crops occupy around 11 per cent of total agricultural land. In 2019, the production of vegetables increased by 8 per cent, while the harvest of fruits, walnuts and berries declined by 6.1 per cent, and the grape harvest fell by 10 per cent. Spring frosts in 2020 have affected the most important fruit varieties. Globally, the fruit harvest is forecast to be 15-20 per cent lower than the average of the last three years.

**Livestock production is still largely underdeveloped and emerging slowly, due to the high costs associated with breeding and processing, but also to a lack of the required infrastructure and standards. Due to poor production standards for meat and dairy products, Moldova cannot export these products to EU markets.** In 2019, the production of cattle and poultry (live mass) decreased by 5 per cent, while figures for 2020 register a small increase of 8 per cent for the first six months of 2020. Milk production of all types has fallen by 10 per cent compared to 2018, while production of eggs has fallen by 7 per cent. The livestock sector<sup>227</sup> continues to be mainly determined by the wellbeing of the households that own the livestock. Around 215,000 ha of crop surface were affected by low levels of precipitation in autumn 2019-spring 2020 in the centre and southern part of the country, leading to a shortage of cereal production and higher costs for animal feed. Therefore, the fall in milk yields and production of cattle is likely to accelerate in the current year.

**The wine industry contributes 3 per cent to the national GDP and is responsible for around 7 per cent of total exports. It is one of the most important sub-sectors providing jobs in rural areas.** The total area of vineyards is 126,000 ha, including 119,000 ha of yielding vines. The volume of wine produced in 2019 was 14.6 million decalitres (3 per cent less than the average for 2001-2018). There were 199 wineries listed in the National Vine and Wine Register in 2019 (6.41 per cent more than in 2018). Moldovan wine is currently exported all over the world. Key markets include the CIS (especially the Russian Federation) the EU (Poland, Czech Republic, Germany and Romania), China and the USA.

226 NBS, [The value of manufactured industrial production, by types of activities, 2014-2019](#). [in Romanian]

227 Livestock production takes place in three organizational settings: (i) large production complexes that are similar to feed lots; (ii) integrated crop and livestock systems on collective and state farms; and (iii) the private household sector.

**Moldova has good potential for organic agri-food production**, currently substantially underdeveloped. The total area under organic farming in Moldova has grown steadily during the last decade and continues to increase; it now covers around 4 per cent of agricultural land. Organic areas are mostly under arable crops (95 per cent), while permanent crops occupy only 3 per cent, with most production-oriented to exports.

**Moldovan farms are largely dominated by smallholders, who play an important role in the country's agricultural and rural development, and who generate over 62 per cent of the total volume of agricultural outputs.**<sup>228</sup> The share of smallholders and family farms out of the total number of agricultural holdings is 98.2 per cent, with 189,533 family farms of below 10 ha registered in 2019. Only 3,348 farms are bigger than 10 ha, equal to 1.7 per cent of the total. Family farms utilize 43.4 per cent of the total agricultural land in Moldova, while the larger corporate farms utilize 56.6 per cent of agricultural land.

**Irrigation systems for agriculture are not sufficiently developed and are inefficient.** There are 88 irrigation systems in the country (built during the Soviet period). Of these, 10 were renovated during 2010-2015, while the other 78 are functional, partially functional or non-functional. Access to irrigation is very limited (around 9 per cent of total agricultural land, or 222,190 ha) which is

one factor amongst others contributing to reduced crop productivity.

**Exports of agricultural and food products account for about 80 per cent of goods traded by Moldova** (Table 5 in the Annex). In 2019, trade in agri-food products reached US\$1.9 billion, of which US\$1.18 billion were exports and US\$0.78 billion were imports. The export of agriculture products is dominated by oil seeds and oleaginous fruits (27 per cent), cereals (21 per cent), fruits and vegetables (22 per cent), and beverages (16 per cent). Agri-food products made up 42.6 per cent of total exports. Exports of agri-food products with higher added value are still limited due to the inadequate storage and processing infrastructure, as well as poor marketing capacities. Export of animal products (poultry meat and eggs) to the EU remains one of the biggest challenges.

Moldova's key comparative advantage is related to trade benefits of the DCFTA agreement facilitating access to the EU single market, as well as the country's geographical proximity to the EU. Furthermore, high level of e-readiness and recent infrastructure development are additional factors creating preconditions for foreign direct investment inflow. However, the low level of innovation, brain drain and persisting dependency on technology transfer is not prevented from taking full advantage of trade benefits with the EU, nor the CIS.



Photo: FAO Moldova

228 FAO, 'Country Study on Smallholders and Family Farms in Moldova' (final draft version), 2018.

# LABOUR MARKET

**Ongoing processes of economic transition, volatile growth,<sup>230</sup> population ageing, and the shrinking labour force have all strongly affected the Moldovan labour market.<sup>231</sup>**

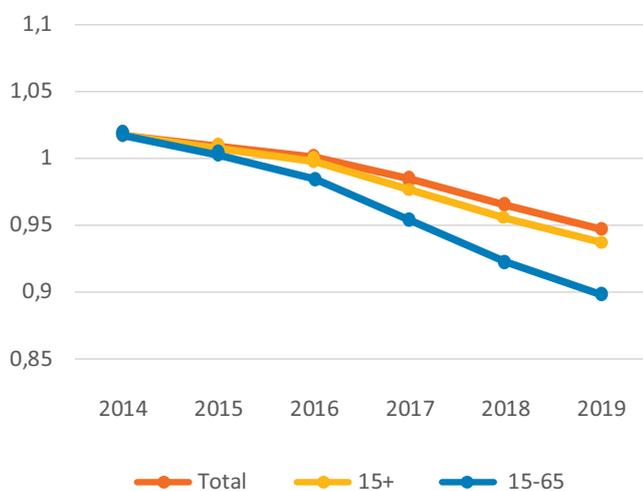
In 2020, Moldova's population stands at 2,640,400. This means that in just six years, the country had lost nearly 8 per cent of its inhabitants since the last census in 2014. Low and decreasing fertility and losses in high net emigration have taken their toll. Population decline is even sharper for the working age population (aged 15 - 65), whose numbers have contracted by nearly 12 per cent over the last five years.

Outward migration<sup>232</sup> has made a dent in the labour force participation (LFP) and employment rates, as emigration and remittances feed Moldovans' reluctance to participate in the labour force. At 42 per cent as of 2019, the LFP rate is worryingly low compared to the EU average of 70 per cent and is also below the regional average of 68 per cent for Europe and Central Asia. In addition, a gender gap of roughly 8 per cent between the women's

and men's LFP has been reported consistently over the last few years. Low employment rates have led to labour market inactivity and discouragement that further kept people outside the labour force. By 2019, the number of people employed in Moldova had dropped to 990,000.<sup>233</sup> High rates of inactivity (53 per cent for men and 62 per cent for women in 2019), underemployment, and pervasive precarity further compound the already gloomy labour market, and make the working age population of Moldova, and their families, extremely vulnerable to shocks.

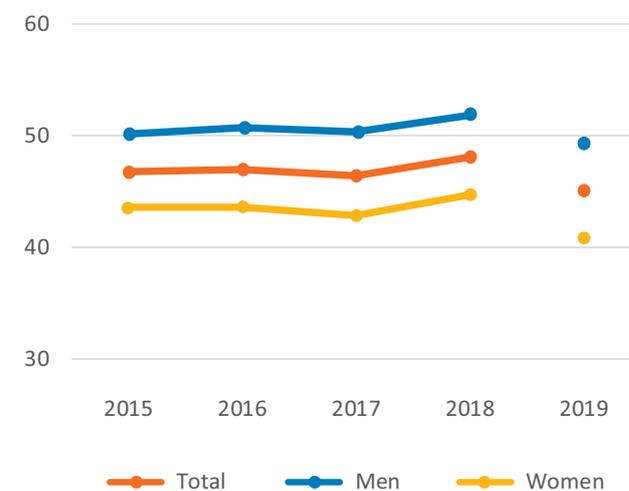
**Out-migration and economic growth in recent years have given rise to record low levels of unemployment, although high levels of inactivity persist.** The unemployment rate was 5.1 per cent in 2019 (women: 4.4 per cent; men: 5.8 per cent). Unemployment among young adults aged 15–24 is a more pressing problem and reached nearly 8 per cent in 2019. Moldovans, however, are more likely to be inactive than unemployed. One in every three young people is not in the labour force.

**Figure 57: Indices of population for main age groups (2014=1)**



Source: NBS

**Figure 58: Labour force participation rate (per cent)**



Note: 2019 data not comparable to previous years.

Source: NBS

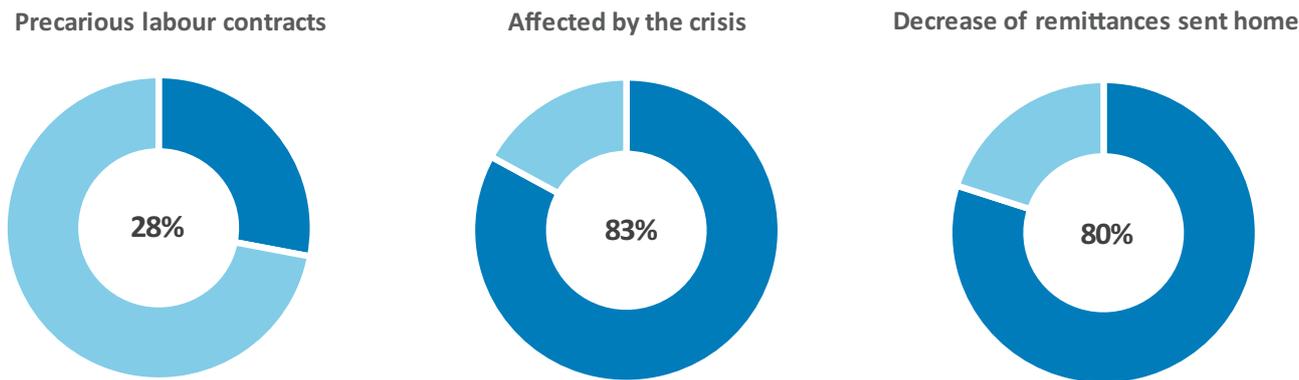
230 The growth model, propelled mainly by consumption and remittances, has been unsustainable and is losing strength.

231 NBS, 'Number of population with habitual residence in the Republic of Moldova by sex and age groups on 1 January 2020', 2020. [in Romanian]

232 As of 2019, one third of the labour force was reported to be working abroad or looking for work abroad. Ministry of Internal Affairs of the Republic of Moldova Migration and Asylum Office, 'Extended Migration Profile of the Republic of Moldova 2014-2018. Analytical report', Chisinau, 2019. [in Romanian]

233 The decline registered in 2019 was due mostly to a methodological change in the definition of employment. Beginning in 2019, households producing food for their own consumption are no longer included in employment statistics. This category of people represents a significant and rising component of the population outside the labour force in Moldova. Due to these changes, all labour market indicators in 2019 are not comparable with previous years.

**Figure 59: Diaspora affected by COVID-19-related restrictions**



Source: IOM

There is a downward trend in the proportion of young people (aged 15 - 24) not in employment, education or training (NEET). The share of young people who were NEET fell from 28 per cent in 2014 to 20 per cent in 2019,<sup>234</sup> still a high proportion that needs to be tackled through public policies. The proportion of NEET individuals with family responsibilities increased by 5 percentage points between 2014 and 2019, correlating with a spike in inactivity in the labour market among women aged 25–44.

The COVID-19 crisis is driving some Moldovan migrants to return from abroad. Some of these returning migrants are unemployed, and this requires a policy and services response (in the form of unemployment benefits and social assistance) to take advantage of their skills and ensure their absorption into the labour market.

According to IOM estimates, roughly 150,000 labour migrants will likely return to Moldova during 2020 because of the COVID-19 pandemic, equivalent to around 10 per cent of the domestic Moldovan working population. Based on the results of an IOM survey conducted in July-August 2020, 22.7 per cent of returning migrants will try to find work; this could lead to a doubling of the unemployment rate.

**Educational attainment has improved, while employment opportunities for many seem not to have changed appreciably.** Rising educational attainment is typically associated with powering labour productivity. That has not been the case in Moldova. Better educated young people, particularly young women, face significant challenges in finding jobs outside the agricultural sector, implying a lack of sufficient professional and high-level technical jobs to absorb the number of skilled

individuals in the labour force. As a result, first-time job-seekers more often than not end up in informal employment and/or with unstable employment contracts.

**Informal employment exposes both structural deficiencies and a deficit in decent work.** The share of informal employment has escalated, reaching nearly 40 per cent of total employment in 2018. In 2019, this figure declined to 23 per cent, following the adoption of a new definition of employment by the National Bureau of Statistics that is in line with international best practice.<sup>235</sup> Men are 6-10 per cent more likely to be employed informally than women, as men dominate in agriculture and construction, where informality is more pervasive. Women, on the other hand, are mostly affected by occupational segregation, inactivity due to family responsibilities, little support to reconcile work and family, limited economic power, as well as lack of security and pay differentials for work of equal value.

**People in Moldova perform an average of 3.9 hours of unpaid work a day, higher than the average in OECD countries** (3.4 hours a day). Most unpaid work is done by women, with 4.9 hours a day, representing 66 per cent of their total working time, while men allocate half that, undertaking 2.8 hours of unpaid work a day, or 46 per cent of their total working time. The differences between men's and women's burden of unpaid labour are the most visible in the case of unemployed parents with children: mothers in this position undertake 8.4 hours a day of unpaid labour, compared to 5.9 hours a day undertaken by fathers.<sup>236</sup>

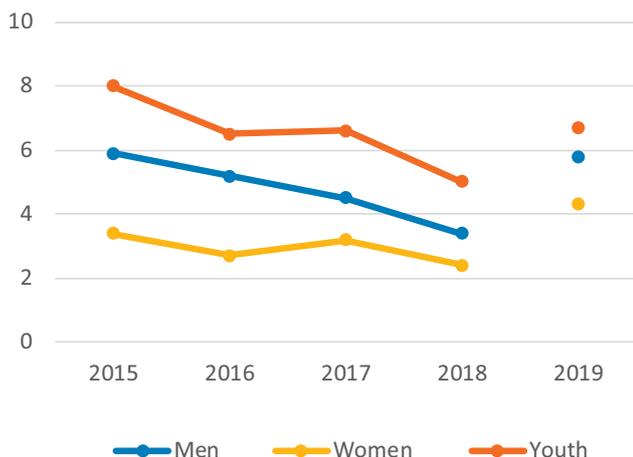
**Approximately 25 per cent of women and 15 per cent of men reported that they spent more time on at least three unpaid domestic activities during**

234 Drop in these figures stems primarily from the new population estimates and methodological changes applied.

235 In 2019, households engaged in production for their own consumption have been removed from the employment figures.

236 NBS, Time Use survey data, 2012.

**Figure 60: Unemployment rate (per cent)**



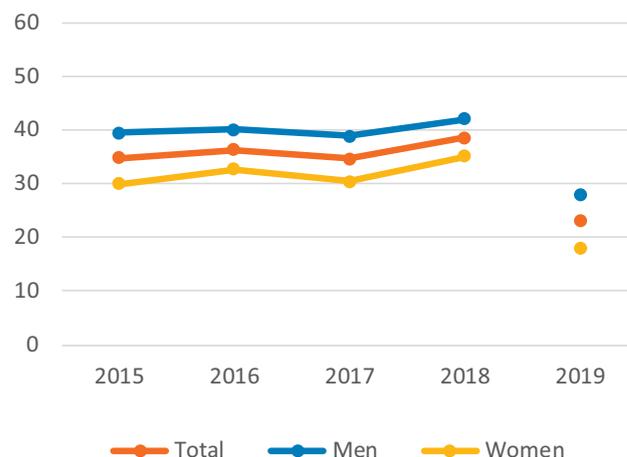
Note: 2019 data not comparable to previous years.

Source: NBS

**the COVID-19 pandemic lockdown.** Married women, as well as women with children have taken on an even greater share of additional unpaid domestic work compared to men. The data from UN Women reveal a higher burden for married women, with a score of 3.6 on the household burden index, followed by single women, with a score of 3.0<sup>237</sup>. Furthermore, women with children scored significantly higher on the household burden index than women without children (4.1 and 2.3, respectively). Similarly, women in households with three or more people scored higher than women in households with one or two persons.<sup>238</sup> In Roma families made up of adults with a low level of education (or no education) living in rural areas, women spent 70 per cent of their time on domestic activities during the pandemic lockdown.<sup>239</sup>

**Labour productivity has started to recover in recent years, but it is critical not to lose momentum.** High levels of informal employment, as well as education and skills shortfalls along with an economy dominated by agriculture<sup>240</sup> have dampened productivity perspectives in Moldova for many years.<sup>241</sup> In 2019, however, labour productivity appeared to be showing some signs of improvement. Growth in labour productivity of 0.5 per cent was mainly due to a reduction in unproductive labour, and firms being more innovative and adapting to market conditions.<sup>242</sup>

**Figure 61: Share of informal employment (per cent of total employment)**



Note: 2019 data not comparable to previous years.

Source: NBS

**While labour productivity is rising on a par with the increase in net wages, high inequalities still prevail.** In 2019 labour productivity rose on a par with the increase in net wages. Wages have registered a significant increase in real terms, but gender disparities persist. From 2014 to 2019, the average wage in the economy rose by roughly 30 per cent in real terms. This growth was driven by wage hikes in the budgetary sector, a growing demand in several sectors, and the falling supply of labour. Increases in real wages gave rise to unit labour costs and depressed labour demand. Despite this positive trend, more than 60 per cent of all employees receive a wage that is lower than the mean value in the national economy. Moreover, in 2018 the gender pay gap was 13.5 per cent and is much wider in better-paid sectors like ICT (32.5 per cent) and finance (38. per cent).<sup>243</sup>

**Poor working conditions, work insecurity and rising inequalities are salient features of the Moldovan labour market.**

237 UN Women, 'The Impact of Covid-19 on Women's and Men's Lives and Livelihoods in Europe and Central Asia: Preliminary Results from a Rapid Gender Assessment', 2020. p. 27.

238 Ibid.

239 UN Women Moldova, 'Impact of Covid-19 crisis on Roma population in the Republic of Moldova', Chişinău, June 2020, p.10.

240 Half of all Moldovans still live in rural areas (57.1 per cent), and about a third of the labour force works in agriculture, a sector where productivity is lower than the national average.

241 World Bank, 'Moldova Policy Notes 2019: Sustaining Stability and Reviving Growth', 2019.

242 World Bank, 'Moldova Special Focus Note: Are Moldovan Firms Ready for Fast Recovery?', 2020.

243 ILO, 'Wage regulations and practices in the Republic of Moldova', 2017.

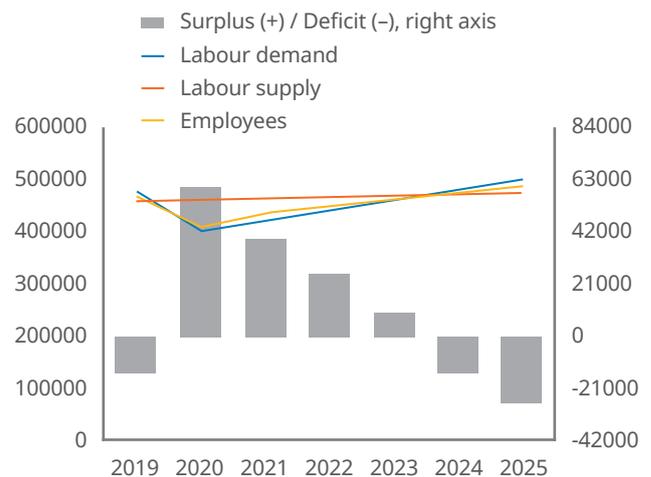
**A growing proportion of jobs are in less productive firms.** Despite an increase in the number of people out of work in Moldova, net job creation improved recently, with most of the jobs created being middle-skilled roles in retail and service sectors.<sup>244</sup> The ratio of economic activities in tradeable sectors (i.e., production of goods or services that are or could be traded internationally) remains very low, nevertheless. Only 30 per cent of employees in Moldova were employed in tradeable sectors in 2019.<sup>245</sup> Strikingly, nearly half of the workforce in Moldova are in jobs that require low levels of qualification;<sup>246</sup> this further confirms that the most productive (small, young, foreign, and private) firms have the most productive jobs, but they are not increasing their share in employment.<sup>247</sup>

**Skills mismatch and the shortage of skilled workers rank among the top obstacles (along with access to finance, absence of the rule of law, and corruption) to enterprise performance,** according to Moldovan employers. In 2019, the job vacancy rate (jobs registered with the Public Employment Service) grew by 83 per cent (i.e., roughly 5,000 available jobs), coupled with a fall in registered unemployment.

**Equal opportunities and equal treatment in employment are still issues in Moldova.** Women in Moldova have good educational outcomes, but are less active in the labour market, confront high occupational segregation, seniority and pay constraints and low levels of security. Women are also less likely to be engaged in market-related activities. Lack of access to childcare for children aged 0-3 makes it hard for young mothers to return to work or to re-enter the labour market. Among women aged 25-49 with at least one child (aged 16 or under), the employment rate in 2018 was 53.8 per cent, and for women without children, it was 59.5 per cent. For women belonging to minority groups, constraints to labour force participation related to education and skills, the impact of care and domestic responsibilities, and domestic violence are further exacerbated by their marginalized status. One outcome of this is that employment rates for Roma women were only around 15 per cent in 2018.<sup>248</sup> Persons with disabilities confront low employment opportunities and limited workplace adaptation, as well as limited access to employment support services.

**Moldova needs to unlock the potential of its workforce to enhance livelihoods and business performance.** This untapped potential is to be found in people who are not currently active in the labour force, such as those living in households engaged in subsistence agriculture, women who are currently out of the workforce,

**Figure 62. Occupational indicators. Projection for real sector enterprises (individuals)**



Source: Calculations based on NBS data

short-term migrants and/or people intending to migrate, and migrants returning as a result of the impacts of the COVID-19 crisis. In total, these groups amount to more than 150,000 people. Structural reforms could additionally enable some 50,000 people to move across into more productive sectors. The COVID-19 crisis is likely to make an additional workforce available; that said, the labour deficit is projected to spike again by 2024, as a result of increases in labour demand.<sup>249</sup>

**The last two years have seen an increase in the number of people who are self-employed or contributing family workers, indicating that precarious employment is on the rise and that prospects for decent work are rather daunting.** The share of workers in unstable employment (employees with temporary or short-term contracts) increased from 7 per cent in 2014 to 10 per cent in 2018. This trend has mostly affected women, among whom rates of unstable employment rose from 6 per cent to nearly 10 per cent. There are also worrying trends in regard to occupational health and safety, most likely resulting from institutional changes and liberalization reforms. The number of workplace accidents surged to 62 cases per 1,000 employees in 2019, up from 49 cases per 1,000 employees in 2016. This might have been driven by a temporary ban on business inspections and controls, including those related to occupational health and safety, along with institutional reform of the State Labour Inspection. The high incidence of occupational accidents leading to death and severe injuries are cause for concern, as are ineffective labour

244 Ibid

245 Expert Grup, [Labour Market of the Republic of Moldova: A Comprehensive Analysis](#), 2020.

246 Ibid.

247 World Bank, [Moldova Poverty Assessment 2016: A Jobs Diagnostic for Moldova - 10 Key Facts](#), 2016.

248 ILO, [Roma Women and the World-Of-Work in The Republic of Moldova](#), 2018.

249 Expert Grup, [Labour Market of the Republic of Moldova: A Comprehensive Analysis](#), 2020.

inspections.<sup>250</sup> The legislative framework for labour inspections is weak, as law No. 131 on state control over entrepreneurship activities limits labour inspection visits to no more than one per year and provides for employers to be notified five days prior to the inspection. In addition, insufficient financial and human resources are allocated to the labour inspectorates. The minimum wage fails to protect the lowest-pay workers resulting in serious inequality constraints. Unrevised since 2014, the national minimum wage in 2019 was MDL 1,000. The minimum guaranteed wage in the real sector reached nearly MDL 3,000 in the same reference period. The minimum salary in the budgetary sector is as much as 75 per cent of the subsistence level.

**Moldova's labour market is characterized by substantial gender and age-based discrimination.** Age discrimination in the labour market is quite common in Moldova, affecting not only the youngest, newcomers to the labour market, but also older workers over 50. The main form of discrimination that older employees face relates to the right to work: older employees are encouraged to give up work voluntarily, have limited access to training, and face difficulties in finding employment.<sup>251</sup> The employment rate for women was 41.4 per cent in 2018, compared to 48.1 per cent for men.

Wage disparity between men and women reached **14.4 per cent** in 2019

**In 2019, the wage disparity between men and women reached 14.4 per cent, the equivalent to an annual financial loss for women of MDL 14,490, the highest in six years.** The OECD average is 13 per cent. For old age pensioners, there is a significant gender disparity in income of 21.6 per cent, which is 4 per cent higher than it was in 2018. In urban areas, the gender gap in pensioners' income is even more pronounced, reaching 32.6 per cent in Chisinau. These discrepancies lead to significant financial losses for retired women.

The factors affecting the pay gap between women and men include: level of education (which actually benefits women and reduces pay inequalities), number of hours worked, and employer profile (all of which benefit men and increase pay inequalities). These factors are calculated as accounting for 8.7 per cent of the gender pay gap. However, the gender pay gap is greater than this due to the persistence of discrimination against women in the labour market. Although women generally have an educational advantage over men, their salaries are typically lower than men's, regardless of whether they work in the public or private sector and regardless of the field of activity.<sup>252</sup> Hence, more needs to be done to close the gender pay gap further and to adopt a legislative framework to enshrine the principle of equal pay for work of equal value and to combat gender role stereotypes.<sup>253</sup> The Committee on the Elimination of Discrimination Against Women recommended reviewing wages in all sectors, applying gender-sensitive analytical job classification and evaluation methods, conducting regular labour inspections, and conducting regular pay surveys as measures to narrow and ultimately to close the gender pay gap.<sup>254</sup>

**The COVID-19 pandemic has further shocked the labour market.** New data reveal a nearly 9 per cent decline in employment in the second quarter of 2020 compared with the previous year. The relative decline in employment is greater for women (10.1 per cent) than for men (7.7).<sup>255</sup> **A decline in employment in the second quarter of 2020 has been accompanied by large increases in inactivity as well in unemployment in many parts of the world. Contrary to this trend, in Moldova, unemployment has decreased.** However, focusing on changes in unemployment alone can be misleading. The rise in inactivity has important policy implications. Experience from earlier crises shows that activating inactive people is even harder than re-employing the unemployed, so higher inactivity rates are likely to make a recovery in employment levels more difficult. Moreover, younger and older people have been hit particularly hard by the COVID-19 crisis: since these two groups are normally at a higher risk of becoming inactive, there is a danger that they will face long-term labour market disadvantages. Longstanding exclusion from the formal labour market has left Roma women even more vulnerable during the pandemic crisis. In an assessment of the impact of the pandemic on Roma communities, over 77 per cent of Roma women reported that they do not have the financial resources to meet their basic needs, compared to 54 per cent Roma men.<sup>256</sup>

250 Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova (E/C.12/MDA/CO/3)', 2017, para. 36.

251 Help Age International Moldova, Secretariat of Platform for Active Ageing.

252 Eastern Europe Foundation et al, 'Gender Inequality in Wages: How and Why Women Lose Financial Loss in Front of Men', n.d. [in Romanian]

253 Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova (E/C.12/MDA/CO/3)', 2017, paras. 34, 35.

254 Committee on the Elimination of Discrimination against Women, 'Concluding observations on the sixth periodic report of the Republic of Moldova (CEDAW/C/MDA/CO/6)', 2020, para.33 (a).

255 ILO Monitor, 'COVID-19 and the world of work'. Sixth edition 23 September, 2020.

256 UN Women Moldova, 'Impact of Covid-19 crisis on Roma population in the Republic of Moldova', Chisinau, June 2020, p.26.

The COVID-19 crisis has given rise to categories of 'newly vulnerable' workers and jobseekers.<sup>257</sup> The crisis is likely to increase NEET individuals' skill fragmentation and decrease their resources. Many people who are self-employed have found themselves in difficult positions. Migrants have been forced to return home or re-evaluate their work prospects, with informal workers having low legal protection and falling outside of the social safety nets available in the countries where they are employed. Several tens of thousands have returned to Moldova since the beginning of the crisis.<sup>258</sup> Travel restrictions have meant that seasonal migrant workers have been prevented from taking up employment abroad for which they have contracts, and for which many may have paid high recruitment fees and expenses. The crisis threatens to dry up remittance flows—a vital source for nearly 22,000 Moldovan households.<sup>259</sup> Some returning migrants are ready to invest and create jobs in Moldova, but to do so, they need financial support and mentoring to open new businesses. The others bring skills and knowledge but require support to adapt and gain employment.

In the second quarter of 2020 the employment rate declined by 9 per cent

The deluge of unemployment claims due to the impacts of the COVID-19 crisis and an unparalleled inflow of new jobseekers are placing unprecedented pressure on private and public providers of employment services (PES), which have an important role to

play in keeping labour markets functioning during this crisis. Underdeveloped digital services are likely obstructing PES agility and effectiveness in service delivery. PES need to adapt their operating models, use resources efficiently, and maintain cooperation and communication with the key stakeholders and partners.

A quarter of households in Moldova receives remittances.

**Freelancers, while not being considered part of the traditionally vulnerable groups, have found themselves in a difficult position.** Craftspersons, individual entrepreneurs and small farmers have been affected by a decrease in sales, restricted access to raw materials and decline in domestic demands and have serious concerns about declines in their cashflows.<sup>260</sup> The average income of self-employed persons in agriculture is only 53 per cent of the national average salary and 82 per cent for those self-employed in sectors outside of agriculture.<sup>261</sup> About 13 per cent of the freelancers were affected by income loss between in the amount of 75 per cent to 100 per cent, while the 40 per cent of surveyed individual entrepreneurs stated that their income and savings are not enough to cover their monthly bills. Freelancers showed exceptional worries over the period of the next three months, with 73 per cent being very concerned about the evolution of the socio-economic situation. Noteworthy that they were also the most indebted group in the sample.<sup>262</sup>

## REMITTANCES

**Moldova is the country most reliant on remittances in the whole of Europe.** Remittances remain important for Moldova's economy in the context of labour market shocks and decreasing labour migration due to the COVID-19 pandemic.

Remittances reached their maximum level in 2010, when they accounted for one quarter of GDP. Since then, re-

mittance levels have fallen, partly as a result of loosening ties between migrants and their families. Although declining, personal remittances still represent quite a large share of GDP - 15.97 per cent, or approximately US\$1.91 billion in 2019.<sup>263</sup> One other explanation to the remittances declining pathway is that after the introduction of the visa-free regime with the EU, and in parallel to banking fraud crisis in that undermined trust in Mol-

257 UNDP, 'Social and Economic Impact Assessment of COVID-19 in Republic of Moldova' 2020.

258 IOM, 'IOM rapid field assessment of the impact of COVID-19 on the wellbeing of the Moldovan diaspora: an evidence base regarding migrants', 2020.

259 Ibid.

260 Expert Group - Needs Assessment and Evaluation of COVID-19 impact on MSMEs.

261 National Statistics Bureau - Household Budget Survey 2019, estimations by PwC within the 'Social and Economic Impact Assessment of COVID-19 in Republic of Moldova'. 2020.

262 UNDP, 'Social and Economic Impact Assessment of COVID-19 in Republic of Moldova'. 2020

dova's banking system, migrants switched to remitting using informal money transfer channels, or were bringing the money in when travelling back to Moldova for vacations.

With the pandemic, free movement of people has been restricted, and once again, remittances are sent via formal channels. Between January and October 2020, Moldovan migrants transferred US\$1,206.54 million, more than twice as much as the total amount of FDI in 2019 (US\$589 million), and four times exceeding the total official development assistance to Moldova in 2018 (US\$281.6 million).

**In Moldova, a quarter of households** (approximately 237,000 households) **receive remittances** and for over a half of these households (approximately 118,000 households (52.4 per cent in 2018) remittances constitute more than 50 per cent of the disposable income available to the household. In rural areas, the share of remittances in disposable income is particularly high, reaching 59.7 per cent in 2018, 7.9 per cent higher than in urban settlements. Almost a quarter of households (23.4 per cent - 224,000 households) would fall below the poverty line if they were deprived of remittances; in rural areas this share reaches 30.5 per cent.<sup>264</sup>

**The number of young people who depend on financial transfers from abroad is increasing.** About 15 per cent of men aged 23-38 (about 5 per cent more than in 2009), and 18.2 per cent of women aged 23-38 (5.8 per cent more compared to 2009) are reliant on transfers from abroad as their main source of income.

According to a recent IOM survey, **the amount that migrants remit home every month is equal to an average of EUR 350 per person**, with a variation in the range of EUR 30 to 1,500. Most migrants (42 per cent) send at least 1,000 EUR every year. Fourteen per cent

regularly send EUR 500-1,000 per month, while every third migrant (34.9 per cent) sends home amounts ranging between EUR 100 and 500. Funds received from migrants are used for house repairs and construction (24 per cent), food (24 per cent), health (21 per cent), children's education (17 per cent), and to purchase consumer goods (10 per cent). Small amounts of transfers are spent on financing agricultural production (1 per cent) and investments in land or agricultural equipment (3 per cent).

**It was expected that amid the coronavirus pandemic, remittances would drop by 15-20 per cent by the end of 2021** (depending on the length and depth of the coronavirus crisis) **substantially suppressing private consumption.** In spring 2020, an IOM survey on the impact of COVID-19 and migration found that around 17 per cent of all migrants indicated that they already stopped remitting as a result of impacts of the pandemic. This affected 37,500 Moldovan households (i.e., 108,750 people), putting them at high risk of impoverishment.

However, contrary to initial projections the money transfers from abroad to Moldova have been increasing since July which leads to two-fold assumptions: (i) although many Moldovan migrants have returned being affected by Covid-19 and loss of jobs in the destination country, the emigration recovered once the lockdown was relaxed, and (ii) many migrants have settled in the destination countries and continue to remit in the same amounts, yet via formal channels due to unfavourable epidemiological situations preventing them from travelling and bringing the money themselves. **Consequently, remittances in the medium term will likely remain as one of the key features of Moldova's economy, however demographic trends that they are likely to continue declining up to 2030.** Consequently, reaping the 'diaspora dividends' in the short-term represents a challenge.

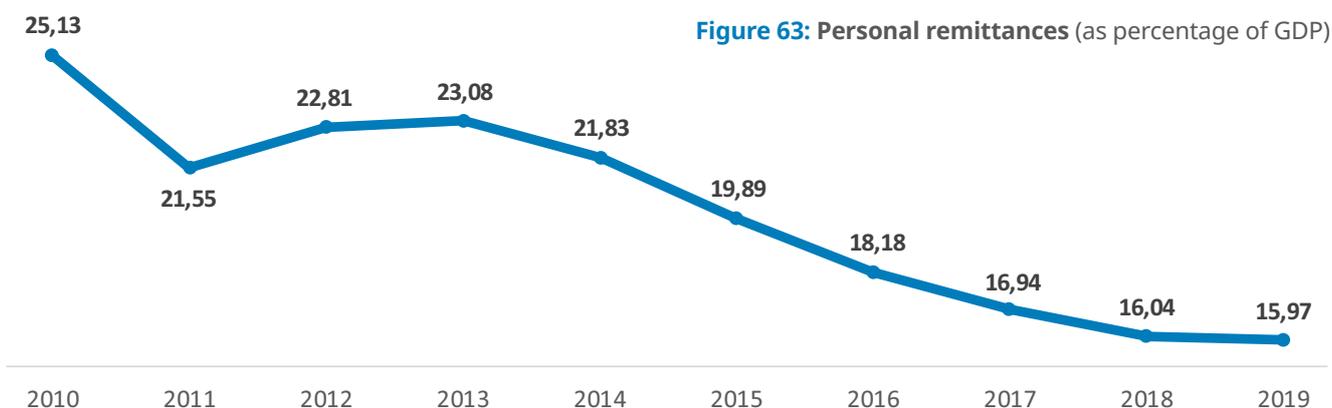


Figure 63: Personal remittances (as percentage of GDP)

Source: World Bank

263 World Bank data, [Personal remittances, received \(current US\\$\)](#) - Moldova.

264 Ministry of Internal Affairs of the Republic of Moldova Migration and Asylum Office, '[Extended Migration Profile of the Republic of Moldova 2014-2018. Analytical report](#)', Chisinau, 2019. [in Romanian] See also: Government of Moldova, '[ANALYTICAL NOTE Labour force migration and the impact on the labour market in the Republic of Moldova](#)', Chisinau, 2018.

The Government of the Republic of Moldova adopted a set of measures to support private business, particularly most affected HORECA and agriculture sector. However, the spectrum of measures and the resources allocated for this support are limited due to budget constraints

and insufficient external assistance. To this end, the Government drafted COVID-19 response matrix. However, its implementation is subject to resource mobilisation from the donor's community.



## IMPACT OF COVID-19 ON TRANSNISTRIA REGION'S ECONOMY

**The economy in Transnistria Region has been under pressure in recent years, and the COVID-19 crisis has hit hard.** The economy grew at a rate of 2 per cent in 2019, but exports were dominated by metals and electricity, making the economy vulnerable to fluctuations in demand for these two commodities. The COVID-19 crisis has affected the global commodity market severely, and Transnistria Region's economy has also been affected as a result of reduced demand for its main export commodities. Transnistria Region has also seen a decline in remittances, over 60 per cent of which come from Russia. In addition to reduced exports and remittances, the pandemic has also negatively affected internal trade with the right bank of Dniester River. The total trade turnover and exports between the two banks decreased by 15 per cent in the first half of 2020, compared to the previous year. Given the large budget deficit, an inefficient monetary policy of linking local currency to the US dollar, and lack of external assistance, it is likely that the region will experience a significant recession in the future.

## OPPORTUNITIES FOR A MORE INCLUSIVE ECONOMIC DEVELOPMENT

Taking into account the demographic transition and the estimations about the first and second demographic dividends, the policies should focus on two key priorities: (i) minimizing the risks and maximizing the benefits of the first dividend, and (ii) maximizing the opportunities of the second dividend. While the first type of policies should aim at unleashing the potential

of young people through the realization of their rights and dignity, the second type of policies go beyond human capital by addressing aspects related to financial sector development, governance and business climate. Both streams complement each other and form the necessary policy mix for harnessing the demographic dividend.

### Key policies aimed at minimizing the risks and maximizing the benefits of the first dividend:

#### 1. Unleashing the potential of the young population.

The Government should create the necessary conditions to implement the human-rights based approach to public policies and budgeting effectively. This is especially related to facilitating the access of children and youth from vulnerable groups to education and health services, as well as to social inclusion programs. The population, especially children and youth including those from vulnerable groups, by no means should be left apart by public policies. Therefore, the Government has to undertake full commitment to ensure that its policies and budgeting will be based on the principle of no one left behind. It should be complemented by the next intervention.

#### 2. Expanding the access of youth, especially from vulnerable groups, to economic opportunities.

It implies two streams of policies: (i) stimulating the youth employment, and (ii) stimulating youth entrepreneurship. The first stream should consist of strengthening incentives to employers to invest in the training/retraining of the young labor force, institutionalize a zero-tolerance policy to any forms of discrimination at the workplace (principle of equal pay for equal work), coupled with strengthening the Labor Inspection for better enforcement, reforming the educational system to make it better aligned to the needs of the private sector, as well as addressing the information asymmetry between youth and the private sector on the labor market.

The second stream of policies should consist of programs to support start ups initiated by youth, especially by those from vulnerable groups. It could imply financial investment matching grants, subsidies for consultancy services and informational support.

**1. Fulfilling the rights and participation of youth, especially of women and adolescent girls.** The policies should aim at improvements in maternal, newborn and child health, universal access to contraception, prevention and treatment of HIV and STIs and elimination of gender-based violence, in accordance with the SDGs assumed in 2015 by the Government of Moldova. Special attention should be devoted to stimulation of voluntary family planning, allowing women and couples to decide on timing, number and spacing of their children.

**2. Increasing investments in health and education of young people.** These investments should be based entirely on the human rights approach, implying zero tolerance to any forms of discrimination or exclusion, especially against girls/women. The declining fertility rate should free up more such investments per young people, which will alleviate in the long-term the costs of the negative first demographic dividend and will stimulate productivity and economic growth. As soon as these young people enter the labor market, these investments will generate sustainable returns, allowing the country to benefit from the second demographic dividend.

**3. Raising female labor force participation.** This will provide a sustainable fundament for wage growth of the ageing population. Given the fact that 9 out of 10 women with children under the age of 3 are unemployed in Moldova, implementing gender-responsive

family policies and improving child-care services will positively affect mothers in returning to the labour market (and remaining active in the economy) and engagement of fathers in raising their children and sharing household responsibilities.

In addition to the above, Moldovan migrants who are forced to repatriate because of COVID-19 should be valorized as major contributors for the development of their home country, as many will come back to stay and invest their savings in case the appropriate policies and conditions will be put in place.

More efficient investment of migrants' remittances can be fostered by: making the financing and investment programs/SME support more accessible to returning migrants; strengthening ties between diaspora and communities of origin to promote local development; developing entrepreneurship culture and financial literacy (business training, assistance and consultancy; private-public partnership mechanisms; financial literacy and entrepreneurship education programs/services). The capacity of the national and local small business support structures needs to be enhanced to serve the needs of the returning migrants and the members of their families. Development of innovative services and instruments can attract/channel remittances into business development, beyond the PARE 1+1 program. Scaling up of initiatives of economic empowerment for rural youth and women, can foster the reintegration of returning migrants, create jobs, contribute to local communities' development. The Moldovan Diaspora's role as a vector of attracting foreign investment needs to be valorised, by expanding the positive engagement of Diaspora as an investment/economic actor via the organisation of Diaspora business/ investment forums and promoting diaspora / nostalgic tourism to Moldova.

# PLANET



ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

## ENVIRONMENT, CLIMATE CHANGE ADAPTATION AND MITIGATION

In May 2017, the Republic of Moldova ratified the Paris Agreement, and in March 2020 it submitted to the United Nations Framework Convention on Climate Change (UNFCCC) the second Nationally Determined Contribution (NDC), committing to reduce its greenhouse gas emissions by at least 70 per cent by 2030 (compared to the 1990 level) and by up to 88 per cent subject to a global agreement addressing access to low-cost financial resources, technology transfer and technical cooperation. Achievement of the NDC targets is sought through the Low Emissions Development Strategy (LEDS) approved in 2017. Along with the overall national greenhouse gas emission targets, there are greenhouse gas emission reduction targets for sectors against reference year (1990) levels.

The agriculture activity in Moldova is based on over-exploitation of landfills that affects primarily poor rural groups, especially women, while rapid urban growth is expected to add further to this pressure, contributing even more to inequalities and the societal divide in cities. Poverty predominates in rural areas prevail, as they are mostly populated by subsistence farmers, who are usually the poorest groups in the country. This – in combination with unsustainable practices in agriculture, land use and forestry sectors, as well as improper waste and chemicals management – leads to soil and forestry degradation, air, water and land pollutions with a secondary impact on human health, as well as biodiversity loss and ecosystem deterioration. On climate action, environment and civil protection, Moldova overall has recorded limited progress on implementing reforms in line with the AA/DCFTA.<sup>266</sup>

**\$ 50 million in economic losses from disasters over the last 10 years.**

As Moldova is one of the most vulnerable countries to climate change in Europe,<sup>267</sup> the country's unique biodiversity is being threatened by the effects of climate change, habitat fragmentation and over-exploitation. Due to unprotected and deforested lands (protective forest belts date back to 1947 and have not been maintained since then) and the lack of a regional/cross-border approach to flood prevention (together with Romania and Ukraine), Moldova faces harsher flooding with the potential of substantial losses for agricultural lands and households. Land degradation and soil erosion are projected to worsen. Climate modelling anticipates that droughts will become longer and more severe. The major expected effects of climate change in Moldova are:

- By 2040 a decline in average annual rainfall by 6.8 per cent and a decline in summer and autumn precipitation by 19.3 per cent and 16 per cent respectively;
- Frequency and severity of drought, with catastrophic drought (less than 50 per cent of annual rainfall) 4.5 times is more likely to occur;
- Decrease by two-thirds in available water resources by 2080;
- An increased number of hailstorms and torrential rains with an increased incidence of flash floods and severity of floods.

<sup>266</sup> Association Implementation Report on Moldova, 2019

<sup>267</sup> World Bank, [Republic of Moldova Climate Adaptation Investment Planning Technical Assistance](#). 2016

The people of Moldova are already experiencing the impacts of climate change, with more frequent droughts, heavy rains and flooding, and other severe weather events. On average Moldova is exposed to 4-5 severe droughts and 1-2 disastrous floods every 10 years.

**Moldova is one of the most vulnerable countries to climate change in Europe.**

**Moldova's economy and population, particularly female-headed households and vulnerable groups, are highly vulnerable to both climate change and disasters.** Economic losses from disasters over the last 10 years are over US\$50 million. The legislative framework and institutional approach for disaster risk reduction (DRR) and climate change is fragmented, and there is limited coordination among the relevant stakeholders.

The present total cost of inaction on climate adaptation is an estimated US\$600 million, equivalent to 6.5 per cent of GDP. By 2050, the direct costs of climate change (the decrease in production plus the increase in damage and the costs of prevention) are expected to be about US\$1 billion—70 per cent of which will be incurred by agriculture, which faces the biggest challenges. The estimated cost of implementing the environmental Action Plan is US\$200 million, while the annual cost of inaction could rise to US\$61 million. The climate change adaptation measures are not part of the Moldovan budget, and the national budgeting process is not yet climate-sensitive, and thus not eligible for climate financing. The 2<sup>nd</sup> National Determined Contribution estimates national losses caused by global warming and the extreme weather events associated with it at US\$1.3 billion annually by 2050 if climate change mitigation and adaptation measures are not taken.

Resilience building in local communities and vulnerable groups remains a key issue to be addressed in the country. Several actions have been implemented by development partners and the Government of Moldova. However, a more systematic and intersectoral approach to this issue would be beneficial to reduce the impact of disasters in the country.



Photo: FAO Moldova

# DISASTER RISK MANAGEMENT

In 2015, the UNDP supported the development of the draft Disaster Risk Management Strategy for Moldova 2015-2020. The priorities identified in the Strategy are as follow:

1. Understanding the disaster risks,
2. Strengthening of the disaster risk governance,
3. Increase the level of resilience through investment and disaster risk reduction, and
4. Improve the disaster preparedness level.

Moldova is vulnerable to floods and earthquakes. Being flood the most important risk<sup>268</sup>. The major vulnerabilities to disaster for the Moldovan population, economy, environment and territory are determined by the geophysical structure of the territory, substantial changes in the climate, environmental degradation, mis-management of natural resources, the establishment of settlements in hazardous areas, rapid urbanisation, wrong or inefficient territory and infrastructure development policies, low efficiency of central and local public administration, increasing poverty level, under-funding of efforts for the prevention and reduction of the negative effects of disasters, among others.<sup>269</sup> Increased capacity of the local governments to promote risk reduction will allow addressing some of these issues. The UNCT is working on this regard to support local governments to identify and build preparedness to risks.

In 2020, UNDP supported the updating and alignment with the latest national and global development objectives, including COVID-19 preparedness.

The disaster risk management mandate currently lies with the General Inspectorate for Emergency Situations of the Ministry of Internal Affairs which serves as the secretariat for the National Commission for Emergency Situations and is the main body responsible for developing and managing civil protection and disaster risk management policies.

The gender-responsive preparedness and recovery strategies, in Moldova, it is included in the Civil Protection Plan revised yearly depending on the situation analysis. Disaster risk reduction and climate change adaptation are both seeking to create gender-sensitive and resilient societies; therefore, cannot be addressed in isolation. Closer collaboration on these two critical development issues is becoming more important as the Government of Moldova has signed the Paris Agreement.

## TOP AFFECTED PROVINCES



### FLOOD

#### ANNUAL AVERAGE OF AFFECTED GDP (%)

Dubasari	3
Soroca	3
Edinet	3
Tighina	2
Balti	2
Chisinau	2
Orhei	2
Cahul	1
Ungheni	0
Lapusna	0



### EARTHQUAKE

#### ANNUAL AVERAGE OF AFFECTED GDP (%)

Cahul	2
Gagauzia	1
Lapusna	1
Ungheni	1
Chisinau	0
Balti	0
Tighina	0
Dubasari	0
Orhei	0
Soroca	0

Source: World Bank, Disaster Risk Profile: Moldova. 2017

Against this, additional effort should be invested into mainstreaming of disaster risk reduction and climate change adaptation into national development plans, poverty reduction strategies, sectoral policies, and other development planning tools.<sup>270</sup>

Strengthening of disaster risk governance is prioritized in the National Implementation Plan of the EU-Moldova Association Agreement, however it is not yet backed up by national policy planning frameworks. The process of drafting internal guidelines defining specific roles and responsibilities for disaster risk assessment is currently ongoing. Moldova is in the process of finalizing the Flood Risk Management Protocol for the Dniester River Basin together with the competent Ukrainian authorities and supported by the EU's Civil Protection Mechanism and the Prevention, Preparedness and Response to Natural and Man-Made Disasters Programme (Association Implementation Report on Moldova 2019).

Efforts should be invested into the mainstreaming of disaster risk reduction and climate change adaptation into national development plans, poverty reduction strategies, sectoral policies and other development planning tools. Moldova underwent through an independent multi-stakeholder assessment coordinated by the UN Office for Disaster Risk Reduction (UNDRR) to

268 GFDRR, World Bank, [Disaster Risk Profile: Moldova](#). 2017.

269 GoM, Disaster Risk Management Strategy for Moldova 2015-2020.

270 UNDP, Theory of Change. CPD formulation process. 2018.

ensure that national disaster risk reduction strategies are inclusive, robust, and in line with the recommendations outlined in the Sendai Framework for Disaster Risk Reduction (SFDRR). Despite the effort, the absence of a dedicated National Platform for disaster risk reduction prevents the country from embarking a stronger resilience journey in the face of disasters. Thus, the setup of multi-sectorial coordination mechanism is decisive to ensure efficient mainstreaming. Besides coordination at the national level, effective DRR requires engagement of local communities, with particular focus on the involvement of CSOs and youth.

**Resilient development** requires an integrated cross-sectorial approach – investing in both policy-level activities as well as demonstrations bringing quick tangible results on the ground - and broad-based partnerships with all stakeholders and branches of power, such as public authorities, civil society, local communities, and private sector. The private sector

has not yet fully assumed a role corresponding with its contribution to the economy, thus more attention should be given to public-private partnerships and the role of business in devising sustainable development solutions.

The pandemic's regional and local impact has been highly heterogeneous, with a strong territorial dimension and significant implications for crisis management and policy responses. UNDRR's Making Cities Resilient Campaign has been created to support cities' response to hazardous events, increase governments' understanding of risk, and enhance capacity to plan for risk reduction and urban resilience. The campaign has been embraced by Chisinau and other municipalities in the country. The campaign ultimate result will lead to the development of a dedicated Action Plan containing shortcomings and recommendations for the city authorities, who will be able to build a more resilient urban system.

## ACCESS TO CLEAN WATER

Climate change will increase the challenges connected to water provision, as the likelihood of droughts, as well as floods, will be exacerbated because of climate change in the coming years.

**Government spending on water supply and sewerage although increased in recent years are still low.** Furthermore, the country has the largest urban-rural gap and the lowest level of access to water supply and sanitation services in the Danube region. In 2020 Moldova allocated 39,3698,9 thousand MDL. However, the needs are much bigger. The lack of proper water management across the country, along with shortcomings in waste management, continues to negatively affect the health and wellbeing of people and the ecosystem.

Although **public access to water supply has gradually increased in the recent years reaching 82.1 per cent in 2018**, there are still discrepancies between rural (71.17 per cent) and urban (97 per cent) settlements, while the quality of drinking water does not comply with the sanitary-chemical norms (69 per cent of samples from centralized groundwater sources do not meet chemical requirements) as the water supply for the population in rural localities is mainly sourced from groundwater, which is very often affected by natural or anthropogenic pollution.<sup>271</sup> In particular, Anenii Noi, Glodeni,

Causeni, Falesti, Riscani, Stefan Voda, Taraclia, Hancesti and Gagauzia have the most unfavourable situation in terms of drinking water quality compliance.

**Wastewater is the main source of surface water pollution in Moldova.** A fact recognized and stipulated in the National Development Strategy 'Moldova 2030'. As the population connects to water supply systems, water consumption increases and in the absence of proper sewage and wastewater treatment solutions, these systems become major sources of water pollution, as is the case of the rural Moldova.

**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 the national level, 29.3 per cent of Moldova's population is connected to a centralized sewerage system, of which 64.1 per cent in urban areas and only 2.8 per cent in rural areas.<sup>272</sup>

**Although the amount of wastewater sufficiently treated in the non-residential sector increased by 0.7 per cent between 2011 and 2018, the figure is only 18 per cent,<sup>273</sup> and the proportion of the population having a sanitation service and bath or shower with-**

271 Moldova Voluntary National Review, 2020

272 Moldova Voluntary National Review, 2020

273 State Chancellery and NBS, [Statistics for Sustainable Development Goals 2020](#), p.17

**in the dwelling is still suboptimal** at 83.8 per cent in urban areas and 20.8 per cent in rural areas in 2018.<sup>274</sup> Meanwhile, around 54 per cent of the samples taken from the water provided to schools exceed the maximum allowed concentrations for chemical-sanitary parameters, while 20 per cent of the samples do not meet microbiological safety parameters. The fight against the emerging COVID-19 pandemic is tightly linked to clean and safe water and sanitation services, thus highlighting the urgency in this area.

**Divided into the two major river basins of Nistru and Danube-Prut, the country does not have an integrated river basin management plan and an established management body; this leads to poor water quality, quantity and availability.** Some 90 per cent of the country's surface water stems from the inflow of Nistru and Prut, creating a high reliance on external relations to ensure water security. Moreover, Moldova only has 738 m<sup>3</sup> per capita of storage capacity to support water provisions in case of extreme weather events.<sup>275</sup> The EU Water Directives are still not fully transposed into the national legal framework and capacities for integrated water management, including in a transboundary context, remain weak. The quality of water will be improved through minimization of water pollution from industrial processes, increasing the efficiency of water use, recycling and safe reuse, and enhancing the protection and restoring water-related ecosystems (forests, wetlands, rivers, aquifers and lakes).

Moldova has been benefitting from the UNECE-WHO Regional Office for Europe Protocol on Water and Health<sup>276</sup> as a tool to improve the water, sanitation, hygiene and health situation. The Protocol is an international legally binding agreement intended to protect human health and well-being through sustainable water management and by preventing, controlling and reducing water-related diseases. One of the key obligations under it is to set intersectoral targets on water, sanitation and health to ensure access to drinking water and sanitation for everyone and in all settings. Moldova has been a Party to the Protocol since 2005. In 2010, the country set targets under the Protocol on Water, Sanitation and Health, jointly developed by the Ministry of Agriculture, Regional Development and Environment and the Ministry of Health, Labour and Social Protection, with the support of national and international experts and civil society. The targets were revised in 2016 and embedded

**20.8 per cent of the population in rural areas have access to a sanitation service within the house.**

within the National Programme for the Implementation of the Protocol in the Republic of Moldova for 2016-2025 (Government Decision 1063 of 16 September 2016).<sup>277</sup> In 2016 Moldova incorporated the equitable access perspective into national legislation and developed a specific target on providing a legal and institutional framework to ensure equitable access to water<sup>278</sup> for vulnerable and marginalized groups.

**The climate scenario indicates that there will be an increase of 2-3°C in the average temperature by 2050, intensifying the aridization process and producing major changes in precipitation patterns, which will ultimately impact resource availability.** It will heighten water and food insecurity, increase health risks, reduce agricultural productivity and increase incidence of extreme events. These conditions will exacerbate rural poverty because of rural dependence on agricultural sectors, which is already 7.5 times higher than in urban areas.

Moldova is a Party to the UNECE Convention on the Transboundary Effects of Industrial Accidents and a beneficiary of the Assistance and Cooperation Programme under the Convention.<sup>279</sup> The country has been receiving assistance to enhance its prevention, preparedness and response to industrial accidents and transboundary cooperation with its neighbouring and riparian countries under the Programme. Full implementation of the Con-

**Municipalities are responsible for more than 50 per cent of the total air pollution in Moldova.**

274 State Chancellery and NBS, [Statistics for Sustainable Development Goals 2020](#), p.18

275 World Bank Group, 'Moldova Policy Notes', 2019, p.71

276 See [www.unece.org/env/water/pwh\\_text/text\\_protocol.html](http://www.unece.org/env/water/pwh_text/text_protocol.html) for more information.

277 The National Programme is currently under revision, with support from UNECE and funded by the European Union under the European Union Water Initiative Plus programme for the Eastern Partnership countries.

278 Score Cards developed accessible in [UNECE website](#).

279 For more information, see [www.unece.org/env/teia/ap/introduction.html](http://www.unece.org/env/teia/ap/introduction.html)

vention will help the country to attain the 2030 Agenda for Sustainable Development as well as to achieve the priorities for action set out in the Sendai Framework for Disaster Risk Reduction 2015–2030, which are relevant or can be associated to the prevention, preparedness and response to industrial, environmental, chemical and biological hazards, and reduction of technological disaster risks. Meanwhile, the Industrial Accidents Convention supports Moldova's commitment to implement the EU Seveso III Directive, helping with approximation to EU industrial safety and environmental protection standards, in view of the EU-Moldova Association Agreement.

Besides, Moldova is a party to the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and is a party to its Protocol on Strategic Environmental Assessment.<sup>280</sup> Environmental impact assessment (EIA) and strategic environmental assessment (SEA) in accordance with the Espoo Convention and its Protocol on SEA enable the integration of environmental and green economy considerations into development planning and making production patterns more sustainable. The UNECE is assisting Moldova to fully align its primary and secondary legislation on SEA and transboundary EIA with the provisions of the Espoo Convention and the Protocol on SEA. The assistance provided is intended to build adequate capacities for the effective and systematic application of SEA and transboundary EIA. Beyond legislative assistance, this assistance includes extensive capacity-building activities, including a pilot project on transboundary SEA or EIA, a training workshop on SEA and transboundary EIA, development of issue-specific guidelines, awareness-raising activities and materials. This will help to prevent and mitigate the environmental and health impacts of economic growth and improve environmental governance by enhancing the transparency of decision-making, cross-sectoral cooperation and public participation.

## AIR POLLUTION

**Moldova is in line with the global trend of continuous urbanization, from 47 per cent in 2010 to 60 per cent in 2030** (UN-Habitat). Cities are increasingly and significantly contributing as the main drivers of (global) environmental degradation. Municipalities have the

greatest impact on air quality and are responsible for more than 50 per cent of total air pollution in Moldova.

Transport-related sources are the main source of air pollution in cities: the total volume of emissions in the air from the transport sector in 2019 was 803.69 tons in Chisinau and 151.10 tons in Balti,<sup>281</sup> and it is **responsible for 16.3 per cent of total national greenhouse gas emissions (2016)**. The age of the fleet of vehicles, low quality and high sulphur content fuel aggravate the problem. The relatively old and uncomfortable public transport, that often runs late because of lack of dedicated lanes, means the public is rapidly shifting to use of private cars. As of October 2020, 669,181 passenger cars were registered across Moldova in the Public Service Agency<sup>282</sup> corresponding to 265 passenger cars per thousand inhabitants. In the two largest cities Chisinau and Balti there are 223,386 (Chisinau) and 31,020 (Balti) cars registered<sup>283</sup>. In comparison, in the EU there were approximately 530 passenger cars per thousand inhabitants in 2018.<sup>284</sup> The increased use of personal vehicles creates even more traffic jams and will lead to a traffic collapse in upcoming years.

There is an obvious lack of implementation of up-to-date urban practices, including sustainable transport and mobility, utilizing innovative, climate-smart technologies, engaging the public and private sectors in planning and green urban solutions.

**Moldova has not accepted the amended versions of the latest Protocols to the UNECE Convention<sup>285</sup> on Long-range Transboundary Air Pollution, including 1999 Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (Gothenburg Protocol)**. The revised Gothenburg Protocol sets emission reduction targets and contains measures relating to transport, industry and agriculture, the implementation of which can help to reduce emissions of various pollutants and thus contribute to the achievement of certain Sustainable Development Goals (SDGs), in particular SDG 3 on good health and well-being, SDG 11 on sustainable cities and communities and SDG 12 on sustainable consumption and production. Furthermore, according to the Association Agreement (AA) signed with the European Union in 2014, Moldova should adopt national legislation to fulfil the reporting requirements of emission inventories and reporting under the EU's National Emission Ceilings (NEC) Directive, as well as to develop national programmes to meet national ceilings, which

280 For more information, see [www.unece.org/env/eia/welcome.html](http://www.unece.org/env/eia/welcome.html)

281 MARDE, *Anuarul IPM -2019*.

282 Public Services Agency, 'Statistics of the State Register of Vehicles in the division of vehicle types', accessed 26 November 2020.

283 Public Services Agency, 'Statistics of the State Register of Vehicles in the division of vehicle types and territorial and administrative division', accessed 26 November 2020.

284 Eurostat, 'Passenger cars in the EU', data extracted in April 2020.

285 Moldova has been a Party to the UNECE Convention on Long-range Transboundary Air Pollution since 1995, and has ratified its 1984 Protocol on Long-term Financing of the Cooperative Programme for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP), the 1998 Protocol on Heavy Metals and the 1998 Protocol on Persistent Organic Pollutants (POPs) (since 2002).

is also one of the obligations under the Gothenburg Protocol.

In 2020, Moldova provided annual data for 2017, but it did not report its annual data for 2018, which meant that the country's compliance with emission reduction obligations under the Protocol on POPs and the Protocol on Heavy Metals could not be reviewed. Moldova also had not provided its missing gridded data for 2005 and 2010 under these Protocols.

## WASTE MANAGEMENT

**In Moldova, the waste management system generally reflects traditional sub-standard land disposal practices applied indiscriminately to all types of waste.** This is because of a lack of national capacities to adapt to changing waste management patterns in line with green economy principles. In 2016 1,435,273 million tons of waste was generated in the country, including 1,091,575 tons of mixed municipal solid waste and 343,698 tons of hazardous waste (based on the EU/Basel Convention classification).<sup>286</sup> A recent World Bank global survey<sup>287</sup> indicated a waste generation rate of 3.12 kg/capita/day which is the second highest in Europe and almost three times the regional average. While the country generally approaches 100 per cent collection efficiency in urban areas, waste treatment and disposal remain primarily based on traditional land disposal in some form, and a significant proportion of this is sub-standard in terms of environmental performance and sustainability. Waste diversion rates for the purposes of recycling and recovery or specialized treatment is low and diversion is largely undertaken on an informal basis.

The environmental impacts of waste management practices are reflected in continued degradation of land, water and air resources associated with the release of a wide range of waste-derived contaminants, particularly chemicals contained in the overall waste stream. This includes chemicals associated with co-disposed hazardous waste originating from the industry as well as the general population, the health care system, and increasingly from consumer product sectors such as waste electrical and electronic equipment (WEEE), packaging (particularly plastics in commerce and agricultural uses), and a range of wastes now associated with POPs (automotive/consumer goods plastic, insulation products in construction, and fabric components) and heavy metals (particularly lead and mercury). Moldova has recently completed its Minamata Initial Assessment and identified a total generation of 977 kg/year of mercury-containing waste primarily from WEEE, measurement

**Waste generation rate (3.12 kg/capita/day) is the second highest in Europe.**

instrumentation and florescent luminaries that remain in widespread use.

The United Nations Committee on Economic, Social and Cultural Rights recommended to Moldova that it use environmentally friendly methods to manage, monitor, collect and treat waste, as an alternative to landfill methods; put in place appropriate waste-recycling programmes; and promote sustainable consumption and production patterns. It urges the country to ensure that the use of harmful chemicals in agriculture is fully monitored and regulated.<sup>288</sup>

The health care waste management (HCWM) system is underdeveloped and produces environmental and public health impacts associated with both infectious exposure on and off site, as well as air emissions (PCDD/F and Hg) from substandard combustion (this is recognized in the 2013 National Public Health Strategy for 2014-2020 and in the 2014 assessment of the HCWM system conducted by WHO). According to a 2016 estimate, 1,620 tons of hazardous healthcare waste management require separate dedicated management. Of this amount around 1,140 tons is treated at source, largely with outdated non-combustion techniques. While there has been progress in the area of health care waste management through the recent adoption of sanitary regulations on management of waste resulting from medical activity (effective from Q1 2019) and it is in line with the Law on Waste and EU classification practices, further priority measures require to be put in place to make the regulation operational. These measures include the establishment of clear normative criteria for the application of regulatory rules on the generation, separation, storage and treatment of health care waste, the development of environmentally sound HCWM infrastructure, full implementation of dedicated source collection networks and waste management plans; reform of budgeting to include dedicated budget line allocations for HCWM, and access to supporting funding for these measures.

**Moldova's inadequate waste and chemicals management is an essential factor leading to environmental degradation, as the waste sector is responsible for 10.7 per cent of the total country's greenhouse gas**

286 MARDE administrative data.

287 World Bank, 'What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050', Infographic, 20 September 2018.

288 UN Committee on Economic, Social and Cultural Rights, 'Concluding observations on the third periodic report of the Republic of Moldova', UN Document E/C.12/MDA/CO/3, para. 69.

**The waste sector is responsible for 10.7 per cent of the total country's greenhouse gas emissions (2016).**

**emissions (2016) thereby demonstrating large and new mitigation potential in this field.** Waste of various categories and origin is dumped indiscriminately around human settlements, along the roads, ravines, forest strips, and so on. Inadequate waste and chemicals management leads to soil and forestry degradation, air, water and land pollution, and has a secondary impact on human health, as well as biodiversity loss and ecosystem deterioration. In 2018, only 42.8 per cent of the population were connected to municipal waste collection services, in comparison to 34.8 per cent in 2014, an increase of 8 percentage points.<sup>289</sup> Only between 60 and 90 per cent of municipal household waste is covered by specialized waste collection services, while in most rural localities this waste is dumped without authorization. Meanwhile, the amount of hazardous waste generated increased eightfold, from 0.2 kg per person from 2014 to 1.6 kg in 2018.<sup>290</sup>

In terms of the policy context, Moldova has made significant progress in establishing the regulatory framework necessary for implementing a modern integrated waste management system based on prevention and a circular economy inclusive of chemical waste as well as addressing persistent organic pollutant (POP) stockpiles and waste legacies.<sup>291</sup> Further efforts should be channelled towards promoting not only safe waste management, but also a more sustainable and resource-efficient approach to economic activities.

A programme on promotion of the Green Economy 2018 - 2020 and its Implementation Action Plan were adopted in 2018. An Inter-ministerial Working Group on Promoting Sustainable Development and the Green Economy was established in March 2019.

## ENERGY CONSUMPTION

The potential for biogas power plants in Moldova is about 134 MW in terms of installed capacity and 805 GWh per year in terms of electricity produced, equiva-

lent to about 20 per cent of the annual national demand for energy. The volume of electricity that can be generated is limited by the availability of raw materials for biogas production. Capitalizing on these opportunities will not only promote and finance the sustainable management and treatment of waste but will also generate revenues through the secondary products produced.

There are currently five biogas cogeneration stations in Moldova, with a cumulative installed capacity of 5.6 MW of electricity. Existing facilities produce biogas from animal (livestock) manure, agricultural residues, sugar industry residues (sugar beet) and solid municipal waste (landfill).

**Moldova is one of the most carbon- and energy-intensive economies in the region, with energy consumption twice as high as the EU average and accounting for 65 per cent of greenhouse gas emissions.** The Government is making efforts to remedy this by modernizing and reforming the energy sector, while substituting fossil energy imports, increasing energy efficiency and diversifying primary energy sources to at least 17 per cent use of renewable sources in gross final energy consumption by 2020 and achieving at least a 10 per cent share of renewable energy in final energy consumption in the transport sector by the same year. Moldovan households have high and inefficient consumption of electricity due to outdated home appliances, incorrect behaviour, and lack of tools and information on ways to decrease electricity use and become more efficient. A recent experiment<sup>292</sup> indicates that households could reduce their electricity use by up to 2 per cent if the most inefficient are compared to their most efficient neighbours. Moreover, during the pandemic, during which consumption has significantly increased, continuous nudging of households has proved to be an important instrument to improve consumption behaviour.

**There are considerable untapped opportunities within the waste sector when it comes to using waste for secondary products such as biogas, animal feed and for other products.**

289 State Chancellery and NBS, [Statistics for Sustainable Development Goals 2020](#), p.28

290 *Ibid.*, p.29

291 Adoption of the draft regulations on packaging, waste batteries and accumulators, and landfills is still needed after the framework Law on Waste (2017). On 14 August 2019 the Parliament adopted amendments to the Law on Waste (209/2017), introducing rules for waste incineration with energy recovery. Despite this progress, the country faces significant implementation barriers. In June 2020 Moldova has ratified a EUR 25 million loan with the European Investment Bank for major waste management infrastructure development across Moldova. The loan will contribute to new collection systems, material and bio-waste treatment facilities and regional sanitary landfills.

## PROTECTED AREAS

**Protected areas make up 5.8 per cent of the country's territory,<sup>293</sup> below the set target of 8 per cent to be achieved by Moldova by 2020.** This area is not, however, not representative of species and of habitat diversity, and therefore effective management of biodiversity outside the protected areas is essential to maintain the ecological integrity of Moldova's ecosystems. Threats to biodiversity include human encroachment through land conversion; soil erosion; pollution; non-native and/ or invasive species; habitat fragmentation because of infrastructure development; and climate change. Despite the fact that biodiversity plays a crucial role in the national economy and development, with the quantified value of ecosystem services estimated at 41 per cent of GDP, it is not perceived as a priority. The spatial planning framework continues to be deficient, and biodiversity conservation is not taken into account. The long-term solution lies in mainstreaming biodiversity concerns into agricultural, forestry and other production activities and in connecting conservation efforts to economic development.

**Moldova has one of the poorest forest coverages in Europe (at around 11.2 per cent of the territory<sup>294</sup>), and the coverage is highly fragmented.** Past forest mismanagement caused a decline of forest quality and increased vulnerability to pests and diseases, and significantly decreased the availability of ecosystem services. Over the last 30 years the area of eroded lands increased by 223,800 ha. In total, this represents 880,000 ha, 25.9 per cent of the country's total territory and 40 per cent of agricultural lands. Only 5 per cent of pastures maintain high biological value, while about 70 per cent have lost the ability of recuperation. As a result, soil loss causes an estimated agricultural production loss of US\$53 million a year.

**The current area covered with forests is insufficient to meet the ecological and social-economic needs of Moldova.** In order to ensure a constant ecological equilibrium and a stronger effect on the climate and hydrological conditions, and to enhance the productivity of agricultural lands, forest lands should occupy at least 15 per cent of the country's territory. The dispersion and fragmentation of forest resources and their

uneven distribution across the country, make it more difficult to exercise beneficial eco-protective influences on the environment, create comfortable living conditions for the population and provide wood and non-wood products.

The number of recorded incidents of illegal fishing increased by 3.8 per cent between 2011 and 2018. The number of species included in the Red Book of endangered species rose from 242 in 2011 to 427 in 2018, a sharp rise of 76.4 per cent. Of this number, 208 are animal species and 219 plant species.<sup>295</sup>

Moldova hosts some of Europe's oldest forest flood plains and meadows, reedbeds, lakes and swamps, providing critical wintering and feeding habitats for hundreds of thousands of water birds migrating along various Eurasian-African flyways. Among these are the "Padurea Domneasca" Nature Reserve, located in the middle section of River Prut and stretching over 6,032 ha, and the MAB/UNESCO Lower Prut Biosphere Reserve covering 14,771 ha, hosting the country's largest natural lakes, also designated wetland sites of international importance under the Ramsar Convention. However, their ecosystems are under threat due to unsustainable agricultural practices and previous river engineering, which affected the ground water table and discharge.

## ENVIRONMENTAL MONITORING AND INFORMATION MANAGEMENT

In recent years, Moldova has enhanced its efforts with regard to environmental monitoring and has established a Shared Environmental Information System. While Moldova does not produce a State of the Environment report on a regular basis, it produces bulletins and reports on specific environmental themes. A robust set of integrated environmental statistics is essential for measuring and monitoring the environment-related Sustainable Development Goals in the country and supporting the reporting compliance aspects, including under United Nations Conventions. This approach will also help to meet new policy demands, such as a circular economy.

292 UNDP, '[#StayAtHome, but #SaveElectricity — behavioral experimentation continues in the era of COVID-19](#)', September 2020

293 Government of Moldova, '[The Sixth National Report on Biological Diversity](#)', 2019

294 [Ibid.](#)

295 State Chancellery and NBS, '[Statistics for Sustainable Development Goals 2020](#)', p. 31 and 33

# PEACE AND PARTNERSHIPS



ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

## FINANCING FOR DEVELOPMENT

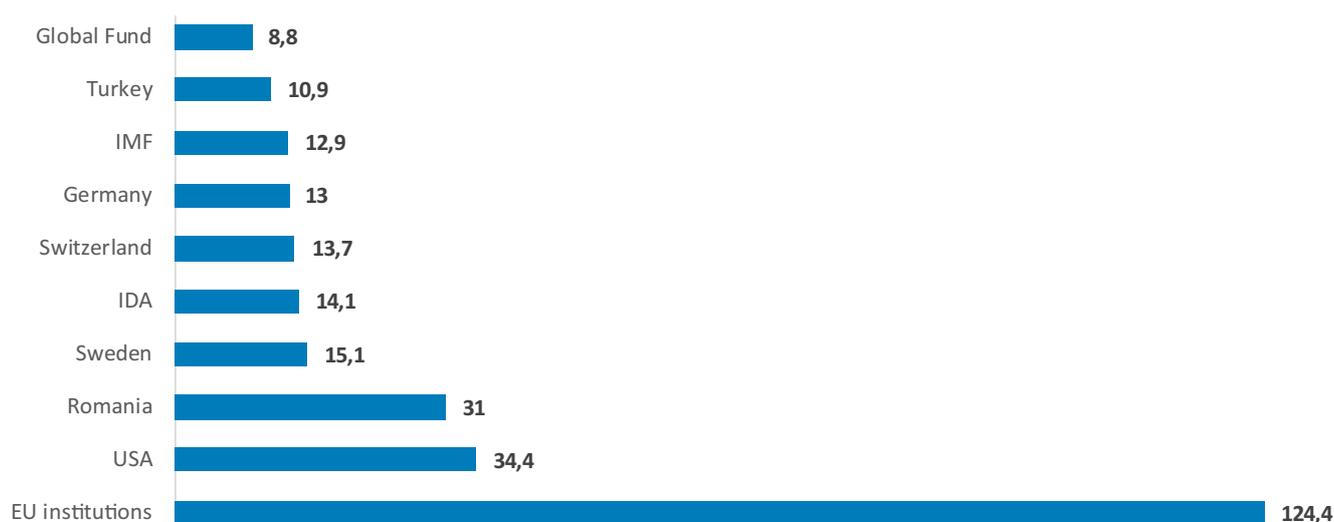
**The country heavily relies on external assistance in financing its structural reforms and development.**

In 2018 the official development assistance decreased by almost one third compared to 2016. This decline was a result of the undermined by the Banks theft credibility from the donor community to the Government authorities combined with reduced capacity of Moldova's Governments to absorb the funds, being perpetuated by the high political instability. Furthermore, Moldova's graduation from the Global Fund as one of the largest donors contributed to the decline in official ODA in the last years. Besides, upgrade in the country's classification from IDA-based lending towards blended concessional financing made loans more expensive. The majority of development assistance comes from the European Union, which is largely used to finance recurrent budget needs.

The largest share of external support is dedicated to the financing of social infrastructure and services followed by economic infrastructure and investments in education.

**The country's efforts to finance infrastructure investments from its own capital stock are limited by the large budget share of recurrent expenditures (92 per cent of total) and the significant under-execution of public investment**, which in 2018 was 1.4 per cent of GDP.<sup>296</sup> In the last decade budget allocations for public investment have been significantly reduced through budget revisions and then usually under-executed during each year. Under-execution of capital investment has been persistent throughout the last decade and had a negative effect on quality and access to infrastructure.

**Figure 64: Top ten donors by gross ODA for Moldova (million \$US, 2017-2018 average)**



Source: OECD

296 IMF paper, Public Investment Management Assessment, 2019

**Table 3: Official development assistance provided to Moldova**

Type of Support provided to Moldova	2016	2017	2018
Net ODA (US\$ mln)	262	242.2	230.9
Net ODA/GNI in %	3.1	2.4	3.9
Gross ODA (US\$ mln)	334.9	318.8	315.4
Bilateral share, gross ODA in %	39.5	41.6	50.2
<i>Total net receipts, US\$ mln</i>	392	222.9	281.6

Source: OECD, [ODA Recipients](#)

In the same time, **the Government collects in taxes much lower amounts for budget revenues (as a share of GDP) than its peers.** Hence, to increase the public funding available for the SDGs agenda implementation will depend on the Government ability to generate additional revenue from the formal economy by better capturing of the activities currently in the informal, or “shadow” sectors of the economy and by enhancing efficiency of Government programmes. Furthermore, there may be opportunities to reduce spending on SDG negative activities: for example, subsidies for fossil fuel usage should be replaced with subsidies which encourage renewable sources of energy or use of efficient transportation.

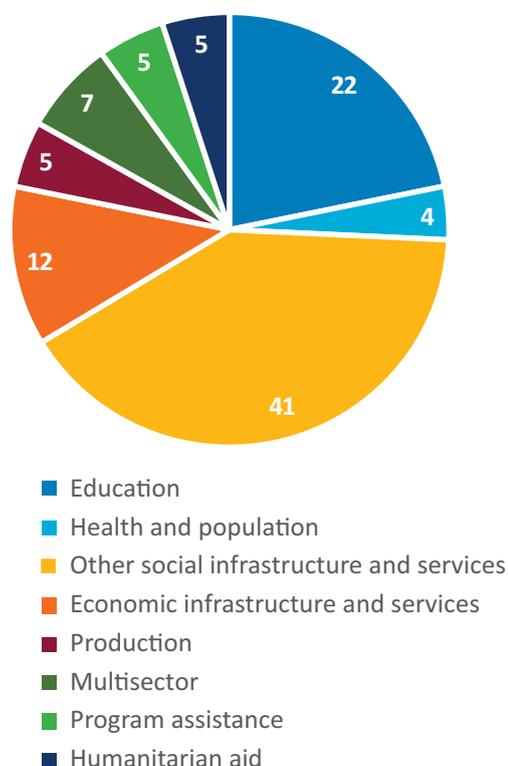
**In addition to the lack of capital stock for public investment and low absorption of external financing, the private sector role in impact investing through public-private partnerships (PPPs) is limited by inefficient legal frameworks, lack of capacity to implement and monitor PPP projects, as well as lack of trust in judiciary system to protect PPP stakeholders.** The total investments of ongoing PPP projects were around 3.6 per cent of GDP in 2018, two-thirds of which pertain to the Chisinau Airport Modernization concessional agreement. Another recent PPP that has been launched recently and requires regular Government spending refers to the Chisinau Arena Stadium.

**In terms of impact investment, the country lacks solutions for viable and efficient involvement of the private sector for the contribution to priorities of Moldovan society and SDG agenda implementation.**

The banking system is facing unprecedented volumes of unused liquidities (as per NBM more than 18 billion MDL at the end 2019; average liquidity per sector – 49.3 per cent<sup>297</sup> – limit  $\geq$  20 per cent) that NBM is forced to sterilize to prevent inflationist pressures. With appropriate incentives and wise policies, the government could stimulate investments towards the achievement of the

SDGs. Another issue is represented by the lack of an adequate capital market and very limited financial instruments available that can facilitate productive investment of private capital. For example, though there is a legal framework for issuing municipal bonds, the instrument is non-functional and is not used to finance investments at local level to solve community needs. Besides, there are inefficiencies in capital expenditure planning and at central and local level. Investment programs at the local level that are funded from the State Budget do not follow the same budgeting procedures or appraisal and selection process.

**Figure 65: Bilateral ODA by sector for Moldova**  
(per cent, 2017-2018 average)



Source: OECD

297 [NBM Report on banking sector financial situation 2020](#)

# PARTNERSHIPS FOR SDG AGENDA

**Being a lower middle-income country, Moldova with limited capacity to generate revenues for investment is in need of considerable resources to accelerate the achievement of the SDG Agenda.** Despite this, there is a potential for engaging with partners other than bilateral or multilateral donors (private sector, academia, international alliances, foundations and think tanks) in a more efficient and sustainable development. Leveraging such partnerships for a specific cross-sectoral objective can have a much greater impact in terms of maximizing development assistance.

**Moldova's access to external financing is subject to the country's institutional capacity to timely absorb and duly implement the limited development financing.** Such administrative capacity is compromised by high civil servants' turnover and, as a result, weak institutional memory and often lack of consistency in public policies and reforms implementation. Consequently, development assistance will likely supplement such capacity, which is not sustainable in the long term. Additionally, after Prime Minister resignation, the current political crisis will likely affect the country's capacity to moralize resources from international partners.

**The traditional bilateral and multilateral donors and partners would still be a major source of funding for the UNCT and UNDAF in the medium term.** Currently, about 90 per cent of funding for programmes and projects comes from this source. As the donor landscape changes and evolves, the UNCT seeks to identify new cooperation modalities and donors interested in supporting Moldova's development agenda. In contexts where external financing plays a significant role, Sector-Wide Approaches (SWAPs) in several countries have proved to be a good way to support government leadership and implementation and to make sectoral financing more predictable and flexible. Therefore, the SDGs Agenda 2030 serves as a consolidated framework for development partners assistance efforts, irrespective of whether they work directly with the UN agencies on UNDAF priorities, most of which are using the SDGs to shape their development assistance and monitor outcomes.

**Moldova does not have an integrated system to track public spending alignment to SDGs Agenda** and although the SDGs are nationalized, there is no information showing how Moldova's budgetary spending is aligned to SDGs, or how much public spending is contributing to SDGs attainment. Many countries adopted an Integrated National Financing Framework whereby all financial flows are assessed whether they are convergent to the development goals of the country and

implicitly to SDG Agenda. Moldova, with support from UN, started conducting an integrated national financing framework analysis by 2023 and most likely adopt and institutionalize such an instrument in the medium term.

**International Financial Institutions (IFIs)** representing a major source of funding for Moldova's development priorities, notably for social infrastructure upgrade, healthcare, education, are increasingly linking their activities to SDG objectives. Despite strong commitments on enhanced cooperation, there is still room for improvement, particularly in developing innovative projects with the purpose to co-invest with and leverage IFI financing. The UN Agencies amongst which is UNDP, UNICEF, UNHCR, etc. have signed cooperation agreements at the global level with various IFIs, yet to be successful, these global agreements need to be matched with significant on-the-ground efforts in order to produce concrete projects while to date such collaboration has been rather limited/underdeveloped.

Currently, only very few UN agencies have projects based on **government cost-sharing** while the majority does not have any significant experience in attracting government cost-sharing to their development assistance. Increasing the areas, options and opportunities for more government cost-sharing could be done through many ways, including extended cooperation and joint approach among agencies when seeking this type of funding.



Similarly, Moldova's Government could seek to leverage its resources to encourage better behaviours of the **private sector** as the SDGs cannot be achieved without commitment and contribution from the investors and citizens alike. Furthermore, private sector managers in Moldova lack information both about the SDGs agenda and the opportunities for involvement in SDG positive activities while ensuring financial returns. The private sector in Moldova could play a stronger role in such partnerships for impact investing. Currently, most of the actions in this regard are focused on mobilizing resources from the private sector point of view fall under the category of donations and/or charity. Streamlining impact investing and private-public partnerships for development, on the other hand, could be a much wider and more efficient instrument to engage the private sector in the SDG Agenda.

Compared to other countries, where **foundations** are playing an increasingly important role in diagnostics and addressing development challenges and are consequently becoming fully-fledged development partners along with traditional donors, the UNCT in Moldova has a mild engagement with foundations and to date, UN agencies cooperated primarily with local CSOs for analytical purposes while partnerships with international foundations were underexploited.

**The UNDP in Moldova has engaged with Moldova's Government to establish a regulatory framework and capacities for the use of thematic bonds in financing the country's development priorities, including investing in SDG priorities.** In particular, the pilot of municipal bonds as an instrument for the development of local communities has been launched. In addition, the crowdfunding platforms legislation has been drafted to formalize its de facto implementation through different local initiatives such as [www.sprijina.md](http://www.sprijina.md) or [www.fagura.md](http://www.fagura.md).

**Moldova's capital market remains underdeveloped.** Yet, the Moldovan banking sector has an excess of liquidity (approx. 50 per cent of all assets are cash and cash equivalents), while the economy is struggling with the lack of adequate capital and financing resources. There is a lack of adequate framework, incentives, policies, tools, instruments that would contribute to a functional capital market development. This is paramount and strictly necessary for two reasons: (a) to unlock the idling capital for the economy, and (b) to align capital and investments to SDGs. To maximize development assistance impact, the UNCT shall engage with its partners, in particular IFIs, banking sector, the Government (notably Ministry of Finance) to address the bottlenecks and constraints at policy and regulatory levels in order to unlock the potential for additional capital mobilization and facilitation for the SDGs.

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**Besides traditional partnerships, the UNCT could also explore the possibilities and options to engage in more innovative partnerships.**

These collaborations could allow accelerating the 2030 Agenda achievement. Below are presented some of the opportunities identified by the UNCT during the elaboration of the UN Moldova Resource Mobilization Strategy:

- Banking and financial sector organizations and companies- unlock the potential of the capital market and mobilize/leverage private capital into development;
  - Private sector organizations- for SDG advocacy and promotion of LNOB, inclusiveness, gender equality, promotion of circular economy;
  - Chambers of Commerce and other national bodies representing private-sector. Establish partnerships for resources mobilization as well as SDG aligned investments and financing;
  - Academia, IT hubs and other knowledge and information-based organizations. Development of partnerships for innovation policy options promotion for SDG agenda;
  - Diaspora organizations, including state department on interaction with the diaspora. Mobilization of support and facilitation of redirecting remittances for productive and sustainable investments.
-

# GOVERNANCE AND THE RULE OF LAW

The greatest challenges for Moldova in terms of good governance include political volatility, wide-spread corruption, lack of transparency and lack of social tolerance.

In the Voluntary National Review, the Republic of Moldova acknowledges that sustainable development cannot be achieved without respect for human rights and gender equality, and without ensuring peace, stability, effective governance and the rule of law. Thus, the priorities of the current Government of the Republic of Moldova also include promoting the rule of law and equal access to justice; combating all forms of corruption; developing efficient, accountable and transparent institutions at all levels; ensuring responsive, inclusive, participatory and representative decision-making at all levels; and ensuring access to information.<sup>298</sup>

**According to the Rule of Law Index developed under the World Justice Project, Moldova ranks 92 across**

**Moldova lacks a system for continuous monitoring of the implementation of ECHR decisions by CSOs. There is a lack of capacity in this respect of the CSOs.**

(Notes from consultations with Moldovan CSOs)

**LGBTI individuals face the most discrimination, particularly through negative speeches inter alia from politicians and religious figures. The high level of intolerance stems from the limited coverage of sexuality education in the school curricula, and superficiality in the coverage of human rights and gender identity issues. Children and their families lack access to psychological services, and school psychologists and social worker do not have enough training on issues related to sexual identity.**

(Notes from consultations with Moldovan CSOs)

**128 countries.** Moldova ranks 56 out of 128 regarding the extent to which government powers are effectively limited by the legislature, while the extent to which the judiciary has the independence and the ability in practice to exercise effective checks on the Government was very low, with Moldova ranking at 103<sup>rd</sup> out of 128 countries<sup>299</sup>. Between 2016 and 2017, Moldova underwent the review by and received recommendations from the United Nations Human Rights Council and the most treaty bodies.

# SOCIAL COHESION

The United Nations conducted the Social Cohesion and Reconciliation (SCORE) exercise in 2018. This found that **overall social cohesion<sup>300</sup> in the country was fragile, with negative attitudes toward women, and weak social tolerance.** This social cohesion is also impacted by the protracted conflict with the Transnistria Region. According to the **SCORE**, 85 per cent of the respondents would prefer for people from the LGBTI community, drug users, and sex workers to leave their communities. Furthermore, over half of the respondents would prefer

for people living with HIV and AIDS and Muslims to leave their communities and over one in three stated that they would prefer for Jews, Roma and immigrants to do so. The most accepted groups are the Russian speakers and those not speaking the state language. The majority of citizens would accept them as friends. The emergence of the COVID-19 pandemic in Moldova has also aggravated these ongoing dynamics, as highlighted by a recent survey on the impact of COVID-19 on social cohesion in Moldova.<sup>301</sup>

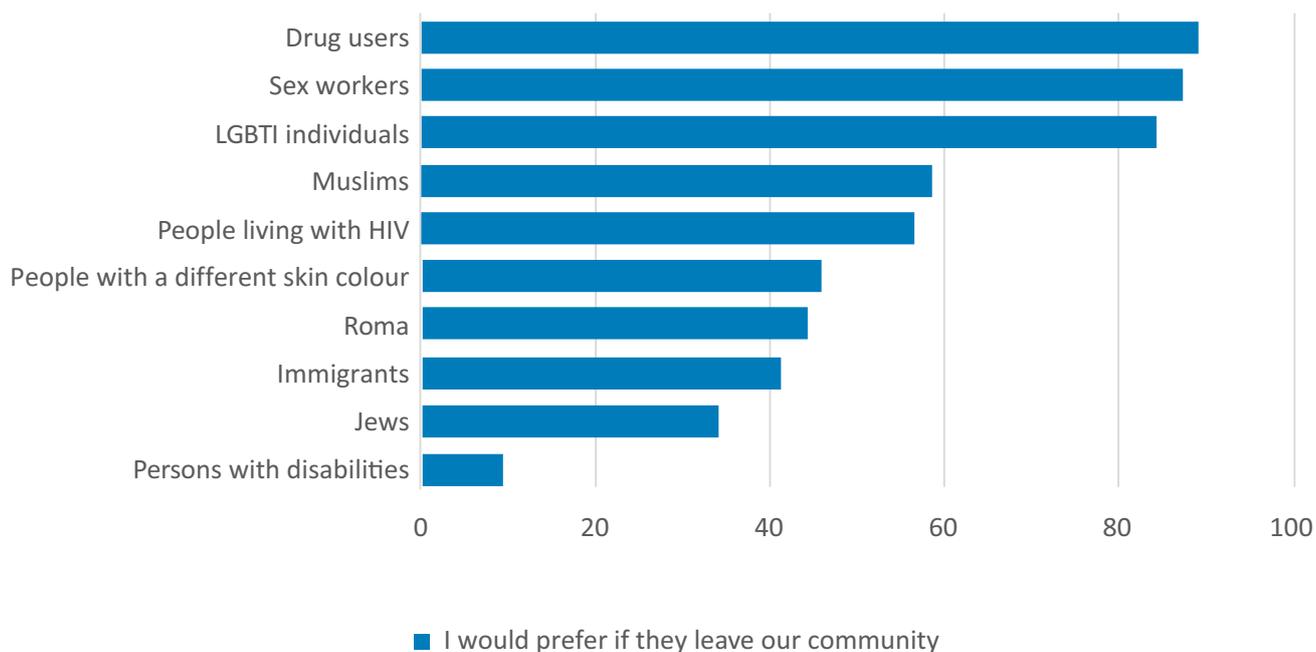
298 Republic of Moldova. 'Voluntary National Review – Progress Report 2020v,' 2020.

299 See the WJP Rule of Law Index at:

300 United Nations Social Cohesion and Reconciliation (SCORE) index in 2018

301 United Nations Resident Coordinator's Office, 'Survey measuring the impact of COVID-19 on social cohesion in Moldova', July 2020.

**Figure 66: Acceptance of vulnerable and marginalized groups** (per cent, 2018)



Source: SCORE Index, UN Moldova

## ACCOUNTABILITY

Despite a fairly good legal framework ensuring accountability and securing a system of checks and balances between the legislature, executive and the judicial powers, the United Nations Human Rights Committee remains concerned that corruption remains endemic and systemic in the judiciary, thus undermining the effective administration of justice in Moldova.<sup>302</sup>

**Challenges remain in securing an independent justice system.** The United Nations Human Rights Committee recommended that the Republic of Moldova ensure the sufficient remuneration of judges and a sufficiently long tenure to guarantee their independence and integrity. Another measure recommended by the treaty body was to ensure prompt, thorough, independent and impartial investigations into any allegations of interference with the independence of the judiciary and prosecute and to hold responsible those found guilty, including judicial officers who may have been complicit.<sup>303</sup>

The CSOs usually do not have a role in the implementation of policies related to inter-ethnic issues, including the monitoring of their implementation, because they lack capacity for this. Hence, CSOs need to have their capacity strengthened so that they can participate in the implementation and monitoring of such policies, along with government institutions and international bodies.

(Notes from consultations with Moldovan CSOs)

302 See United Nations Human Rights Committee, [Concluding observations on the third periodic report of the Republic of Moldova by the Human Rights Committee](#), 2016, para 29, at

303 Para 30 of the Human Rights Committee Concluding Observations on the third periodic report of the Republic of Moldova.

# JUST LAWS AND ACCESSIBLE AND IMPARTIAL DISPUTE RESOLUTION

In recent years, the regulatory framework was further amended to comply with, international standards, including those for human rights and rule of law. Nonetheless, major drawbacks remain in ensuring enforcement of those laws. According to the annual report of the People's Advocate Office, the highest proportion of

complaints submitted to the Office are from the fair trial realm. The matters of concern from the perspective of the complaints submitted include the excessive length of the proceedings in courts, and cases when the decisions were issued without reasoning.

## OPEN GOVERNMENT

The [Public Opinion Barometer](#) from June 2020 has shown that Moldova's population either does not have trust in the Government at all (48.1 per cent) or has a low level of trust in the Government (27.3 per cent).<sup>304</sup> Trust in the parliament has declined in the last 15 years.

The trust in public institutions has generally been improving, with some notable positive and negative fluctuations during the last four years. For instance, the trust in Parliament, Government, President, Justice or Police increased in average with 15-20 per cent (even more in case of the President – 36 per cent increase) between 2016 and 2019. However, the 2020 data show a decline in trust of 4-8 per cent (even more in case of the President: an 18 per cent decrease), except the Police, which registered an increase in trust of 5 per cent.<sup>305</sup> The latest fluctuations might be associated with the situation created by the COVID-19 pandemic and the response provided by the national authorities.

According to the People's Advocate Office, the right to access to information, despite formally being well-regulated, continued to be limited in 2019. The authorities regularly refused the delivery of public interest information requested by mass media and civil society, justifying the refusal with the protection of personal data or state secrets. Some of the authorities continued to treat requests for access to information as simple petitions, which implied that the authorities considered they had a longer length of time to respond to requests made and did not accept electronic requests without the signature of the person asking for the information.

Although the gradual increase in transparency in the country is encouraging, with a few good examples available – such as the development and implementation of the MTender Portal ([MTender.gov.md](#)) and the portal for monitoring the activity of service providers working on HIV and AIDS treatment and prevention – further efforts need to be undertaken to increase government transparency, and CSOs can play an important role in this regard. By 2018, implementation of MTender has allowed to save 14 per cent on competitive tenders (saving US\$27.5 million), and its supplier base had increased by 30 per cent since October 2018, when its use became mandatory for all public procurement.<sup>306</sup>

Furthermore, the Government has committed itself to open their contracts, including various datasets, to the civil society for monitoring purposes. To date, Moldova's government made available for general public access 1,136 datasets<sup>307</sup>.

With greater decentralisation, the country has been gradually implementing participatory budgeting with the involvement of local communities and civil society in the decision-making on the financing of capital investments.

The [COVID-19 pandemic](#) had revealed some weaknesses in the developed systems when procurement procedures were simplified, and procurements were exempt from registration in the Tender Portal. The issue was addressed, in part, through the development of the [tender.health](#) platform at the initiative of a coalition of CSOs.<sup>308</sup>

304 Institute of Public Policy, '[Public Opinion Barometer](#)', June 2020.

305 BOP June 2020, [http://ipp.md/wp-content/uploads/2020/07/BOP\\_06.2020\\_anexa.pdf](http://ipp.md/wp-content/uploads/2020/07/BOP_06.2020_anexa.pdf)

306 [MTender platform](#) has been developed with the support of the European Bank of Reconstruction and Development (EBRD).

307 <https://date.gov.md/>

308 See <http://tender.health>

# CITIZENS' PARTICIPATION

The level of citizen's participation according to Social Cohesion and Reconciliation Index (SCORE) is low, while the participation gap is quite high<sup>309</sup> that indicates many significant barriers for effective citizens engagement. The biggest gap is amongst young people (between 18-29) while the interest of persons with disabilities and Roma in civic engagement is much lower than amongst other groups suggesting there are significant barriers that contribute to marginalization of these groups. Furthermore, there are no accessible consultative mechanisms at the central and local level to ensure active involvement and participation of persons with disabilities and their representative organizations in the dialogue between citizens and the Government.

Several categories of children and young people face various barriers and blockages that affect and limit their participation in social life. Children with low academic performance, children from disadvantaged groups, including children of Roma ethnicity, children with disabilities, children from at-risk groups and vulnerable groups are often excluded and do not participate in decision-making processes. Existing participatory mechanisms aimed at consulting young people do not work properly. In addition, limited access to information and information platforms is another factor impeding the participation of persons with disabilities. Therefore, fair participation is not ensured.

Nevertheless, civic engagement of Moldova's citizens was higher for the presidential elections (53.45 per cent) than for the parliamentary (49.24 per cent) and local elections (41.69 per cent). The relative low per-

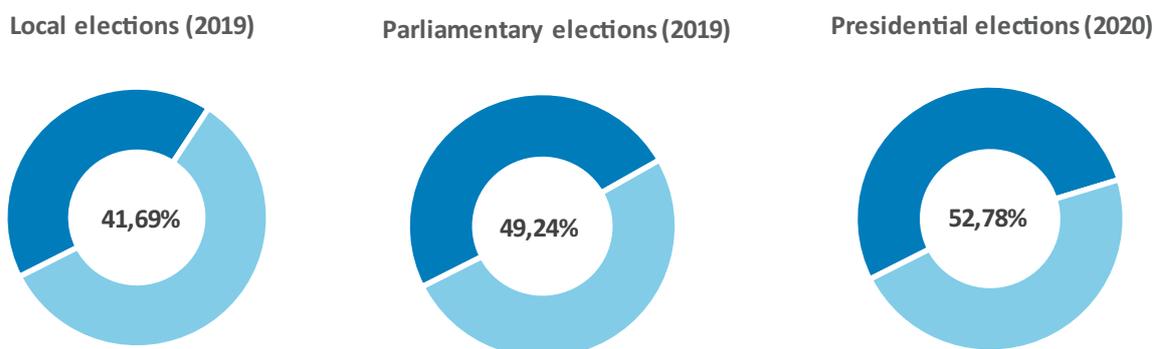
**There is a need for stronger engagement of young people in governance in rural areas. For this to happen the skills and capacities of the municipal authorities need to be developed to implement the best tools for meaningful participation in the planning process and project implementation.**

(Notes from consultations with Moldovan CSOs)

centages suggest that there is moderate willingness to use all political and social means of action to change communities (or the country) for the better. The lack of trust in the political system is also one of the reasons for high outmigration, particularly amongst young people.

Civic involvement of youth is low; on the one hand, the lack of a culture and traditions for civic participation make it more difficult to sustain, while on the other there is a lack of mechanisms to maintain policy dialogue with youth, and no formal tools for engagement in the process of education, vocational training, or during working life.<sup>310</sup> Locally, only 5 per cent of young people are

Figure 67: Voter turnout in the last...



Source: CEC

309 Participation gap is defined as difference between the share of those willing to participate in activities useful for the community and effective participation.

310 The statement on the lack of traditions but also mechanisms for civic engagement of young people was confirmed through the UN CCA consultations process with CSOs.

involved in local public budget consultation processes. As a result, up to 72 per cent of the total number of programs created for adolescents locally do not meet the needs and aspirations of young people. Besides this, the low level of information and awareness of young people is a barrier that limits the participation of young people in decision-making processes. Many young people, who are not part of formal participation structures, are unaware of the existing opportunities for participation at local and national level.

At the same time, it has been reported that, in localities headed by female mayors, citizens are more involved in

community decision-making, than in LPAs led by men. Involvement of youth in volunteering activities remains modest. About 11 per cent of youth aged 15-24 and 8 per cent of those aged 25-34 are involved in volunteering activities, such as assistance to schools; kindergartens, religious, charitable or cultural organizations; NGOs; trade unions; town halls; businesses and companies; or political parties (10.1 per cent and 5.2 per cent); work for the benefit of the community (19.9 per cent and 17.5 per cent); or conduct other volunteer activities (3.2 per cent and 2.6 per cent).<sup>311</sup>

## WOMEN'S PARTICIPATION IN GOVERNANCE

In general terms, there are more men than women in leadership positions at all levels. Of all leaders of all levels, in 2018, 59.7 per cent were men and 40.3 per cent - women. Between 2014 and 2018, the gap between women and men increased from 14.8 percentage points to 19.4 percentage points. In the case of leaders of economic and social units gender differences are more pronounced. Thus, in 2018, the ratio between women and men among leaders was 1 to 4 (27.3 per cent women compared to 72.7 per cent men), regardless of the form of ownership of the unit.

**In 2017, Moldova adopted a new mixed electoral system**, in which 101 seats in the Parliament were split between Members of Parliament (MPs) elected on political party lists by all voters (50 per cent using a proportional system), and single-mandate constituencies (i.e. 51 persons elected by so-called "circumscripții nominale", using a majoritarian system), in which each constituency elects one member of the Parliament. This new system was implemented in February 2019. **Despite being considered less favourable to women's political participation and representation,<sup>312</sup> women obtained 26 seats in the Parliament compared to 21 in the 2014 elections** (or an increase of 5 percentage points). By the end of 2019, the Government of Moldova repealed the mixed electoral system and switched back to the proportional one and introduced

placement provisions, under which 4 out of 10 candidates on the electoral lists should be of the same sex (voted into law on 31 July 2019). Although placement provisions have been introduced, political parties continue to designate women in less favourable positions.

Following the 2019 local elections, women secured 21.8 per cent of mayor mandates (compared to 20.6 per cent in 2015), 36.5 per cent representation in local councils (compared to 30.0 per cent in 2015) and 27.1 per cent in district councils (compared to 18.6 per cent in 2015). Although this is a positive trend, representation of women is still below the internationally agreed goals. **If the same trends are observed, Moldova will most likely reach the share of 40 per cent of women candidates for mayor in just over three electoral cycles, in 2031.**

While women are represented as judges, they continue to be underrepresented in law enforcement. The proportion of judges who are women is continuously increasing, and reached 48.3 per cent in 2018, 3.4 percentage points lower than men judges. At the same time, only 19.4 per cent of police officers, including civil protection and border guards, were women in 2018.

Disaggregated data are not available on the representation of ethnic minorities, and persons with disabilities in the law enforcement agencies and in the civil service.

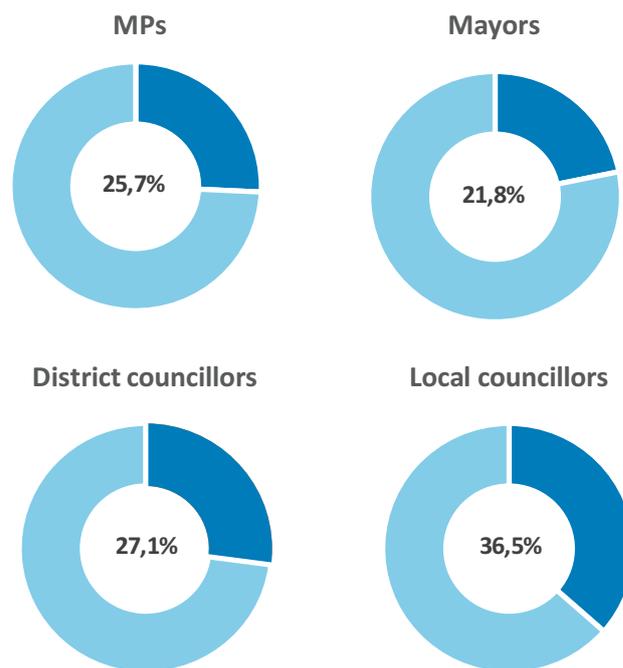
311 Demographic Research Centre, 'Comprehensive youth sector analysis', UNICEF and UNFPA, 2019

312 It was envisaged that the mixed electoral system would be a regressive step from the previously adopted 40 per cent gender equality quota for party lists, as the introduction of the mixed system reduced the applicability of this provision to the proportional component of the Parliament, and thus includes only half of the seats [Partnership for Development Centre, 'Women's place in elections,' 2019. In addition, according to international research and studies, another negative effect of mixed electoral system on women's political representation is that "under a single-member constituency system, the candidate selectors might be reluctant to pick a woman as the party's sole candidate, using the excuse, genuine or otherwise, that they believe some voters will be less likely to vote for a woman instead of a man". According to the statistics, the countries with the lowest levels of female political representation have either a mixed system of weak proportion (where there is voting for party lists and seats are distributed proportionately, but the leading party receives extra seats as a result of reaching a certain level or threshold of votes) or a majoritarian system. [www.europarl.europa.eu/workingpapers/femm/w10/2\_en.htm] The same observation was made by the [OSCE's Handbook for Monitoring Women's Participation in Elections](#) and by the [Venice Commission Opinion No. 884/2017](#)

On **gender sensitive budgeting (GRB)**, the second National Strategy on Gender Equality (NSGE) for 2017-2021 and its associated Action Plan, approved in early 2017, focus on ten areas of interventions with one dedicated to GRB. These are: women's participation in decision-making, labour market and gender pay gap, social protection and family policies, health, education, climate change, institutional mechanism, stereotypes in the society and non-violent communication, gender equality in the security and defence sector and gender responsive budgeting. Under the "Gender Responsive Budgeting" area of intervention, the NSGE focuses on development, piloting and institutionalizing of GRB tools (gender sensitive indicators, expenditure strategies and concepts) by building capacity of government Gender Coordination Groups/gender focal points to develop and promote gender responsive fiscal laws, policies, national and sectorial action plans to enable specific budgetary allocations for advancing gender equality and women's empowerment.

Since 2008, some actions have been taken to develop a strategic vision for gender-sensitive budgeting implementation, to strengthen the capacities of stakeholders and to pilot gender-sensitive budgeting in three districts. UN Women has conducted a revision of the national legislation with proposals for amendments from the perspective of gender responsive budgeting. Implementation of the recommendations and support for the achievement of the objectives in the NSGE remains as a challenge where the UN can provide strategic support.

**Figure 68: Percentage of seats secured by women in parliamentary and local government in the last elections**



Source: CEC

## PUBLIC ADMINISTRATION REFORM

In 2016, the Government launched the second phase<sup>313</sup> of the Public Administration Reform PAR (2016 –2020),<sup>314</sup> which was intended to consolidate the central public administration, improve decision-making processes, and reduce bureaucracy and administrative costs by reorganizing ministries to optimize staffing, introducing a unified public sector salary system, as well as digitizing and streamlining public services. The reforms continued with separation of policy development and monitoring (by ministries) from policy implementation (by subordinate agencies) with the intention to improve the quality of policymaking and to set clearer accountability targets for both ministries and subordinate agencies. During the Government restructuring of the ministries delegated administrative management functions to the General

Secretaries, while the State Secretaries focused on the policy process, sectoral strategic goals and monitoring results, which ultimately contributed to better policy development and budget drafting.

Gender equality mechanisms were not integrated in the reforming and restructuring processes, which led to virtually no mainstreaming of gender equality in the overall policy making and budgeting process. Increased use of information technology by ministries and subordinate bodies also improves the efficiency of planning and budgeting. However, this process is rather nascent and needs significant support with expertise, capacity development and resources. This would be a relevant entry point for the UN in the country.

313 The first phase focused on the Central Public Administration was being implemented in 2005-2016.

314 Government of the Republic of Moldova, [Public Administration Reform Strategy 2016-2020](#).

The Centre for Reform Implementation (CRI), established in January 2017 and dissolved in January 2020, was tasked with implementing the PAR and evaluating its progress. The CRI has coordinated the establishment of new government structure and the creation of the Agency of Public Property, which intendeds to improve management of public property. The Agency of Public Services is also tasked with establishing a network of one-stop shops for citizens and businesses and with using e-Governance tools to make public services more accessible and transparent.

Within the reform the number of ministries was reduced from 16 to 9, while the staff count fell by around 40 per cent overall. While the cuts enabled salary increases in the public sector and stronger financial incentives for civil servants, at the same time it critically and negatively hit the institutional capacities, leading to increased workload and overstretch of civil servants. The adjustment to the new structures

was disrupted by the Parliamentary elections of February 2019 that resulted in a half-year absence of a majority coalition in the Parliament, and therefore, the inability to appoint a Government. Once a coalition Government was finally invested in June 2019, the subsequent reshuffling of top-level civil servants (a mass change not only of Ministers – who are political appointees – but also of State Secretaries, who according to the Law are technocrat civil servants who are expected to stay through Government changes and ensure continuity and stability), proved that the Law on State Secretaries was being neglected. The same mass change was repeated with a new change of Government in November 2019. The lasting political crisis negatively affected the delivery by the ministries on the sector strategic documents' objectives and delayed the Government's approval of the National Development Strategy Moldova 2030 for a year and a half; the Strategy is still not approved by the Parliament, and therefore, does not have legal power.

## SUBNATIONAL GOVERNANCE

The local public administration in Moldova is based on local autonomy principles, decentralisation of public services and consultation with the citizens on local problems of special interest<sup>315</sup>. The legal framework governing the local public administrations' functioning is based on the two main documents: the fiscal decentralization, governed by the Law on Local Public Finance,<sup>316</sup> and the Law on Administrative Decentralization.<sup>317</sup> The latter stipulates the division of powers between the tiers of the government. The local government operates at two levels of administration. The first level consists of local communities, villages and towns, whereas the second level consists of 35 territorial-administrative units (32 raions, Chisinau and Balti municipalities, and an autonomous territorial unit of Gagauzia<sup>318</sup>).

On 28 July 2020, the Government established a Commission on Public Administration Reform, which is tasked with taking stock of the progress achieved so far and to present the recommendations on the way forward. It shall pay particular attention to the issues of redistribution of the tax revenues; to further defining the power and mandate of different levels of administration; and to reorganizing the territorial-administrative system, which may create preconditions for the long-awaited local pub-

lic administration reform and strengthening the revenues of the local governments by decreasing their numbers (currently there are about 1,000 local governments).

The process of fiscal decentralization reform started in the early 2000s. However, local government bodies continue to be challenged by insufficient financial resources and capacities. Local governments rely mostly on grants and other transfers from the central government, limiting their autonomy. In 2014, local own budget revenues represented 13 per cent of the total for 1st level units, and 6 per cent for 2nd level units, as shared taxes and fees raised respectively 14 per cent and 24 per cent.<sup>319</sup> Grants and direct transferences from the central Government represented around 67-8 per cent in 2014.

Local governments lack skilled staff and capacities to promote development in several sectors. Distribution of competencies between government levels is also not clear and competencies are not connected with the resource allocation. Considering the growing importance of local governments in supporting the SDGs achievement, UNCT's support in this before mentioned issues would allow accelerating development, particularly in rural areas.

315 Article 109 of the 1994 Constitution of Moldova

316 [https://www.legis.md/cautare/getResults?doc\\_id=106188&lang=ro](https://www.legis.md/cautare/getResults?doc_id=106188&lang=ro)

317 [https://www.legis.md/cautare/getResults?doc\\_id=83730&lang=ro](https://www.legis.md/cautare/getResults?doc_id=83730&lang=ro)

318 According to the law No. 233 dated 16-12-2020 on amendments to the Law on the administrative-territorial structure of the Republic of Moldova No. 764/2001 Gagauzia acquired a "special level of governance".

319 UCLG report on the Republic of Moldova. Available at <http://www.uclg-localfinance.org/sites/default/files/MOLDOVA-EURASIA-V3.pdf>

# E-GOVERNMENT AND ACCESS TO PUBLIC SERVICES

As the digitization of public services was declared as a priority of the Public Administration Reform, the Government established the E-Governance Agency to lead on the e-Transformation process, to streamline governance through intensive use of information technology, and to support the Public Services Agency to reform the delivery of public services through digitization for the benefit of the citizens. Since 2011 about 40 public services have been transferred on-line. However, this is just the start of the process, and many public services, in particular, those delivered by local governments, still require face-to-face contact with the institutions and public servants.

Public procurement was transferred onto an e-platform with the support from the European Union (however the transfer was only for processes with high estimated cost, which left, for example, procurement of medicines and medical devices under the National Health Programmes – such as HIV, tuberculosis, cancer and diabetes – outside the e-procurement system). The Public Procurement Agency is supposed to monitor procurement processes on the platform and beyond, but low institutional capacity makes the effective performance of this function challenging.

While citizens can now have better access to a number of e-services, in many cases the back end of service processing and delivery is still completed manually using procedures and systems that have been in place for decades. Moldovan agencies continue to use manual, paper-based processes to receive and process applications for administrative services and statistical data submission. These manual systems are sometimes inaccurate, slow and often open up opportunities for fraud, errors and corruption.

Multiple reports by NGOs and/or investigative journalists attest to a still-high level of corruption in public procurement and to misuse of public money. Also, users of the e-Procurement system and observers have found that the system is far from perfect and needs significant adjustments.

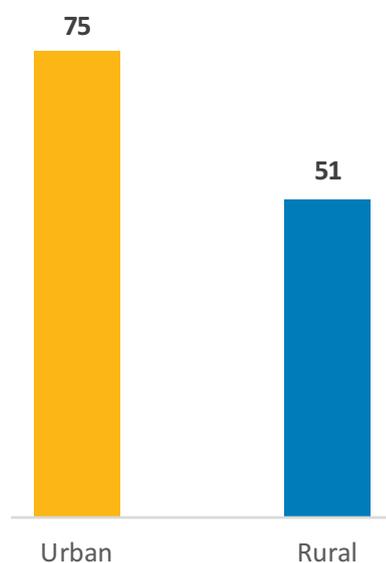
The potential of digitalization to improve access to information and public services in Moldova has not been fully realized. At the same time, many older persons, rural households (including children and young people in rural areas), as well as persons with disabilities and

About 40 public services had been transferred on-line.

special educational needs are unable to access services and products because of poor digital literacy, lack of hardware and lack of infrastructure, as well as lack of or limited internet access.

Only 51 per cent of rural households have access to the internet, compared to 75 per cent in urban areas, while only 41 per cent of households in the lowest income quintile have internet access.<sup>320</sup> Ownership of computers and internet use are higher in male-headed households (where 57.4 per cent have computers and 55.8 per cent have an internet connection) than in those run by women (where 45.7 per cent have computers and 44.1 per cent an internet connection).<sup>321</sup>

Figure 69: Households with access to Internet (per cent)



Source: NBS

320 UNDP and PWC, COVID-19 Social and Economic Assessment. 2020.

321 NBS, UNDP, UN Women and SIDA, 2020, [Accesul și utilizareade către populația Tehnologiei Informației și Comunicațiilor \(TIC\)](#).

# JUSTICE

A well-functioning justice sector is critical for good governance, reducing corruption and efficient delivery of public services. Therefore, given the importance of an efficient justice sector reform for the sustainable development of the country, the Government of the Republic of Moldova has pledged to further strengthen the independence, efficiency and integrity of the justice system.<sup>322</sup>

The 2016 Universal Periodic Review provided a number of recommendations for Moldova in the area of justice, including on the implementation of reforms in the field of rule of law to ensure fair and due process, combat corruption, and improve transparency throughout the legal process, as well as to continue the implementation of the Justice Sector Reform Strategy with a view to further strengthening the independence, accountability and transparency of the judiciary.

In line with the UPR recommendations (2016), the 2018-2022 National Human Rights Action Plan<sup>323</sup> lists the justice sector as an area of priority intervention and pursues the establishment of a human-centred justice system, responsive to the needs of beneficiaries and accessible in terms of physical infrastructure and information.

However, the latest EU assessment, under the Association Agreement (AA)<sup>324</sup> underlines that “The reform of the justice sector remains to be addressed and (...) non-transparent judicial proceedings remain common”, and concludes that “Robust progress is now essential on judicial reform, (...) on compliance with the rule of law and the democratic standards”, and concludes that

**68 per cent of businesses do not expect fair court proceedings.**

“Robust progress is now essential on judicial reform, (...) on compliance with the rule of law and the democratic standards”.<sup>325</sup>

The 2011-2017 Justice Sector Reform Strategy was not fully implemented and delivered mixed results. Many targets in various priority areas were not achieved (for instance, rehabilitation of victims of crimes, such as torture and sexual and gender-based violence; revision of the Constitution to increase the independence of justice system; and improvement of the system of appointment and promotion of judges<sup>326</sup>). The slow progress in justice sector reform resulted in discontinuation in 2017 of the European Union’s budgetary support to the justice sector (Phase 2, worth EUR 28 million was not funded).<sup>327</sup> This reconfirms that the main challenge in reforming Moldova’s justice system and ensuring equal access to justice is not planning and strategizing, but rather the implementation of reforms already started.

Although important efforts have been made in recent years to improve the efficiency, transparency, fairness and accessibility of the justice sector,<sup>328</sup> the justice system is still failing to deliver at the level of users’ expectations. Even though justice reform is ranked the fourth most important by citizens (after health care, pension and education reforms), results matching this expectation have not yet been achieved. Court performance is perceived to be poor, with 76 per cent of court users expressing negative views, while most respondents stated that there had been no changes on the ground between 2015 and 2017.<sup>329</sup>

**76 per cent of court users express negative views in terms of its performance.**

322 Government of the Republic of Moldova, [Decision Enr.636](#). 2019.

323 National Parliament, [Decision No. 89](#). on the approval of the National Action Plan in the field of human rights for the years 2018–2022.

324 The Association Agreement (AA) signed with the European Union in 2014, confirms mutual commitment to support Moldova in strengthening the rule of law, democracy, and human rights standards and principles. To achieve a steady progress on the implementation of the AA’s commitments, the Government of Moldova has adopted two consecutive National Action Plans for the implementation of the AA, which transposed the provisions of the Agreement into concrete actions for the years 2014-2016 and 2017-2019.

325 [Association Implementation Report](#) on Moldova (11 September 2019).

326 Nadejda Hriptievski, [Justice Sector Challenges Undermine the Rule of Law in the Republic of Moldova](#), April 2018; Council of Europe, ‘Justice Sector Reform Strategy of the Republic of Moldova. [Review of Implementation, Assessment and Recommendations](#)’, December 2017, at

327 European Union, ‘[Moldova: EU cuts budget support programme for justice reforms](#)’, 11 October 2017, at

328 Introduction of a redesigned legal aid system, optimization of court map, implementation of Integrated Case Management System (ICMS), audio recording of court proceedings, reform of the prosecution service, and so on.

329 World Bank, ‘Moldova - [Improving Access to Justice: From Resources to Results. A Justice Sector Public Expenditure and Institutional Review](#) (Report No. 124516-MD), 2018, at

Thus, Moldova's justice sector offers a stark picture of lack of public trust<sup>330</sup> coupled with a troubling internal snapshot: in a detailed 2017-2018 survey of court users,<sup>331</sup> 56 per cent of citizens report either no change or a deterioration in the work of courts. Only about 20 per cent of citizens believe that courts are fair and impartial, and almost 50 per cent of lawyers share these concerns. Sixty-eight per cent of businesses do not expect fair court proceedings.

Furthermore, the respondents broadly feel that an ordinary citizen is unlikely to get a fair trial (more than 62 per cent share this opinion). Citizens state that the rights of persons with disabilities and of those with lower incomes are least observed in the justice system.

**Only 20 per cent of citizens believe that courts are fair and impartial.**

**Access to justice for vulnerable groups remains a key concern.** Access constraints for vulnerable groups and the lower mobility of the rural population, combined with longer distances to travel and poor transport networks have increased concerns about the impact of the planned court consolidation on access to justice services.<sup>332</sup>

This becomes particularly relevant for women and girls<sup>333</sup> who have experienced psychological, sexual or physical violence from their husbands or partners. The path for survivors of sexual violence through the justice system is cumbersome and discouraging, as sometimes they are also re-victimized by the contacted professionals, including police officers, criminal investigation officers, forensic experts, prosecutors and judges. In spite of their guaranteed material and procedural rights, victims of sexual crimes face a bureaucratic system that is not prepared to accept in full the status of victims of such crimes, to grant them protection, support and the opportunity to exercise their right to a fair process. **Persons with disabilities are often denied procedur-**

**al accommodation in court**, while the accessibility of court buildings, communications and services remain a serious challenge.<sup>334</sup>

**Only 50 per cent of the citizens feel free.**

The same survey suggests that low-income groups have lower awareness than higher-income groups about the functioning of the court system, and state that the judicial system is least accessible in terms of cost and information. Only 1 in 10 citizens are satisfied with the efficiency of courts, prosecutors and bailiffs, while unreasonably long proceedings and lack of thoroughness of proceedings are major concerns of citizens. On access to court services, respondents said more attention should be paid to making information about cases and court decisions available to the public and making complaint-filing procedures simpler and clearer. Less than half of the respondents reported being able to find the court decision they needed. Fifty-seven per cent of citizens are not aware of court reforms, while those who are aware complain about insufficient information.

Therefore, despite the ongoing reforms, little progress is felt at the local level by citizens, and coherent coordination mechanisms among law enforcement, security and justice institutions for effective administration of justice seem to be lacking at both national and local levels. Men and women, particularly from marginalized or minority groups, are not able to claim their rights and access justice effectively.

On the same note, the 2018 Human Rights Perceptions Study<sup>335</sup> reveals that the right to a fair trial is among the most violated human rights. Vulnerable and marginalized groups experience a low level of enjoyment of their right to a fair trial: older people (23.4 per cent), persons with disabilities (23.3 per cent), people from rural areas (20.5 per cent), people with low incomes (19.5 per cent), unemployed (18.4 per cent); and other vulnerable

330 Judiciary – 22% (as of June 2020); General Prosecutor's Office – 26 % (as of December 2019) [Institute of Public Policy, 'Public Opinion Barometer', June 2020 (p. 21).

331 World Bank, [2017-18 Surveys of Court Users](#), 2018.

332 Idem

333 A 2011 [United Nations study](#) found that 63 per cent of women had experienced psychological, sexual or physical violence from their husband or partner. Rural residents, older people, and separated or divorced women are at higher risk of experiencing violence. In 2017, 89 per cent of family-related crimes registered by the police were cases domestic violence, 80 per cent of the victims of domestic violence are women, and 90 per cent of the aggressors were men.

334 In February 2016, the United Nations Special Rapporteur stated that "persons with disabilities are often denied procedural accommodation in court, while the accessibility of court buildings and services themselves remains a serious challenge" in Moldova. The Committee on Elimination of Discrimination against Women in the Concluding Observations on the sixth periodic report of the Republic of Moldova (2020) recommended that the country address physical and communication accessibility in courts of law, including the lack of procedural accommodation in court procedures and the deprivation of legal capacity on grounds of disability.

335 United Nations Moldova, '[Perception of Human Rights in the Republic of Moldova](#)', 2018.

groups (including Roma, religious minorities and LGBTI individuals) (18.5 per cent).

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 the country's citizens feel they can exercise this right freely.<sup>336</sup>

The lack of effective and fair justice service delivery, coupled with low trust in governance institutions, reinforces a culture of civic passivity while the weak social cohesion feeds deep societal divides and inequities along urban/rural, income-level, ethnic and linguistic lines. This is particularly relevant at the subnational level, where the levels of civic engagement and legal empowerment are low, civil society organizations are

weak, not capacitated to ensure proper monitoring and oversight of justice delivery in their communities, and unable to engage with the justice chain actors in a constructive manner.

The promise to institute an independent judiciary is one of the recurring leading reforms committed to by each Government. Substantial efforts and resources have been deployed in recent years to achieve this goal. Many legal reforms have been enacted, yet their implementation is lagging behind and often lacks political will and conviction.<sup>337</sup> The result is a judiciary that could be, but is not yet, fully independent, as the full meaning of judicial independence is not yet sufficiently rooted in the minds of the judges. Achieving judicial independence requires a change in attitude towards the judiciary from the executive and other sources of State and private power but, most importantly, from the judiciary itself. The process may not always be smooth or speedy and may involve tensions with other State institutions. Such tensions, open or latent, are inherent in all societies based on the rule of law.

## CORRUPTION

Moldova scored 32 out of 100 points in the Transparency International Corruption Perception Index in 2019, ranking 120<sup>th</sup> out of 180 countries (in CPI 2018, Moldova, with a score of 33 points, ranked 117<sup>th</sup> out of 180 countries).<sup>338</sup> The corruption perception was highly influenced by the stagnation in the investigation of a US\$ 1 billion bank fraud.

A number of actions took place in the area of the prevention and fight against corruption, fraud and conflict of interest in the context of the National Integrity and Anticorruption Strategy (2017 – 2020). These focused on strengthening institutional integrity and preventing, detecting and deterring corrupt behaviour among civil servants.

The Impact Monitoring Survey of the Strategy revealed that majority of public opinion believed that women and men are equally exposed to acts of corruption, both in the public service in general (71 per cent) and in the institution where the respondents work (60 per cent).

The Law on Whistle-Blowers, which establishes a mechanism for reporting integrity incidents, irregularities and abuses, and which provides protection for whistle-blowers, was adopted in July 2018 and entered into force in November 2018. The monitoring mechanism under the 2017-2020 National Integrity and Anticorruption Strategy was made operational through three monitoring groups, consisting of key institutions and CSOs active in the anticorruption sector. The 2019 Monitoring Report for the Strategy showed that out of 118 actions, 53 were fully implemented, 60 were partly achieved or ongoing, while 5 had not been achieved. The most challenging for implementation were the actions that had to be implemented in collaboration by several institutions. The National Strategy had been underpinned and further detailed in 9 sector-level Anticorruption Plans and in 35 -level Plans.

The National Integrity and Anticorruption Strategy is likely to be extended through 2021 to enable evaluation of the results and development of the next Strategy.

336 Government of the Republic of Moldova, '[Republic of Moldova. Voluntary National Review – Progress Report 2020](#)'. 2020, p. 120

337 International Commission of Jurists, '["Only an empty shell". The Undelivered Promise of an Independent Judiciary in Moldova](#)', 2019.

338 Transparency International Moldova, '[Transparency International launches the 2019 Corruption Perception Index](#)', January 2020.

# INCARCERATION RATE

Moldova's incarceration rate remains high, with 186 cases per 100,000 population, and the number might be higher on the left bank.<sup>339</sup> The re-offending criminal rate is 72 per cent: out of 10 people released from prison 7 are returning. Of 17 penitentiary institutions, 6 are overcrowded and the occupancy rate might exceed 150 per cent in some instances. The European Committee on the Prevention of Torture and Inhuman or Degrading Treatment or Punishment visited Moldovan prisons in Febru-

ary 2020 and repeatedly concluded that the conditions of detention in the establishments remain unsatisfactory, including in terms of the state of repair, hygiene, ventilation and access to natural light, as well as overcrowding in some cells and the strong influence of informal prison hierarchy.<sup>340</sup> Moldova lacks a mechanism that ensures alternative to incarceration for people who have committed non-violent crimes, such as possession of small quantities of drugs.

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**Children are deprived of many rights in prisons, including the right to quality education. Piloting of the inclusion of children in conflict with the law in the regular education process and regular schools is required. Most minors regret their actions, explaining the committed crimes as being the result of the lack of access to adequate sexuality education, being left behind by parents, among other reasons. Providing these minors with the opportunity to study in regular schools could facilitate their integration in society and reduce recidivism rates.**

(Notes from consultations with Moldovan CSOs)

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# CAPACITY BUILDING

Despite recent Government reorganisation in 2017 that was aimed at enhancing institutional and human resource capacities and improving efficiency of central authorities to design, implement and monitor reforms aimed at socio-economic development and attainment of SDG agenda, the **high staff turnover, lack of financing for public investments and institutional capacity gaps while still persisting public sector corruption altogether reduce the overall Government capacity to implement reforms.** Consequently, the implementation of certain reforms and programs are often subject to external development assistance and support while considerable resources are being allocated by the development partners for capacity building and strategic planning.

The gaps in technical capacity to ensure effective decision-making is linked to lack of information management systems and mechanisms for fast data collection:

for instance, there is no unified health information management system capturing patient's electronic health records to enable health needs analysis, or there is no mechanism for liaison with small businesses to monitor effectively the challenges faced by the private sector at times of crises. In addition, due to inefficiencies in data collection, the disaggregation of data is often lacking.

To improve the oversight and monitoring of timely and diligent public spending, external assistance was concentrated under the Ministry of Finance. However, the latter is facing human resources capacity issues.

To increase transparency in the utilization of foreign aid, as well as to ensure better information to the society about how they are spent, the Foreign Aid Management Platform (AMP) was launched in 2014 <http://www.amp.gov.md/portal/>. However, the functionality of the platform remains suboptimal.

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339 In the 2016 Th. Hammarberg report it was estimated up to 3,000 people are detained in the left bank.

340 Council of Europe, Executive Summary of the Report to the Moldovan Government on the Visit to the Republic of Moldova Carried Out by the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) From 28 January to 7 February 2020, 2020, <https://rm.coe.int/16809f8fa9>

Photo: OHCHR

**5**

**PEOPLE WHO ARE LEFT  
BEHIND IN MOLDOVA**

The inclusion of this section in this UN CCA is in line with the central and transformative promise of the 2030 Agenda for Sustainable Development to leave no one behind (LNOB). The focus on those left behind is an integral part of the Partnership Framework for Sustainable Development 2018–2022 concluded between the UN and Moldova’s Government.

In this section, we identify the groups that are being left behind in Moldova and analyse the different layers of vulnerabilities that they face.

## METHODOLOGY

Adopting the approach of ‘leaving no one behind’ not only entails reaching the poorest of the poor, but also seeks to combat discrimination, violence, factors limiting access to justice, and rising inequalities within the country. It includes analysis of multilevel poverty to understand all the barriers that different groups face.

Leaving no one behind also requires a comprehensive analysis of human rights protection in the country, with a focus on the limitations the population faces to realizing their fundamental human right. Stigma and discrimination heavily affect different groups in Moldova. For many marginalized groups, the COVID-19 pandemic has meant a deepening in their vulnerabilities.

Leaving no one behind means moving beyond assessing average and aggregate progress towards ensuring progress for all population groups at a disaggregated level.

For the United Nations, the cooperation and engagement of civil society is a crucial element for solving global and local problems. Collaboration among us is essential to assess and further promote progress to leave no

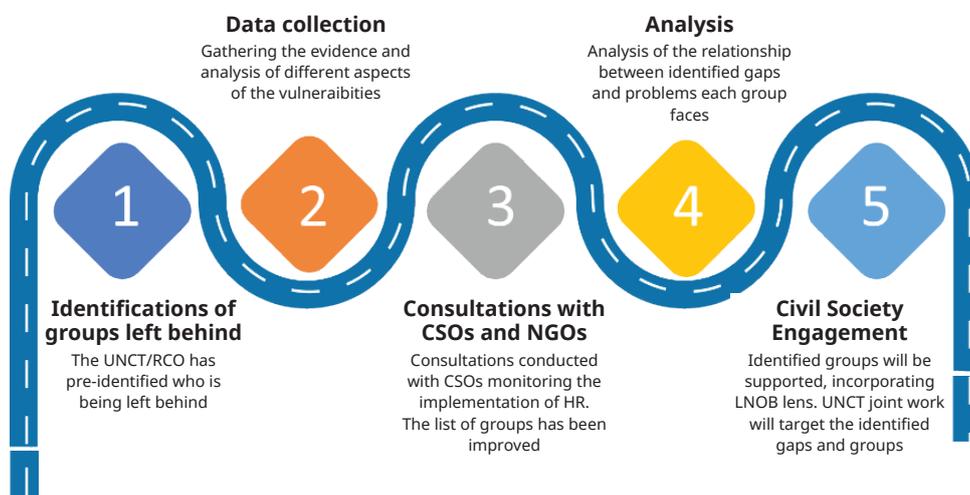
one behind, and to come up with more targeted public policies.

People who are left behind in development are often economically, socially, geographically, and/or politically excluded. This exclusion can be due to ethnicity, race, gender, age, disability, or a combination of these that leads to multiple discrimination. They are disengaged from societal institutions and do not have sufficient access to information to access these institutions or to networks and economic and social support systems to improve their situation. In addition, they are not consulted by those in power when new programmes, policies and projects are being developed. Their voices are not heard. People left behind are those most at risk of not enjoying their civil, cultural, economic, political or social rights.

The United Nations System must support countries to identify, connect with and give voice to those left behind if the SDGs and targets are to be met.

The development of this LNOB analysis included the following **steps**:

### Steps: LNOB analysis



In the analysis, we considered all 13 vulnerable groups as suffering significant deprivations. As such, we have not listed the groups by order of priority, as we feel they all deserve to be urgently supported.

Most of the time, people who are left behind in development are not counted in official data and they are invisible in the development of policies and programmes. During the process of developing the CCA, a **lack of disaggregated data at the country and subnational levels was identified** in different areas and for different groups. One of the groups for which data is almost non-existent is the lesbian, gay, bisexual, transgender and intersex (LGBTI) community. This is mainly because of stigmatization of and discrimination against this group.

A large proportion of the data presented that relate to the impact of COVID-19 was collected by United Nations entities through various assessments conducted between March and October. Concurrently, over 26 UN-led thematic assessments (22 of which have been completed) will complement this work by focusing on and deepening the analysis in specific areas.

Scarcity of data and limited sample sizes in existing datasets pose significant challenges for identifying and monitoring the status of those furthest behinds. The identified gaps in data will allow the United Nations in Moldova to support the Government to invest more in better quality data.

## CONSULTATIONS

This chapter was developed as a result of a desk review of existing reports and studies and consultative meetings conducted in October 2020 with the participation of 55 persons representing different groups:

1	Persons with disabilities and OPDs	6	Vulnerable women
2	Parents' associations	7	Roma community
3	Youth organizations	8	Community Ombudsman
4	CSOs assisting persons with HIV	9	Persons in rural areas
5	Children	10	Lawyers and paralegals

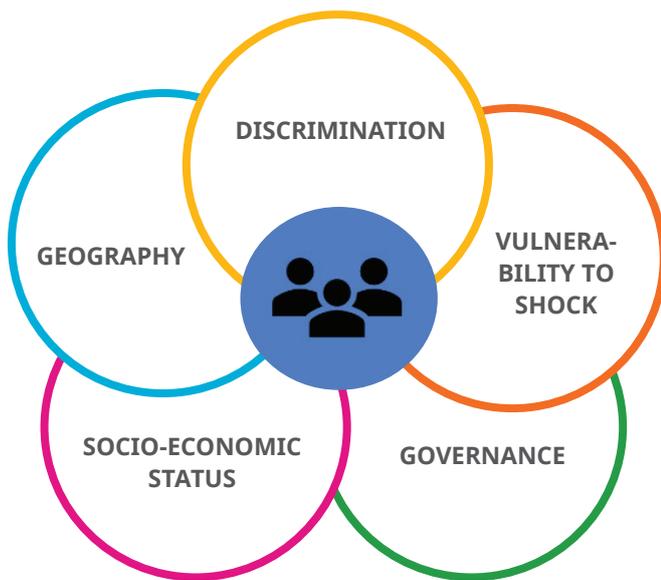
The consultations were conducted online and in coordination with the UNCT. During the meeting, two thematic groups were created to analyse the CCA draft document's key findings and priorities. Representatives from the CSOs and NGOs have provided valuable information to complement the data analysis and also have proposed modifications to the analysis and selection of vulnerable groups.

## INTERSECTORAL DEPRIVATION AND DISCRIMINATION

In practice, most people face more than one kind of deprivation and/or disadvantage or discrimination. For example, often, persons with disabilities in Moldova experience different types of discrimination and stigmatization and have minimal access to public services, information, and justice. Besides, those living in rural areas are more likely to face more deprivations than those living in the capital.

Some groups face severe and/or intersecting deprivations and disadvantages or multiple forms of discrimination that make them likely to be the furthest behind. For instance, women with disabilities have more difficulties accessing education and reproductive health.

### Five key factors of LNOB: assessing who is left behind



Source: Leaving No One Behind: A UNSDG Operational Guide for UN Country Teams (Interim Draft)

Leaving no one behind involves analysis on many levels. Being left behind in poverty, and without sufficient income, access to food, access to education, water, shelter, social protection, security of tenure, and basic services, is perhaps the most fundamental, and is a violation of human rights. Very often, economic development does not benefit all members of society equally, in terms of having access to basic services and opportunities to decide the lives they want to live.

In Moldova, we have seen a positive reduction in the proportion of people living on less than the minimum average, but other inequalities still persist. Inequalities can be seen between people living in rural and urban areas, between women and men, and between ethno-linguistic minorities, among others. These inequalities can furthermore generate increased social tensions, political discontent and instability.

#### DISCRIMINATION:

**on the basis of assumed or ascribed identify or status**

Consider: SDG outcomes & opportunities by sex, age, disability & social groups (as specified in the 2030 Agenda); evidence and recommendations from International human rights mechanisms, National Human Rights Institutions

#### GEOGRAPHY:

**isolation, risk or exclusion due to location; includes environmental degradation, transport, technology**

Consider: SDG outcomes & opportunities broken down by sub-national locality; inequities in mobility related to transport & internet access

#### VULNERABILITY TO SHOCKS:

**includes conflict, climate, environmental**

Consider: places or populations that endure more frequent and/or severe setbacks due to natural or environmental disasters, violence, crime or conflict, economic or other shocks

#### GOVERNANCE:

**laws, policies, institutions, voice & participation (includes informal and traditional governing systems)**

Consider: impact of laws, policies, taxes, budgets, formal and traditional practices by sub-populations and locality (i.e. distributional impacts); ability to participate in government and decision-making; civic space

#### SOCIO-ECONOMIC STATUS:

**multidimensional poverty; inequalities**

Consider: multidimensional poverty of women, men and children; Gini coefficient; SDG outcomes and opportunities by income (and/or Multidimensional Poverty Index) quintile; sources on informal and vulnerable employment (see: [www.ilo.org/ilostat/](http://www.ilo.org/ilostat/))

The identification of the vulnerable groups for the analysis was performed by following the below steps:

- Initial identification based on the groups included in the COVID-19 SERP Plan and also from the VNR document. Inputs from the GoM on the selected population has been included at this stage;
- The UNCT has reviewed the list of groups and proposed modifications (E.g. the inclusion of persons in detention centres);
- CSOs have recommended modifications based on their experience (E.g. to have Roma community separated from ethnolinguistic minorities);
- Analysis of the deprivations suffered by each identified group. Some of the sources utilised for the analysis were: SCORE survey, VNR, COVID-19 assessments, national strategies and plans, Moldova 2030, among others);

The list of groups identified by the UNCT is as follows:



# ANALYSIS OF VULNERABLE GROUPS

## PEOPLE LIVING IN POVERTY

People who are living in poverty are among the most vulnerable. They are deprived of their basic rights to education, economic opportunities, access to water and health. Some population groups are more affected by poverty than others. In Moldova, these include:

- **People living in rural areas**
- **Children**
- **Older persons**
- **Roma**
- **Persons with disabilities**
- **Households with five or more people**

A complete analysis of the vulnerabilities faced by these and other groups is provided in the following section.

## ETHNO-LINGUISTIC MINORITIES

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### Characteristics

According to data from the 2014 Census, Moldova is a multi-ethnic country with around 24 per cent of the population identifying themselves as belonging to ethno-linguistic minorities. The biggest ethnic minorities are Ukrainians – 6.5 per cent, followed by Gagauz – 4.5 per cent, and Russians – 4 per cent. In the Census, 6.9 per cent of the population identified as Romanian, and that the number of Ukrainians and Russians has been considerably decreased compared to the previous census in 2004 (1,8 and 1,9 per cent respectively out of the entire population in the country).

For the present analysis, Romanians are not considered to be a minority as they speak the same language as people who self-declare as Moldovan and – with the exception of the Roma population – the vulnerabilities experienced by ethno-linguistic minorities in Moldova are linked to the difference in spoken languages.

The different minorities are located in various regions of the country, but the most diverse region by ethnicity and language is the South of Moldova. The official statistics show that Ukrainians and Russians predominantly live in the urban area, and the number of older populations among these groups is higher compared to other population by ethnicity. Ethnic Ukrainians are spread more uniformly across the country, with bigger communities in the northern part of the country, including in Ocnita raion where they account for 25.3 per cent of the population, in Briceni – 22.5 per cent, and in Balti – 18.5 per cent. The highest proportion of ethnic Russians is found in Balti raion, where they make up 16 per cent of the population.

Gagauzians primarily live in the southern part of the country in the ‘Gagauz Yeri’ Autonomous Administrative Unit; ethnic Bulgarians also live in the south, mainly in Taraclia raion. The structure of the population by native language mostly coincides with ethnic affiliation of Russian, Gagauz (4,2 out of 4,5 per cent), Bulgarian (1,5 out of 1,8 per cent) and Roma (0,3 out of 0,3 per cent) minorities, and less - in the case of Ukrainians (3,8 out of 6,5 per cent). Statistics show that minorities living in the rural areas consider their native language by ethnicity. At the same time, for the most part, the ethno-linguistic minorities are bilingual – native-Russian and Russian-native speaking.

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## Vulnerabilities

The main source of vulnerabilities for ethno-linguistic minorities in Moldova relates to the **weak mainstreaming of linguistic rights into the legal and policy framework of the country.**

The use of native languages is widespread among minorities in Moldova. That said, the percentage of those using their native language more than any other language varies, in the case of ethnic Ukrainians, Bulgarians and Gagauz between 55.6 per cent and 63.8 per cent, compared to 92.8 per cent in the case of ethnic Russians.

Moldova has not reached the sufficient level of the state language proficiency by ethno-linguistic minorities genuine bilingualism and is far from having a multilingual approach in policy framework. Therefore, minorities face linguistic barriers in order to be fully integrate into the general society.

Challenges faced include:

- **Very limited use of minority languages by public institutions and in public life:** Most government websites and public documents are only available in Romanian. After the Decision of the Council for the Prevention and Elimination of Discrimination and Ensuring Equality (Equality Council) on case No. 37/18<sup>341</sup> of 23 August 2018, the Parliament took some efforts to make the contents of the Parliament's website available in Russian. However, as of today there are no specific legal obligations for the authorities to ensure access to public information for people belonging to linguistic minorities.
- **Very low representation of ethno-linguistic minorities in central public authorities, elected bodies and public administration and their effective participation in public life.** UN Treaty Bodies have raised concerns over the persistent underrepresentation of minorities in central public administration, in particular of Roma since 2008<sup>342</sup>. The legislation does not provide mechanisms of relatively proportional representation of minorities in all the levels of public administration as it is stipulated by the law No. 382-XV of 19 July 2001. According to the HCNM report on participation of national minorities in public life in Moldova (2019)<sup>343</sup>, the Gagauz and Bulgarian minorities remain underrepresented in the Parliament elected in 2019 (3 and 1 member respectively). At the same time, other numerically biggest minority groups are overrepresented. The Government is mono-ethnic with an exception of Gagauz minority representation<sup>344</sup>. Other central public administration bodies have a very low share of minority representatives with managerial positions, in particular Russians among others. In 2020 Roma were represented only in the State Chancellery and Administration of the President in function of Councillors on Human rights. The judicial bodies' management is underrepresented by all minorities, except Russians and Bulgarians.
- **Discrimination in access to civil proceedings:** With regard to this issue, the Equality Council issued a range of decisions relating to courts failing to accept complaints submitted in Russian, stating that these amounted to discrimination on linguistic grounds.
- **Low inclusion of minority languages in education:** The Educational Code accommodates the linguistic needs of children belonging to minorities and mentions requirements to the use of minority languages.<sup>345</sup> Nevertheless, the provisions of the Code on teaching and receiving instructions in minority languages and on financing educational needs of minority students are not clarified and developed in the regulation<sup>346</sup> that serves as a cause of indirect discrimination of minorities in education. Additionally, all educational policies regarding

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341 In the Decision, the Equality Council found that the lack of information in Russian on the Parliament's web page was discriminatory as it limited access to information based on language.

342 CERD (2008), Concluding observations of the Committee on the Elimination of Racial Discrimination, CERD/C/MDA/CO/7 (CERD 2008); CERD(2011), Consideration of reports submitted by States parties under article 9 of the Convention, Concluding observations, Republic of Moldova, 6 April 2011, CERD/C/MDA/CO/8-9; CEDAW (2013), Concluding observations on the combined fourth and fifth periodic reports of the Republic of Moldova, CEDAW/C/MDA/CO/4-5 (CEDAW 2013).

343 HCNM Report. Effective participation of national minorities in public life in the Republic of Moldova: Establishing the benchmark and evaluating the policy framework for 2020, 2019.

344 The representation of the Governor of Gagauzia in the Government as an ex-officio member is stipulated by Law on special legal status of Gagauzia (Gagauz Yeri) No.344 dated 23.12.1994.

345 Conditions: 1. minority languages are to be employed in the educational system in localities "traditionally densely populated by people belonging to ethnic minorities". 2. there should be "sufficient demand" for the use of their language; and 3. there is the condition of "availability of resources to ensure conditions for the creation of adequate conditions for minorities to study in their minority language".

346 There is no financial mechanism of allocating resources for teaching minority language and culture and/or instruction in minority language.

minorities have been hitherto focused on developing their state language skills, and there no policy has been elaborated on development of proficiency in native languages and ensuring effective multilingualism. At the same time, the curriculum in minority schools has a higher burden for 5 to 7 hours per week than in other schools that also requires to be revised and accommodated to the linguistic needs and ensure quality education.

- **Limited access to information because of reduced use of minority languages in the media:** Although the national legal framework refers to cultural diversity in several instances and allows for local broadcasting agents to broadcast in a minority language, there are no incentives for broadcasters to do this.
- **Low use of minority languages in names and public signs:** The right of minorities to use their native languages for public signs is not usually respected. Also, the current legal framework does not allow for the use of patronymics (a part of a person's name in Russian culture) in identification documents, or for the use specific letters and spelling for Gagauz names.
- **Access to justice for ethno-linguistic minorities:** Public documents and legislation are not routinely translated into minority languages, and the courts do not usually accept complaints in Russian. The Equality Council issued a range of decisions in which it found that this situation constitutes discrimination on linguistic grounds. In 2019, decisions related to discrimination based on spoken language amounted to 22.5 per cent<sup>347</sup> of the total of decisions issued by the Council.

#### IMPACT OF COVID-19:

The linguistic barrier impaired ethno-linguistic minorities' access to the full spectrum of information about prevention and protection from COVID-19. Communication with minorities was not carried out in their native languages during all the stages of the pandemic. Therefore, the pandemic exacerbated the already existing vulnerabilities linked to linguistic rights.

#### Root causes of inequalities

The main root cause of the deprivation experienced by ethno-linguistic minorities is the lack of language sensitivity in the process of decision making and policy development at central level. In addition, there is no clear approach to addressing language-related challenges in securing the rights of ethno-linguistic minorities.

## ROMA POPULATION

#### Characteristics

According to the 2014 Census, the **Roma community accounts for 0.3 per cent of the population of Moldova** and is estimated at 9,300 people. However, these figures are disputed, and many human rights activists in Moldova put the figure closer to 20,000, while some Roma leaders promote the idea of 250,000 Roma living in Moldova.<sup>348</sup>

In terms of geographical spread, 2012 mapping data collected by UNDP<sup>349</sup> show that Roma live in concentrated groups within Moldovan communities. The mapping identified about 185 settlements<sup>350</sup> in the country (or 10 per cent of all settlements) where the proportion of the population that is ethnic Roma varies from 0.5 per cent to over 40 per cent. There are also dozens of Roma slums in rural areas isolated from local authorities, with substandard social infrastructure.

347 Provided by OHCHR using the governmental link to the reports: <http://www.parlament.md/LinkClick.aspx?fileticket=z0IsFPCDDMMY%3D&tabid=202&language=ro-RO>

348 ILO Study 'Roma women and the world-of-work in the Republic of Moldova'

349 UNDP, [Raport reprezentativ privind cartografierea Localităților Dens Populate De Romi din Republica Moldova](#). 2013

350 Report on Monitoring of local elections of 2019 in terms of inclusion of Roma, 2019. [https://www.eef.md/media/files/files/raport-iii-incluziune-roma-alegeri-locale\\_rus\\_2447848.pdf](https://www.eef.md/media/files/files/raport-iii-incluziune-roma-alegeri-locale_rus_2447848.pdf). The number of localities is identified in the Information by the Technical Group of Roma from the Republic of Moldova at the request of the State Chancellery of the Republic of Moldova, Petition no. 084601/10 of September 29, 2010, ANNEX 1, p. 12. [https://www.academia.edu/40466491/Lista\\_185\\_de\\_localitati\\_compact\\_locuite\\_de\\_250\\_000\\_Romi\\_in\\_Republica\\_Moldova\\_2010\\_?fbclid=IwAR1MrUWIm5xEbiqPA9hA1b8\\_7HsQQOMYo\\_pG6UqyysYTcliCxyNPCC1HDAw](https://www.academia.edu/40466491/Lista_185_de_localitati_compact_locuite_de_250_000_Romi_in_Republica_Moldova_2010_?fbclid=IwAR1MrUWIm5xEbiqPA9hA1b8_7HsQQOMYo_pG6UqyysYTcliCxyNPCC1HDAw)

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## Vulnerabilities

Members of the Roma community in Moldova are among the most marginalized, vulnerable and excluded people in the country, with many of them living in extreme poverty, facing discrimination on a daily basis, and often living in inadequate housing, with limited access to safe water, sanitation and electricity. Roma routinely face significant barriers to accessing basic human rights such as social protection, health care, education and productive employment. A big number of Roma does not have identity documents, which significantly limits their access to basic services, including medical care, exercise of the right to vote, etc. Many Roma choose to hide their identity as a means of avoiding discrimination.

The high levels of poverty and social exclusion<sup>351</sup> that some Roma households are exposed to are of greatest concern, practically speaking. This leads to an additional series of difficulties, that include:

- **Reduced access to public services**, including health care and social assistance: An opinion poll conducted in 2018<sup>352</sup> revealed that **only 48.8 per cent of Roma have health insurance**, about 37 per cent of Roma would not go to a doctor even if they needed to, and that for 25 per cent hospitalization was very difficult. The key barrier mentioned was lack of money (63.2 per cent compared to 45.5 per cent for non-Roma ). Also, 81 per cent of Roma households have no access to running water and sewerage at home, or to a flushing toilet.
- **Reduced access to education and the necessary equipment** for organizing and carrying out learning activities: Only half of Roma children attend primary and secondary school, while for the non-Roma population this figure stands at 90 per cent. Only 11 per cent of Roma in Moldova own a personal computer, and 10 per cent have access to the internet.<sup>353</sup>
- **High level of poverty and unemployment rate**: Moldovan Roma are more than twice as likely to live in poverty than non-Roma. It was estimated that in 2013, 37 per cent of the active Roma population were unemployed, mainly due to discrimination and low levels of education. In 2019 among all registered unemployed Roma, 75 per cent had only primary education<sup>354</sup>. 95 per cent of Roma women aged 50+ in rural areas and with low level of education suffer from financial issues.<sup>355</sup>
- **Very low participation in public life and government positions**, caused by discrimination, language barriers and low levels of education. In the October 2019 local elections, a record twelve Roma were elected in eight localities across Moldova as local councillors, among which 8 are women. While this is a very positive sign, this is a small number compared to the 185 localities hosting Roma population.
- **Lack of intersectional approach** to understanding and responding to the vulnerabilities and needs of the Roma population was highlighted by the representatives of civil society organizations (CSOs) that participated in the CCA consultation.

**Roma women** in Moldova suffer double discrimination – as both women and Roma. They are exposed to greater risks of social exclusion and poverty than Roma men, and suffer greater gender-based discrimination than non-Roma women.

According to an opinion poll conducted in 2019, household chores and family care responsibilities in the Roma community largely fall on women: more than 80 per cent of Roma believe that women's key role is that of care, household, children, and family. The rate of domestic violence faced by Romani women is higher than that faced by non-Roma women. The share of Romani women who declared that they were hit or threatened with an object is 25.1 per cent compared to 10.5 per cent of non-Romani women; 31 per cent of Romani women stated that they had experienced psychological violence (insults and humiliation) compared to 15.9 per cent of non-Romani women; and 12.3 per cent of Romani women declared that they were forced to have sex against their will, compared to 7.9 per cent of non-Romani women.<sup>356</sup>

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351 Council on Preventing and Eliminating Discrimination and Ensuring Equality, “[2019 General Report on Preventing and Combating Discrimination in the Republic of Moldova](#)”.

352 Opinion poll conducted in 2018 by CBS-Axa, at the request of the Centre Partnership for Development.

353 UNDP, [Roma Survey- Regional Brief](#), 2017.

354 Twelfth - fourteenth periodic reports submitted to CERD by the Republic of Moldova in accordance with Article 9 of the Convention, expected in 2020. CERD/C/MDA/12-14, June 2020. Further details are available at: [https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=CERD%2FC%2FMDA%2F12-14&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CERD%2FC%2FMDA%2F12-14&Lang=en)

355 Impact of Covid-19 crisis on Roma population in the Republic of Moldova, UN WOMEN, Chisinau, June 2020.

356 Partnership Centre for Development ‘[Unequal Moldova’ Report](#), 2019.

## IMPACT OF COVID-19:

The COVID-19 pandemic has intensified the clean-cut division of gender roles in Roma households. Care duties have become the sole responsibility of women, while men became almost completely uninvolved. A survey conducted by UN Women<sup>357</sup> revealed that women reported spending 20-40 per cent more hours on housekeeping than men.

During lockdown, the absolute majority of Roma women did not have access to protective equipment – 95 per cent (in the case of men – 80 per cent), despite the recommendation, and then the obligation, to wear protective equipment (gloves and masks) in public spaces.

The crisis caused by the COVID-19 pandemic has exacerbated inequalities, leading to more Roma being made redundant, especially women. More women than men lost their jobs or were put on unpaid or partially paid leave during the pandemic crisis. Thus, compared to Roma men, three times more Roma women lost their jobs, which only made their financial vulnerability worse. It appears that about **42 per cent of people in the 35-49 age group lost their jobs during the emergency**. It is also clear that level of education is critical for retaining employment during the pandemic crisis. About 70 per cent of respondents who had no education or only primary education (up to fourth grade) and 40 per cent of respondents who had not completed their education reported losing their jobs<sup>358</sup>.

More than 65 per cent of Roma found it difficult to pay MDL 200 (US\$12) for medicines, with women being more affected in this regard. Roma women, people older than 50, from rural areas and with a low level of education are the most vulnerable financially, as it would be challenging for them to cover their basic expenses (buying foodstuffs, hygiene products, and so on) if the authorities decide to maintain the restrictive measures. More than 77 per cent of Roma women said they did not have enough financial resources to buy essentials, compared to 54 per cent of Roma men.

### Root causes of inequalities

The root causes of inequalities are linked to fewer economic opportunities leading to poverty among the Roma population, discrimination, cultural specificities and lack of comprehensive, well-funded programmes to secure the comprehensive rights of Roma.

Equally, **pre-existing stereotypes and stigma** within the general population towards Roma further inhibit their participation in public, political, and social life, and often lead to discrimination in numerous spheres of life. A UN RCO-led survey measuring the impact of COVID-19 on social cohesion found that 27 per cent of respondents reported that they would prefer not to interact with Roma.

## PERSONS WITH DISABILITIES

### Characteristics

According to data from the National Bureau of Statistics (NBS), the total number of persons living with disabilities in Moldova in 2018 was 176,100 (representing 6 per cent of Moldova's population). Men made up 51.5 per cent of people with disabilities, and women make up 48.5 per cent.

Of the total number of persons with disabilities, 66 per cent live in rural areas and 44 per cent in urban areas.

Currently, there is a lack of disaggregated data related to persons with disabilities.<sup>359</sup>

**Children:** In 2018, the estimated number of **children under 18** with disabilities in Moldova was **10,600**, accounting for 1.8 per cent of the total number of children

357 UN Women, "Efectele crizei provocate de pandemia COVID-19 asupra populației de etnie romă din Republica Moldova", 2020.

358 Idem.

359 The Committee on the Rights of Persons with Disabilities (CRPD Committee) expressed its concern that data collection on persons with disabilities in the Republic of Moldova is based on a medical approach and is fragmented. For this, the Committee recommended that the Republic of Moldova collect, analyse and disseminate disaggregated data of its population with disabilities, including disaggregation by sex, age, ethnicity, type of impairment, socioeconomic status, employment and place of residence, as well as data on the barriers that persons with disabilities face in society.

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## Vulnerabilities

### Persons with psychosocial and intellectual disabilities, especially women and men who are living in long-term residential institutions

This group accounts for about 38 per cent of the total number of persons living with disabilities.

According to the Social Distance Index 2018,<sup>360</sup> there is still a high level of reticence towards persons with intellectual disabilities (2.6 out of 6<sup>361</sup>). This group of people is perceived as “aggressive people, dangerous to society, illiterate people”. There is a lack of social services at community level to ensure their inclusion and empowerment. Currently, there are around 1,400 persons with different types of disabilities<sup>362</sup> placed in temporary placement centres for persons with disabilities. The deinstitutionalization process is slow due to the underdevelopment of alternative community services. The persons placed in institutions have limited opportunities to develop their independent living skills, and face a lack of educational and employment opportunities, and limited access to good quality medical services.

### Persons with sensory disabilities (visual and hearing impairments), especially children

This group represents about 11 per cent of all persons with disabilities. They have limited access to mainstream services due to a lack of assistive technologies and devices, and limited provision of sign language interpretation. Mainstream services at community level (educational, health and legal institutions) have no capacities to address the needs of persons with sensory disabilities.

Persons with severe and multiple disabilities According to representatives from organizations of persons with disabilities (OPDs), this group receive very little attention from the authorities in terms of developing and providing support services. According to a study conducted by the Centre for the Rights of Persons with Disabilities in 2018 only 36 per cent of personal assistance needs were covered.<sup>363</sup>

Persons with physical disabilities This group of people face challenges related to infrastructural barriers, including the lack of/limited accessibility of public infrastructure and transportation.

**Women with disabilities** (48.5 per cent of the total population) face multiple discrimination and exclusion in all areas of life. This includes low participation of women with disabilities in public and political life, and the fact that mainstream services developed to prevent and combat gender-based violence are inaccessible for women and girls with disabilities.

According to a study elaborated by the Partnership Center for Development,<sup>364</sup> women with disabilities have less access to education than men with disabilities. Low rates of employability are one of the biggest barriers to social inclusion for women with disabilities. Having been deprived of employment opportunities at a working age, women are exposed to a greater risk of descending into poverty and of being dependent on welfare payments, not only at the moment when the disability occurs, but also in the future. On average, 484 of every 10,000 working-age women have disabilities. Of these, 15 per cent have severe disabilities, while every second woman suffers from pronounced disabilities.

Women with disabilities lack opportunities to escape domestic violence, as most institutions and services are not accessible to them. Besides this, women with psychosocial disabilities face a high risk of violence, including sexual abuse, if they are institutionalized.

Women with disabilities face certain disadvantages when it comes to sexuality, reproductive health and starting families. Stereotypes prevalent in society that discriminate against and stigmatize women with disabilities lead some of them to give up family life, especially those with severe disabilities. Women with disabilities have limited access to exercise their sexual and reproductive rights, as health care institutions lack accessible facilities and trained specialists.

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360 Council of Europe Partnership for Good Governance, ‘STUDIUL privind percepțiile și atitudinile față de egalitate în Republica Moldova’, 2018.

361 The level of acceptance of minority groups in the Republic of Moldova was measured using the Bogardus social distance scale. The highest degree of acceptance has the index 0 - the respondent would accept a person from a minority group as a member of the family. The lowest degree of acceptance has index 6 and denotes that the respondent would exclude members of a group from the country

362 OHCHR, ‘Human Rights in Social Care and Mental Health Facilities of the Republic of Moldova advocacy paper’, 2018

363 Centre for the Rights of Persons with Disabilities, ‘Report on the implementation of the “Personal assistance” social service. Challenges and needs’, 2018.

364 Centrul Parteneriat pentru Dezvoltare, [Calea Incertă Spre Calificarea Adulților](#), 2020.

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**Economic vulnerabilities:** according to studies on inequalities from 2017<sup>365</sup> and 2019<sup>366</sup> persons with disabilities are among the poorest people, together with older persons.

Social protection schemes are the main source of income for people with disabilities, rather than employment and self-employment. According to data from the NBS, the average pension is lower for a person with disabilities compared to a person who does not have a disability (1,278 lei compared to 1,709 lei). They also have limited employment and self-employment opportunities.

According to a study on monitoring implementation of the National Employment Strategy<sup>367</sup> **the employment rate of persons with disabilities is half that of the general population.** Persons with disabilities face difficulties finding employment, as a result of stereotypes and prejudices in society, but also because of the lack of access to physical infrastructure and information. According to data from the National Employment Agency, only 7.7 per cent of persons with disabilities who registered as unemployed in 2020 found employment.<sup>368</sup> According to data from the NBS from 2019, 17.2 per cent of people with disabilities were employed (16.9 per cent of men and 17.5 per cent of women; 16.6 per cent of men in urban areas and 17.5 per cent of women in urban areas).<sup>369</sup> This amounts to a decrease in the employment rate among persons with disabilities: in 2018, 26.2 per cent of persons with disabilities were employed, and in 2017, the employment rate for this group was 19.7 per cent.<sup>370</sup>

The limited employment opportunities for persons with disabilities was also highlighted during a consultation process in 2020 between the United Nations and Governmental institutions, NHRIs and 36 NGOs and OPDs,<sup>371</sup> further confirming that persons with disabilities are one of the groups most affected by economic vulnerabilities in Moldova. The United Nations Committee on the Rights of Persons with Disabilities<sup>372</sup> raised concerns about the significant unemployment and economic inactivity rates among persons with disabilities, and the fact that national employment strategies and relevant agencies do not adequately facilitate and promote the employment of people with disabilities. The Committee also noted that all employers who have more than 20 employees (according to the employment scheme) are required to implement a minimum 5 per cent mandatory employment quota for people with disabilities, but that this is not enforced.

**Lack of / limited accessibility, including with regard to access to assistive technologies** is another challenge facing persons with disabilities. This was also highlighted by the 36 NGOs and OPDs during the consultation process held by the United Nations in 2020. The lack of accessibility of public institutions,<sup>373</sup> of public of transportation, and of public information, including in emergency situations, as well as limited access to assistive technologies, are among the root causes of the limited participation of person with disabilities in civil, political and cultural life. They also contribute to limited opportunities for education and employment, and limited access to mainstream and support services. The United Nations Committee on the Rights of Persons with Disabilities also highlighted the need to eliminate obstacles and barriers related to access to facilities and public services such as transport, information and communications. The Committee also expressed its concerns over the Contravention Code, which does not stipulate sanctions for failure to ensure accessibility in all areas, and that existing sanctions are rarely enforced. Besides this, the Committee highlighted the need to establish a mechanism for facilitating access to good quality mobility aids, assistive equipment, devices and technologies at an affordable cost for all persons with disabilities.<sup>374</sup>

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365 East European Foundation, '[Study Inequalities in the Republic of Moldova. Challenges and opportunities](#)', 2017.

366 East European Foundation, '[Study Unequal Moldova. Analysis of the most relevant inequalities in the Republic of Moldova](#)', September 2019.

367 Center for the Rights of Persons with Disabilities and Alliance of Organizations for People with Disabilities, '[Report on monitoring the national action plan for 2018 for the implementation of the National Employment Strategy for the period 2017 – 2021](#)', p. 3.

368 National Employment Agency, 'Press release on the services provided by the Agency to persons with disabilities in 2020, 6 months', 16 September 2020. <https://www.anofm.md/news/2020/09/16>

369 National Bureau of Statistics, '[Labour force in the Republic of Moldova: employment and unemployment in 2019](#)', 1 April 2020.

370 Ibid.

371 Consultation meetings organized by United Nations Country Team in Moldova in the context of development of Disability Theory of Change, as well as of establishing the priorities for the expression of interest for UNPRPD, conducted in September 2020

372 Committee on the Rights of Persons with Disabilities, 2017

373 This refers to: lack or inaccessible ramps, inaccessible elevators, and lack of special signs for people with sensory impairments, among others.

374 Committee on the Rights of Persons with Disabilities, 2017

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**Discrimination:** According to a Council of Europe study on attitudes of the population towards different groups, persons with disabilities are one of the groups facing discrimination in Moldova.<sup>375</sup> Since its creation to present, the Equality Council has determined discrimination based on disability in 28 per cent of its decisions, with disability being of the most frequently invoked discrimination criteria, together with gender/sex and age.<sup>376</sup> The main fields of discrimination refer to: lack of/refusal to ensure reasonable accommodation for people with disabilities; access to goods and services; education; employment; and access to justice. In 2019, 13.75 per cent of decisions ascertaining discrimination indicated that this was on the grounds of disability, including health status. The highest number of cases of discrimination on the basis of disability referred to access to publicly available goods and services (54.5 per cent); 27.2 per cent were in the area of education, and 18.1 per cent related to employment.<sup>377</sup>

**Very limited participation of persons with disabilities in decision-making processes,** caused by a) lack of effective and formal consultative mechanisms at both national and local levels that would encourage and enable the meaningful participation of people with disabilities at all stages of the decision-making process; b) the lack of a human rights based approach to disability, with persons with disabilities not being perceived as important stakeholders with equal rights and opportunities; and c) limited accessibility of persons with disabilities to information, communication and online platforms, and limited accessibility of public infrastructure and transportation.

#### IMPACT OF COVID-19:

A sociological study conducted by CSOs on the impact of the pandemic on persons with disabilities<sup>378</sup> found that more than **50 per cent of households where persons with disabilities live are economically and socially affected by the pandemic**, with more than 85 per cent of these households already reporting in May 2020 that they would be left without necessary resources should the state of emergency continue. Reductions in already-low incomes and higher spending caused by the pandemic led to greater impoverishment of older women and persons with disabilities, especially women with disabilities.

Besides economic vulnerability, persons with disabilities during the COVID-19 pandemic are affected by:

- Limited access to information – especially for persons with intellectual and learning disabilities, as well as for persons with sensory disabilities (visual and hearing disabilities).
- Limited access to distance education for children and youth with disabilities.
- Limited access to rehabilitation services, as well as to medical services.

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#### Root causes of inequalities

- Lack of a human rights-based approach to disability, and the existence of a medical approach to disability.
  - Slow implementation of the disability determination reform.
  - Limited accessibility of infrastructure and information.
  - Underdevelopment of social and support services that would facilitate the process of social inclusion of people with disabilities.
  - Lack of mechanisms that would facilitate the participation of people with disabilities.
  - Persistent discrimination against people with disabilities.
  - Limited access to education and professional development.
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375 Council of Europe Partnership for Good Governance, 'Evaluarea atitudinilor populației generale față de persoanele în etate', 2018.

376 Ministry of Health, Labour and Social Protection, 'Draft 2<sup>nd</sup> and 3<sup>rd</sup> combined periodic report on the Implementation of the UN Convention on the Rights of Persons with Disabilities', 2020

377 Council for Preventing and Eliminating Discrimination and Ensuring Equality, 'General report on the situation in the area of prevention and fight against discrimination in the Republic of Moldova', 2019.

378 AOPD, "Sociological study Impact of the pandemic on persons with disabilities", May 2020.

## WOMEN VICTIMS OF VIOLENCE

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<b>Characteristics</b>	As of 1 January 2020, there were 1.37 million women and girls in Moldova, making up 52 per cent of the total population usually resident in the country.
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<b>Vulnerabilities</b>	<p>The NBS survey data on 'Violence against Women in the Family in Moldova'<sup>379</sup> reports that six out of ten woman aged between 15 and 64 years (63.4 per cent) is subject to certain forms of domestic violence over the course of her lifetime, while 5.9 per cent of women are victims of violence outside the family. For <b>rural women the lifetime prevalence rate of violence is 68.2 per cent</b>, 10.8 percentage points higher than that of the women living in urban areas (57.4 per cent).</p> <p>Women face multiple forms of domestic violence. Around 60 per cent of women have experienced, at a certain point in their lifetime, psychological violence, 55 per cent were subjected to psychological violence oriented toward making them socially isolated, and 10 per cent suffered economic violence at least once.</p> <p>In addition, approximately <b>40 per cent of victims experienced physical violence at least once in their lives</b>, and about <b>19 per cent experienced sexual violence</b>. At the same time, 12.3 per cent of women have faced all three forms of violence (psychological, physical and sexual) at some point in their lives from their husbands or partners.</p> <p>Despite the fact that there is a fairly high level of reporting of cases of violence against women, a large number of cases continue to go unreported. About one third of women who were victims of domestic violence and more than <b>one fifth of victims of violence overall have never reported the aggression</b> they faced.</p> <p>According to available data provided by CSOs, <b>women aged 55 - 65 were most affected by gender-based violence (GBV)</b>, as they were more likely to be living with several aggressors within the same household (partner and other members of household). Furthermore, 50 per cent declared that they would not report GBV cases. Victimization of older women stems from vulnerabilities associated with ageing, but also with patriarchal power dynamics and forms of abuse not necessarily coming from partners, but also from caregivers and other household or community members.</p> <p>Access to sufficient income is a key element for women to leave the circle of violence. The gender employment gap for women aged over 55 stood at nearly 15 per cent in 2019 (with an employment rate of only 34 per cent, according to NBS).</p>
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### IMPACT OF COVID-19:

With the COVID-19 pandemic and the imposed restrictive measures, the situation for victims of domestic violence has deteriorated even further. Social distancing and isolation at home have increased the risk of domestic violence, with women being more affected than men.

Women victims of domestic violence during the lockdown had to face many challenges, such as:

- Financial problems that have affected the well-being of women victims of domestic violence.
- Placing / accommodating victims of domestic violence with children in rented emergency apartments was a double challenge faced by both women and the specialists who monitored them.
- Restrictions have created difficulties in accessing services, and the suspension of public transport has limited the ability of women affected by domestic violence to go shopping or to seek help from the competent bodies.
- The closure of kindergartens, online schooling and bans on going out to playgrounds all led to increased pressure on women. In addition to material challenges – the need for access to phones or computers with internet connection – they had to train themselves “on the go” in order to be useful to the children they were caring for, but also to ensure a positive psychological environment in the home.
- Access to justice was hampered and local public authorities were effectively nowhere to be found during the state of emergency.

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379 NBS, 'Violence against Women in the Family in the Republic of Moldova'. 2011

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Income-wise, UN Women found that approximately half of women's income comes from remittances and social transfers; the figure is approximately one third for men. In 2018 a gender pay gap of 14.4 per cent was recorded. Given that remittances will likely recover more slowly than salaries due to cross-border effects, the socio-economic impact of COVID-19 will likely last longer for women than men. During the lockdown period, emergency services recorded a 30 per cent year-on-year increase in emergency service calls relating to domestic violence.

Childcare facilities will only reopen after most economic activity has restarted. It is likely that this will result in the time poverty of women being prolonged as they spend more time on household activities, as the pay gap and traditional views in society mean that women are more likely to give up their jobs.

Married women and women with children have taken up the burden of unpaid domestic work. The data reveal a higher burden for married women, with a score of 3.6 on the Household Burden Index. They are followed by single women, with a score of 3.0. Furthermore, women with children scored significantly higher on the household burden index than women without children (4.1 and 2.3, respectively). Similarly, women in households with three or more people scored higher than women in households with one or two persons.

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**Root causes of inequalities**

The underreporting of cases of violence against women is influenced by a number of cumulative factors, such as:

- Traditional views in Moldovan society that perpetuate social stigma, shame, and the conviction that if a woman is beaten or raped it means that she did something wrong and deserved it.
  - Existing stereotypes and beliefs regarding the traditional patriarchal gender roles within the family and society.
  - Self-blame and lack of self-confidence that there is any way to change the situation, caused by posttraumatic stress.
  - Material dependence on the abuser and fear of provoking revenge and even more frequent and intense instances of abuse.
  - Underdevelopment of specialized services and insufficient knowledge about them, including about the protection measures that victims can benefit from.
  - Low confidence in the possibility of obtaining real protection and support from the relevant institutions and organizations.
  - Women's low level of information on their rights, which significantly influences access to the existing protection measures and services, including access to justice.
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## VULNERABLE CHILDREN

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**Characteristics**

As of 1 January 2020, there were 583,200 children in Moldova. About 22.2 per cent of the population usually resident in the country was aged under 18.<sup>380</sup>

According to data from the Household Budget Survey, in 2019, 31.6 per cent of households in the Republic of Moldova included children under 18; this is almost 2.3 percentage points less than in 2015. Of all households with children, 47.1 per cent have only one child, 39.5 per cent - two children, and 13.4 per cent - three or more. Households with many children are more common in rural areas, where 67.5 per cent of all households with three or more children reside.

In total 18.9 per cent households with children have at least one household member who has migrated; 75.2 per cent of these households are in rural areas and 24.8 per cent in urban areas. Of these households, 45.4 per cent have one child, 41.8 per cent two children, and 12.8 per cent three or more children.

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380 NBS, [Situation of children in 2019](#).

The situation of children differs significantly depending on their area of residence. **Children in rural areas** are at a much higher risk of poverty than children living in urban areas. Thus, the poverty rate for children in rural areas was 34.7 per cent in 2018, compared to 9.7 per cent among children in urban areas.

In Moldova **10.1 per cent of children suffer from extreme poverty** (with rural children affected most).

The number of children and birth order also determine the vulnerability level of households with children. **The risk of families entering poverty increases considerably with the birth of the next child.** Thus, in 2018 (as in previous years) households with three and more children registered the highest poverty rate (41.5 per cent), while households with one child registered the lowest (16.6 per cent).<sup>381</sup>

Household size and the number of children in the household are among the factors related to household's vulnerability.<sup>382</sup> Wealthier quintiles have lower numbers of households with children. Thus, in 2018, 24.5 per cent of households with children were in the poorest quintile I (the 20 per cent of the population with the lowest income levels), while 16.3 per cent were in the richest quintile. In rural areas, 38.1 per cent of households with children are in the poorest quintile, and only 6.1 per cent are in the richest quintile). Of all households with children at the lowest income level, 85.9 per cent live in rural areas, and 39.0 per cent have two children.

Although Moldova has made progress at legislative and policy level, as well as in reducing monetary poverty, poverty rates remain high, particularly affecting children and households with children. In addition to monetary inequalities, the most vulnerable groups of children – namely Roma children, children with disabilities, and children without parental care, among others – are exposed to social inequalities in education, health, access to good quality services and participation. Unequal access to basic services and opportunities feeds a vicious cycle of disadvantage and exclusion. The most vulnerable children are often subject to multiple and intersecting discrimination based on their socio-economic status, disability and type of impairment, ethnic origin or other factors. Many of these tend to be of a systematic nature.<sup>383</sup>

#### CHILDREN VICTIMS OF VIOLENCE

**The phenomenon of violence against children is widespread.** Research reveals<sup>384</sup> an alarming incidence of family disputes. Every third child under the age of 7 is subjected to occasional or systematic emotional abuse as a witness to family disputes. Over half of caregivers resort to methods that result in emotional abuse of the child, such as requiring the child to perform certain activities as punishment, the withdrawal of privileges, shouting, and so on. One third of children are subjected to physical violence, and every tenth caregiver believes that physical punishment is necessary for raising or educating a child properly.<sup>385</sup>

Children in Moldova suffer from **high rates of physical, emotional and sexual violence**, and rather limited progress has been achieved in this field. Recent surveys show that use of violence for discipline remains widely accepted, while reports of sexual violence are increasing, and bullying and other types of violence are common among peers. Corporal punishment, sexual, and other abuse committed by teachers or other school employees remain commonplace.

The 'Violence Against Children (VAC) Study' commissioned by USAID in 2019 indicates that about two out of five girls (36.8 per cent) and boys (37.8 per cent) had experienced any type of violence. About one in seven girls (14.4 per cent) and one in twenty boys (5.3 per cent) experienced sexual violence before the age of 18. Many victims of sexual violence did not tell anyone about their experiences. While three out of five girls (61.9 per cent) and two out of five boys (43.4 per cent) knew a place to go for help, seeking and receiving help was rare.

381 NBS: [Analysis of Monetary Poverty and Wellbeing of Households with Children](#), 2018 HBS data.

382 NBS: [Analysis of Monetary Poverty and Wellbeing of Households with Children](#), 2018 HBS data.

383 See, for example, 'report of the Special Rapporteur on the rights of persons with disabilities - Mission to the Republic of Moldova' (A/HRC/31/62/Add.2)

384 National Survey on Early Childhood Care and Development: Family Knowledge, Attitudes and Practices, Government of the Republic of Moldova/ UNICEF, Chisinau 2018

385 *ibid*

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### **The number of children at risk is increasing, with the most vulnerable being children from rural areas**

According to the Ministry of Labour, Social Protection and Family, at the end of 2019 about 10,900 children were registered as being at risk, and 72.6 per cent of them were from rural areas. Boys predominated, constituting 51.1 per cent of children at risk. Almost every second child at risk (49.8 per cent) was 7-15 years old, 23.7 per cent were 3-6 years old, 17.1 per cent were 16-17 years old, and 9.4 per cent were 0-2 years old. Of all the children at risk, 238 were children with disabilities.

In 2019, 755 children were subjected to violence, 22.7 per cent less than in 2018. Of those children who experienced violence, 51.2 per cent were from urban areas, and 50.5 per cent were boys.

In 2019, 8,600 children were victims of neglect. Children aged 7-15 were the most frequent victims of neglect (49.1 per cent).

### **CHILDREN WITH DISABILITIES**

According to the National Bureau of Statistics, in 2018, there were an estimated **10,600 children under 18** with disabilities in Moldova, or 1.8 per cent of the total number of children usually resident in the country.

Despite the existence of national data on prevalence, the true prevalence of developmental delays in infants and young children in Moldova is unknown. International estimates would indicate that about 20 per cent of preschool and school-age children require significant special educational services.<sup>386</sup> The World Health Organization (WHO) has estimated that in developed countries, the incidence of developmental delays is 10 per cent, but these figures may be underestimated. Other sources point to an even higher incidence, especially in developing countries.

According to national data, analysis of the age structure of all children with confirmed disabilities for 2019 shows that about 4 per cent of these children are aged 0-3 years, while 18 per cent are aged 3-7 years, 4.5 times more. This suggests a low level of identification of developmental risks among children up to the age of 3 years, and also late access to assessment and diagnostic services that enable the inclusion of children in specialized early intervention programmes. The distribution of the degree of disability also reflects late interventions both in identifying the children with developmental disorders and in applying enabling and rehabilitation programmes to slow or reverse progression of the condition and prevent disability among children. Thus, about 45 per cent of children with disabilities had a severe disability.

Coverage of early identification and early intervention (EIEI) services for children with developmental delays and disabilities aged 0-3 years is very low, reaching around 10 per cent of families with young children in need. The situation is similar for rehabilitation services, and information on such services remains largely unavailable. Developmental delays (such as cognitive, motor, speech, social, emotional and behavioural delays) are mostly only detected at pre-school level and only if the child is enrolled in pre-school education. Therefore, a serious gap still persists in early detection of developmental delays.

Data at national level from 2017 revealed that half (51.0 per cent) of children under five who had been diagnosed with a developmental disorder but not a disability had benefited from just one treatment or rehabilitation session. Barriers to accessing further treatment included geographic inaccessibility and insufficient financial resources for travel to services.

In terms of diversifying service providers, over the past few years a positive precedent has been introduced by the National Health Insurance Company (NHIC), which has begun contracting specialized NGOs in the field. Thus the number of funded early intervention centres contracted for provision of services to children, increased from one in 2017 to seven centres in 2019.

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386 GURALNICK, M. J., ALBERTINI, G., 2005.

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**Target Coverage with services:** The Action Plan of the National Programme for Social Inclusion of Persons with Disabilities for the years 2017-2022, stipulates “Increasing the access of persons with disabilities to quality medical services, empowerment and rehabilitation” (Objective 3), with the following expected results: reduction of developmental disorders and/or existing disabilities in at least 50 per cent of children aged 0-3 years by means of early intervention services, as well as facilitating the social inclusion of children with autism spectrum disorders.

National statistics do not accurately reflect the actual coverage of early intervention services (versus needs). There are no data on the quality of care or whether services adhere to standards described in the national framework Regulation for Early Intervention Services. The situation is furthermore complicated by the low early detection of children at risk and of disabilities

Inclusive education reforms have resulted in positive trends in inclusion of children with disabilities in regular schools, as well as development of support services for inclusive education, and training to build the capacity of teachers in inclusive education. The support services include 989 support teachers and 917 Resource Centres in Inclusive Education created within schools. All schools in Moldova have adopted child-friendly school standards. Inclusive education became the flagship of the country’s education strategy and there has been a significant increase in the enrolment of children with disabilities in regular schools (up to 35 per cent in some schools). The number of special schools has decreased from 28 in 2015 to 13 in 2019. The number of children with disabilities in these schools fell from 1,033 in 2015 to 627 in 2019, while the ratio of children with disabilities in regular schools to children with disabilities in special schools increased from 1.8 (1,829/1,033) in 2015 to 1.9 (1,425/749) in 2017 and to 2.4 (1,500/627) in 2019.

According to data from the National Bureau of Statistics, 1,464 children with disabilities were educated in the mainstream education system in the 2019–2020 school year.<sup>387</sup> Beyond this progress achieved, more needs to be done to facilitate the educational inclusion of children with severe and multiple disabilities, children with intellectual and psycho-social disabilities and children with sensory disabilities into the mainstream education system. The Committee on the Rights of Persons with Disabilities in 2017 expressed concerns that children with disabilities, mainly those with psychosocial and/or intellectual disabilities, remained in segregated educational settings, including “special schools”, “special classes”, and “home education”, and did not receive the support they need to access inclusive education. Also, the Committee on the Elimination of Discrimination Against Women (CEDAW Committee) expressed concerns related to the limited number of women and girls with disabilities in mainstream and inclusive education, owing to the lack of accessible school buildings and facilities, as well as the lack of training on inclusive education for teachers and staff in schools. Moreover, during the United Nations consultations held in 2020, governmental institutions, NHRIs and 36 NGOs and OPDs highlighted the following challenges related to access for children with disabilities:<sup>388</sup>

- **Lack of/limited accessibility:** physical accessibility (buildings, transportation, roads, utilities); limited access to assistive technologies, especially for children and young people with sensory disabilities (visual and hearing); limited access to assistive equipment (wheelchairs; hearing and visual devices), as well as with regards to curricula and educational materials.
- **Limited access to support services:** limited numbers of support teachers and resource centres in schools; lack of support services in pre-school institutions, vocational centres and universities.

Children with disabilities remain one of the most marginalized and vulnerable groups of people facing difficulties in the realization of their rights. In its Concluding Observations, the Committee on the Rights of Persons with Disabilities (2017) expressed concerns about stigmatizing attitudes towards children with disabilities, which are reinforced by a lack of community services. The Committee was also concerned that children with disabilities do not systematically participate in making decisions that affect their lives and lack opportunities to express their opinion on matters pertaining to them directly. It is particularly concerned about the life-long institutionalization, from early childhood, of children with disabilities, especially those with psychosocial and/or intellectual disabilities, in inhumane conditions, where they are exposed to neglect and are segregated from the community.

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387 National Bureau of Statistics, ‘Situatia copiilor în Republica Moldova în anul 2019’. 29 May 2020. <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6662>.

388 Consultation meetings organized by UNCT in Moldova in the context of development of Disability Theory of Change, as well as of establishing the priorities for the expression of interest for UNPRPD, conducted in September 2020

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## ROMA CHILDREN

Roma are among the most vulnerable groups in Moldova. Most Roma families live in extreme poverty, and lack access to the basic services they need, including health care and education. Roma children face discrimination to the same extent as adults, being denied the right to a safe and healthy childhood and to education. The problems Roma children face can start early in life. They are less likely to be registered at birth. Many lack birth certificates that are needed for them to enjoy their right to a whole range of services, including early education programmes.<sup>389</sup>

**Low birth registration rate of Roma children.** According to data from the Child Rights Ombudsperson, of a total of 169 undocumented children in 2017, 20 were Roma children.<sup>390</sup> While noting the expansion of the network of civil status offices into remote locations, the establishment of an electronic birth register, and increased monitoring, the United Nations Committee on the Rights of the Child recommended that the Government continue to strengthen efforts to ensure that all births in Moldova are registered, including of Roma children.

**The high rate of poverty and limited access to services among Roma families affect children's development,** according to the Unequal Moldova study.<sup>391</sup>

**Persistence of high school drop-out rate** among Roma children, in particular with regard to Roma girls, was one of the main concerns expressed by the CEDAW Committee in 2020.<sup>392</sup> For this, the Committee recommended to the state to provide inclusive re-entry programmes for women and girls who have dropped out of school, including in rural areas and in Roma communities. The enrolment rates of Roma children, including Roma girls, at all school levels are much lower than those of non-Roma children. Roma children are also behind in school attendance and performance at all levels, partly because their parents do not have the means to purchase school materials, and to make both formal and informal payments. Cultural attitudes towards education also affect their schooling, especially for Roma girls, as Roma rank early marriages and supporting the family very highly. In addition, face difficulties in school because they do not speak the language of instruction very well.<sup>393</sup> Another issue highlighted by the representatives of Roma CSOs during the CCA consultation meeting is the lack of or limited access of support services for Roma children in schools, such as afterschool classes. Support services are particularly needed to improve the educational outcomes for Roma children and to prevent school drop-out, as many Roma children do not have the necessary conditions to study at home, and there are high rates of illiteracy among the parents of Roma children. Lack of education and specialization contribute to unemployment, social exclusion, poverty and precarious health.

## CHILDREN IN RESIDENTIAL INSTITUTIONS

The number of children in institutional care has fallen from 9,600 to close to 1,500 over the past 10 years and the number of children in family-based care increased from 6,400 to more than 12,000. However, hundreds of children still end up in residential institutions every year, mainly driven by poverty or disability. One in four children currently placed in residential institutions has a disability, and one in ten is a child under 3 years of age; for many of these children, poverty remains a key reason for being placed in institutions. Around 500 children are placed in residential care each year.

Living in an institution has proven long-term negative impacts and causes profound delays in nearly all areas of development, including children's cognitive and emotional development. Studies have found that poverty is the most important reason for children to be placed in an institution, while disability prolongs the length of time that a child stays in an institution.<sup>394</sup> Stigma, discrimination and gender roles also continue to influence the decision to place a child in institutional care.

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389 UNICEF, [Roma children Inclusion and reintegration of Roma children into the education system](#).

390 Child Rights Ombudsperson, '[Studiu tematic respectarea drepturilor copiilor la nume și cetățenie](#)', 2017.

391 Joint Equal Opportunities Initiative project, '[UNEQUAL MOLDOVA: Analysis of the most relevant inequalities in The Republic of Moldova](#)'.

392 Committee on the Elimination of Discrimination against Women, '[Concluding observations on the sixth periodic report of the Republic of Moldova](#)' (CEDAW/C/MDA/CO/6), 10 March 2020.

393 UNICEF Moldova, '[Children in the Republic of Moldova. Situation Analysis of 2016](#)', United Nations Children's Fund, 2017.

394 Ibid.

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There are challenges at systemic level that need to be addressed to reduce the risk of children being placed in institutions and to ensure their inclusion in the society: uneven development of services for children and families at risk across the country, including gatekeeping mechanisms; poor financial sustainability of some services following public finance decentralization and reduced local capacity for resource planning; staff turnover; lack of a national system for initial and continuous training for child protection professionals; as well as weak monitoring and evaluation within governance structures, information systems, and data quality assurance. Slow progress in deinstitutionalization and inclusive education of children with severe disabilities remains a problem.

### CHILDREN IN CONTACT WITH THE LAW

The national legal and policy framework is conducive to improved access to justice for children. Solitary confinement of children was discontinued, alternatives to detention improved, and all children in contact with the law are entitled to free legal aid. While the number of child offences in Moldova decreased from 998 in 2015 to 664 in 2019, child offenders have become younger and the offences more violent, which significantly reduces the application of diversion measures. In 2019 1,215 minors were charged with an offence, and nine out of ten were boys. About 400 minors are convicted annually. Of the 435 minors convicted in 2019, 25 per cent were committed to a closed facility or prison. In 2019 there were 44 minors (43 boys and 1 girl) being held in penitentiary institutions.<sup>395</sup>

Monitoring by the Child Rights Ombudsperson in 2019 of the child protection system as it interacts with the prison system resulted in a Thematic Report on 'Assessing respect for the rights of children in state custody in connection with the prosecution or execution of the sentence'. This report stressed the following problematic issues: the poor state of repair and the poor conditions within all prisons in which children are held; underdevelopment of psychological assistance and assistance services to mitigate conflict situations; housing units do not meet standards for protection of the health and development of children; sanitary blocks pose a risk of potential infection outbreaks; the education system does not meet the needs of children; The prison system is unable to ensure the effective separation of children in pretrial detention (detention on remand) and of adults in detention; prisons and the probation system do not enable the re-socialization of minors released from detention.<sup>396</sup>

### IMPACT OF COVID-19:

The **overall household income of families with children in Moldova has decreased** as a result of the pandemic. **Families with children relying on remittances** have been **particularly affected**, as the volume of remittances has decreased.

Families with children mainly tried to **cut down on expenses they do not consider as priorities** (sport, social activities, clothes and so on). In parallel, families **experienced an increase in expenses** due to the pandemic (increased food prices, increased health care costs to visit private hospitals, increased transportation expenses, utility bills and so on). **Families with children coped by using their savings, borrowing or working more. A quarter to a third of households with children report less variety in children's meals** and that they had to buy food of **lower nutritional value**.

Schools offered alternatives and children tried to participate. **Lack of devices** to connect to the internet at home for children and of **experience with online teaching** for teachers are the most reported **barriers to effective learning**.

**The impact of COVID-19 on children's well-being was significant.** Children have been **deprived of sports and leisure activities**, had to undertake more household **chores**, and experienced **stress and isolation** in their rooms.

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395 NBS, [Situation of Children](#) in 2019.

396 Child Rights Ombudsperson, '[Raportevaluarea respectării drepturilor copiilor aflați în detenție în legătură cu urmărirea penală sau executarea pedepsei](#)', 2020.

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Families with children made **efforts to cope with the crisis** and to **meet their children's primary needs** (nutrition, health, education and so on). **As most families have tapped into their savings and already cut down on expenses**, there remains little room for them should the economic crisis worsen. Children's basic needs could be threatened.

Suspension of planned primary health care services for two months (except for emergencies) as a result of the COVID-19 pandemic had a negative impact on **children with developmental delays**. Other factors negatively affecting this group of children included: suspension of early identification and early intervention services in Chisinau, lockdown and the impossibility of travelling to district centres, and the fact that some regions were placed in quarantine, and the unavailability of mobile teams and teams of specialists at district level. The reopening of health care services took more time than expected to ensure a safe flow of patients, as well as protective and distancing measures. The access of children with disabilities to online education in the context of the COVID-19 pandemic is limited due to the lack of adapted programmes, as well as limited access to support services and accessible assistive technologies.<sup>397</sup>

In the context of the COVID-19 pandemic, **Roma children** are at higher risk of drop-out, as they are already more prone to dropping out of school in favour of domestic work at home. Lack of adequate equipment, such as a computer or internet connection (only 11 per cent of Roma have a computer and 10 per cent have access to the internet), and high illiteracy among their parents create additional obstacles to Roma children benefiting from distance learning.<sup>398</sup>

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### Root causes of inequalities

The health and well-being of children is linked with numerous outcomes in regard to their physical, mental, social, and economic development.

At the level of the household/family, the root causes and high-risk factors that increase children's vulnerability are **low income, poverty, low parental education attainment and parental absence, including that caused by migration**. Children living in poverty are very often born to parents living in poverty, creating a cycle.

At the individual and community level extant **social norms** hamper child development, inclusion, and participation of certain groups of children, such as Roma children, children with disabilities, and poor children.

At the systems level there are barriers related to **availability and limited access to services**, which are not universally distributed and adapted to the needs of all children, especially the most vulnerable. Thus, the biggest inequity currently is the discrepancy between access to early intervention services in Chisinau and in other regions of Moldova. Additionally, parental support is marginalized due to the need to travel long distances and the time spent with a team of specialists, as well as financial constraints. All these create obstacles to obtaining lasting results for children with developmental delays.

Lack of adequate human resources and insufficient allocation and disbursement of public resources, lack of reliable data for planning, coordination and cooperation, as well as weak coordination mechanisms and communication between main actors (local public authorities, service providers and beneficiaries) are underlying causes that prevent the social inclusion of vulnerable groups.

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397 AOPO & Keystone, [Impact of COVID-19 pandemic on persons with disabilities](#), 2020.

398 UN Moldova, [Education and COVID-19 in the Republic of Moldova](#). 2020.

## ASYLUM SEEKERS, REFUGEES AND STATELESS PERSONS

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### Characteristics

#### ASYLUM SEEKERS

In the first ten months of 2020, 70 new asylum seekers were registered by the Bureau for Migration and Asylum (BMA) in Moldova. The main countries of origin were Turkey, Uzbekistan and Ukraine. As of 1 December, 21 out of the 86 asylum-seekers resided in the Temporary Accommodation Centre (TAC). Of all asylum seekers, 79.1 per cent (68) were male and 20.9 per cent (18) female. The majority of the asylum seekers were aged 18 - 59.

#### REFUGEES

As of 1 December 2020, Moldova hosted 411 refugees. The main countries of origin were Syria, Ukraine, Turkey, Afghanistan, Iraq and Armenia. Of all refugees, 65 per cent (267) were male and 35 per cent (144) female. The majority of the refugees were aged 18-59.

#### STATELESS PERSONS AND APPLICANTS FOR STATELESS STATUS

As of 1 July 2020, Moldova hosted 1,886 stateless persons, 306 applicants for stateless status and 1,547 persons with undetermined citizenship. Of these, 73 per cent of all stateless persons resided in Transnistria Region.

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### Vulnerabilities

#### ASYLUM-SEEKERS

Asylum-seekers are obliged to stay at the Government-run TAC during the refugee status determination procedure. The TAC offers shelter, psycho-social counselling and limited medical assistance, but no food and basic items, such as sanitary materials. To address part of this gap, Chisinau Municipality delivers lunches five times per week for all asylum-seekers living at the TAC.

Asylum-seekers enjoy the right to education, employment, primary and pre-hospital emergency health care under the same conditions as Moldovan citizens. Asylum-seekers who are not legally employed or enrolled in an educational institution do not have access to State health insurance. As a result, their access to health care is limited to free-of-charge primary and pre-hospital emergency care. At the Global Refugee Forum in December 2019, the Government presented pledges that inter alia aim at ensuring that asylum-seekers' basic needs will be met, and that they will have access to health insurance.

#### DETAINED ASYLUM-SEEKERS AND APPLICANTS FOR STATELESS STATUS

Asylum-seekers and applicants for stateless status are generally not detained. However, foreigners who file an asylum/statelessness application during their stay in the Migrant Accommodation Centre (MAC), a detention centre under the responsibility of BMA, are released from custody only by court decision.

Pursuant to Section 64 of the Law on Foreigners detention (public custody) is a measure of restriction of freedom of movement, ordered by the court. Unlike the criminal procedure where there is a wide variety of preventive measures alternative to detention, in the migration field there is only detention in the form of public custody without any alternatives to detention.

#### REFUGEES AND STATELESS PEOPLE

The Moldovan Law accords rights to refugees and stateless people on a par with citizens, except for political and land property rights. Effective access to services may be hindered because service providers and refugees or stateless people have limited knowledge of the applicable legal provisions and rights. Refugees often do not feel empowered to claim their rights.

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Upon the grant of refugee or stateless status, refugees and stateless people enter into a state-funded integration programme managed by the BMA, which is not sufficiently funded. In addition, BMA lacks the required staff due to both unfilled vacancies and gaps in its organizational structure.

The special services intended to facilitate integration of refugee and stateless persons with specific needs require further development including in the field of psycho-social support, health, education, self-reliance, and access to State/community support. In addition, many people with special needs have extremely limited resources and are unable to meet their basic needs: persons with disabilities receive up to \$US 40 per month, while retired ones receive only the minimum State allocation of \$US 7-10 per month as most of them did not contribute to the Moldovan social protection system in the past.

The lack of attractive employment opportunities coupled with negative perceptions of employers vis-à-vis refugees and stateless persons in general impacts on the wellbeing of the latter. Overall, even though there are integration services available, there is no comprehensive approach and coordination of integration activities among stakeholders, leading to duplication of efforts and gaps.

### **UNACCOMPANIED AND SEPARATED CHILDREN (UASC)**

There are gaps in the legal representation and support for asylum-seeking children, as well as the way in which the best interest procedures are conducted. Child protection authorities have limited information about the asylum procedure and safeguards related to UASC during the refugee status determination procedure. Medical age assessment is used automatically with child applicants prior to considering their best interests. The national child protection system is not able to provide protection and support for asylum-seeking children before a final decision on their status is issued.

### **TRAFFICKING SURVIVORS**

Refugees and asylum seekers are at risk of human trafficking because of their vulnerability and generally uncertain life situation until durable solutions become available. The mechanisms to identify trafficking cases are weak and the link between trafficking and the need for international protection is not adequately assessed/identified. To date, very few asylum-seekers and refugees have been identified as victims of trafficking. Such cases may be accommodated in the centre for assistance and protection of (potential) victims of trafficking in human beings where one of the main challenges is the language barrier and lack of interpretation.

### **SEXUAL AND GENDER BASED VIOLENCE (SGBV) SURVIVORS**

The prevention of and response to SGBV among refugees and asylum-seekers in Moldova is generally weak. Border police, staff at the reception and detention centres, and the asylum authorities receive limited training about SGBV and there are no specific procedures in place for the identification of SGBV survivors or those at risk of SGBV. Refugee and asylum-seekers often lack awareness and information, which further leads to underreporting. UNHCR attempts to mitigate this by providing SGBV awareness sessions.

Despite the existence of a national mechanism supporting survivors of SGBV, including domestic violence, little information is provided about the mechanism to asylum-seekers and refugees before or during the refugee status determination procedure or throughout the integration program. The services are available in local languages only. As a result, a limited number of SGBV survivors have effective access to it.

### **IMPACT OF COVID-19:**

According to the 'Assessment of the Impact of COVID-19 on Refugees, Asylum-seekers and stateless persons in the Republic of Moldova',<sup>399</sup> based on interviews carried out in the first half of July 2020, 59 respondents (out of the 99 respondents) had jobs before the pandemic but only 24 per cent of them were able to keep their jobs during the lockdown (17 March-15 May). Almost every third female respondent was employed before the pandemic but only one managed to keep her job during the lockdown. Of the 77 per cent of men employed before the pandemic only 27 per cent were able to keep their jobs. Of the respondents who lost their jobs, the majority were refugees.

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399 Assessment of the impact of COVID-19 on refugees, asylum-seekers and stateless persons (UNHCR) – September 2020.

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Even though refugees and stateless persons have the same rights to social assistance as Moldovan citizens, only two respondents received social assistance related to the COVID-19 situation from the Government. Asylum-seekers do not have access to state social assistance.

Nineteen per cent of the children of concern to UNHCR covered by this assessment were not able to attend classes during the pandemic, due to lack of proper equipment, internet connection, digital knowledge and support from parents.

The restrictions put in place to control the spread of the virus had a serious impact on asylum-seekers', refugees' and stateless persons' socio-economic situation. Due to loss of employment and lack of employment opportunities during the lockdown, many persons of concern were unable to pay utilities or rent. Since the end of the lockdown, most of them have gradually resumed economic activities, which eased their situation.

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#### Root causes of inequalities

The root causes of vulnerabilities for asylum-seekers, refugees and stateless persons are related to lack of employment, low income, lack of social protection, discrimination, negative attitudes towards them, language and cultural barriers, and lack of access to information. Access to certain services is hindered because neither service providers nor the persons themselves are aware of the applicable legal provisions and rights; refugees, asylum-seekers and stateless persons often do not feel empowered to claim their rights, or they do not have the skills and knowledge to improve their quality of life.

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## RETURNING MIGRANTS, FAMILIES DEPENDENT ON REMITTANCES AND VICTIMS OF HUMAN TRAFFICKING

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#### Characteristics

**Returning migrants:** In recent years, approximately 350,000 Moldovan nationals have been involved in **short-term labour migration**; of these, 20 per cent had a precarious legal status. The recruitment sector for Moldovans who want to work abroad is made up of private agencies whose activity is unregulated, often leading to precarious contractual arrangements for these migrants.

Many Moldovan migrants are employed in service sectors, which are among the most affected by COVID-19. Many have lost their jobs, aggravated by the fact that a number of them took out loans to be able to go abroad to work. It is assumed that they will have to return in Moldova in 2020. In a survey conducted by the International Organization for Migration (IOM) in April-May 2020, up to 30 per cent of migrants abroad indicated their intention to return (which would be equivalent to 255,000 people), of whom 67 per cent indicated their intention to return as soon as possible (170,000 people). Of those planning to return, 31 per cent (79,000 people) indicated that they intended to remain in Moldova for a long period of time.

**Families dependent on remittances:** Many vulnerable households are dependent on remittances, with **a quarter of Moldovan households** (approximately 237,000 households) receiving remittances. For half of these households (118,000 households), remittances make up more than 50 per cent of disposable income.

In 2019, 341 people were identified as **victims of trafficking**, according to available data on figures of identified (presumed) victims. This represents a considerable decrease of 24 per cent in comparison with 2018.<sup>400</sup>

IOM Moldova identified 111 victims of trafficking and 118 stranded/vulnerable migrants within its Prevention and Protection Programme and provided them with rehabilitation and tailored comprehensive assistance.

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400 National Committee for Combating Trafficking in Persons, [RAPORT NAȚIONAL de realizare a politicii de prevenire și combatere a traficului de ființe umane pentru anul 2019](#), 2019.

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## Vulnerabilities

**Returning migrants:** among those who want to return to Moldova as a result of the COVID-19 pandemic and resulting restrictions, the key motives are related to: losing employment (26 per cent of respondents); temporary suspension of employment (20 per cent); risk of being evicted from rented housing (14 per cent); and health-related problems and fear of being infected with COVID-19 (12 per cent). **Migrants with irregular legal status** in their destination countries are **most affected**. Without formal work contracts, these people were left without employment and any source of income as soon as quarantine restrictions were announced, and they have not been able to access the unemployment or social benefits offered by the host countries in times of crises for citizens and labour migrants with legal status (an exception is Ireland). As a result, 43 per cent of respondents from this category have no income at all. In comparison, 10 per cent of respondents who have work contracts for an indefinite period reported having no income, as did 33 per cent of respondents on short-term contracts and 27 per cent of respondents with patents/service contracts. Migrants with no source of income began the process of returning to the Republic of Moldova once the majority of host countries declared states of emergency, and this will continue as the financial savings of these migrants run out. For other categories of migrants, suspension of employment inevitably resulted in a sharp decline in income, and 62 per cent of respondents indicated that their monthly income had dropped. For 31 per cent, the decline in income oscillated was in the range of 31 to 70 per cent, while 26 per cent had no income at all. The majority of migrants who stated that they intended to return (30 per cent) indicated that they would need support from the authorities of Moldova for social and professional reintegration, including access to career guidance services (24 per cent), financial support and consultation for the process of launching or relaunching their own businesses (26 per cent), and re-qualification courses (15 per cent).

**Approximately 7,000 returning migrants (9 per cent) are vulnerable** and would require social / financial/ humanitarian / logistical support upon return (the actual figure is likely higher, as the most vulnerable groups were not covered by the survey). Currently the social assistance “ajutor social” programme covers approximately 15,000 people. Respondents who planned to return mention, however, stated that they intend to go abroad again shortly. They indicated that they could consider remaining in Moldova under certain conditions, such as provision of jobs and competitive salaries, a climate enabling investments, improvement in the quality of life, and access to the quality public services.

**Families dependent on remittances:** 23.4 per cent of **households**, i.e. 224,000 households (30.5 per cent of those in rural areas) would be placed below the poverty line if they were no longer receiving remittances. With 17 per cent of all migrants indicating that they have already stopped remitting, 37,500 Moldovan households are already at risk of falling under the poverty line (i.e. some 108,750 people). In addition, 80 per cent of migrants indicated either that they had reduced the amount they were remitting or had stopped remitting altogether; 43 per cent send no more remittances at all while 29 per cent are sending less than half of what they used to send before the COVID-19 outbreak.

**Victims of trafficking:** Moldova remains primarily a country of origin for trafficking.<sup>401</sup> Victims originating from the Transnistria Region are more likely to be trafficked through Odessa (Ukraine), whereas those originating from Gagauziya are more likely to be trafficked through Turkey (for sexual exploitation in particular), a trend highlighted several years ago but which has not been very apparent in the last two years. The available data indicate that there have been significant changes in the countries of destination for Moldovan nationals who fall into the hands of traffickers.

There were no major changes regarding either the push factors prompting victims of trafficking to migrate or regarding which groups are high risk. People who live below or near the poverty line and who have low educational attainment are most at risk, while the lack of job prospects in Moldova or within local communities continue to be the main contributing push factors.

In recent years, there has been less targeted assistance to these vulnerable groups. This negatively affects the availability of assistance services to at-risk and vulnerable groups, including **victims of trafficking, stranded migrants** (citizens of Moldova and/or people who are eligible for citizenship but need to have their identity documents restored), **migrants (foreigners) smuggled into Moldova**, and victims of illegal migration per se.

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401 According to the IOM Mission to Moldova Prevention and Protection, these people were either Moldovan citizens or possessed “Transnistria Region identification documents”.

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## IMPACT OF COVID-19:

During a crisis certain factors increase the vulnerability of some groups of people to potential traffickers, such as limited access to services, loss of employment, and reduction of working hours. These situations can place people in settings where their wellbeing and that of their families may be compromised. At the same time, a crisis can also aggravate the situations of those who are already victims of trafficking.

In addition, forms of trafficking and exploitation may change as people who were previously sexually exploited in physical or public places may now be exploited online or in private homes. In the case of people who are currently victims of exploitation and abuse, they are likely to be physically confined or unable to escape their situation. As result, they will have less timely access to information, support and services related to the pandemic, making them more vulnerable to it. On the other hand, in several cases due to lockdown in destination countries, victims of trafficking were effectively thrown out onto the streets, and the issue of identifying accommodation for them was a challenge. Often, individuals' passports are retained by the traffickers, which hinders their access to health and social services, and leaves them vulnerable to abuse, detention and re-victimization by the authorities who have strengthened control measures and limited entry points during the pandemic times.

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### Root causes of inequalities

In the case of **returning migrants** looking for a job, many face issues finding well-paying jobs, or do not have their skills/qualifications easily recognized on the local labour market. Up to 9 per cent of returning migrants find themselves without means of making a basic living, and risk being placed in situations of social exclusion. In particular, this concerns migrants who have been working abroad without legal status and have no employment contract, who have no access to social safety nets abroad, and often have no savings and are in debt.

**Households dependent on remittances** are very often made up of people who are not working and who rely mostly on remittances as their main source of income. With remittances needed primarily to cover basic consumption needs, many families have limited or no savings to cushion the shocks triggered by a fall in or the cessation of remittances. This will in its turn affect consumption patterns and households' capacities to meet food, health, and education needs.

Poverty, low educational attainment, lack of job prospects, no professional or apprentice skills, and experience of violence and abuse within the family all place people at risk of becoming **victims of trafficking in human beings**. At the same time, other vulnerabilities put people at risk:

- Victims of gender-based violence: in particular, women who have experienced sexual abuse within their families are more likely to be further sexually exploited, or seek out a job and accept doubtful job offers because they have a low capacity to identify risks associated with travel abroad.
  - Children without parental care, including those left behind by parents migrating abroad, who have no access to a decent public system of childcare.
  - Single parents who cannot provide their children with the basics, who learn of "successful migration experiences" from their neighbours and community and see leaving to work abroad as their only solution and option to earn a decent livelihood.
  - Adults who want to help their relatives that are not covered by state medical insurance to obtain medical treatments that are too expensive for them to afford privately. In such cases, people fall prey to traffickers (usually an acquaintance) as they seek to obtain money to provide sustainable assistance to their family members.
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## PERSONS LIVING WITH AND AFFECTED BY HIV

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<b>Characteristics</b>	<p>The current 2020 estimates of the sizes of the most at risk populations is as follows: 27,500 PWID (people who inject drugs), 15,800 SWs (sex workers), and 14,600 MSM (men who have sex with men). Transnistria Region is the most affected region with about 90,000 affected people, representing about a third of the total people living with HIV.</p> <p>The data from the latest four rounds of integrated bio-behavioural survey (IBBS) prove that the HIV epidemic is concentrated in the following key populations: PWID, MSM, sex workers, and people in detention. The transgender population were not included in the recent IBBS and will be the focus of the IBBS planned for 2024. Based on preliminary data from the IBBS 2020 (still in the process of being analysed), the HIV epidemic continues to be concentrated in key populations, with a prevalence of 12.5 per cent among PWID, 12.3 per cent among MSM, 3 per cent among sex workers, while in the general population the burden is about 0.3 per cent. However, the 2020 IBBS recorded different levels in different places and by key population: in Balti, HIV prevalence is about 15 per cent among PWID, 4 per cent among sex workers, and 8 per cent among MSM. In Tiraspol, HIV prevalence has been increasing among PWID, the only population surveyed, and has reached 24 per cent. Among people in detention, HIV prevalence continues to increase and has reached 4 per cent.</p>
<b>Vulnerabilities</b>	<p>The socio-economic profile of persons living with HIV was first studied several years ago. The research found that persons living with HIV are more exposed to socio-economic vulnerabilities and poverty, and often have not completed education, and are not in decent work. The research also found that about <b>82 per cent of persons living with HIV are living under the minimum subsistence level: every third person with HIV stated that their income was not enough to meet their basic needs</b>, and every second person stated that their income is only enough only to meet their basic needs. Another study, the Stigma Index (2017-2018), found that about <b>36 per cent of persons living with HIV were unemployed</b>, with women twice as likely to be unemployed as men: 26.6 per cent of men living with HIV were unemployed, compared to 45.7 per cent of women.</p>

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### IMPACT OF COVID-19:

COVID-19 increased the risks faced by persons living with HIV as a result of disruption to HIV treatment and prevention, weakened health systems, impoverishment, increasing vulnerability, and increased marginalization and abuse of rights. Persons living with HIV are also vulnerable to COVID-19, even if they are receiving antiretroviral treatment, as they have a much higher burden of existing illness and co-morbidities such as tuberculosis, hepatitis. In addition, the majority of those who do not yet know their HIV status (or 50 per cent of those estimated to be living with HIV) are immunocompromised.

Under the Global AIDS Monitoring (GAM) exercise, led by UNAIDS in collaboration with WHO and UNICEF, Moldova carried out a comparative analysis of the main epidemiological and programmatic indicators, focusing on the coverage and availability of HIV services in the first half of 2020 compared to the same period of 2019. The GAM found a 40 per cent reduction in HIV testing and treatment initiation, as well a 30 per cent increase in abandonment of HIV treatment. This could seriously affect gains made in controlling the HIV epidemic and affect the health and quality of life of persons living with HIV.

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<b>Root causes of inequalities</b>	<p><b>Stigma and discrimination</b> towards persons living with and affected by HIV are very high. In the case of sex work or drug injection, stigma is doubled, and if the person with HIV is a woman, that stigma is tripled. Several pieces of research inform this conclusion. According to the Stigma Index survey, 2017-2018, four out of ten people living with HIV reported discriminatory treatment in the last 12 months, mostly verbal. Almost every person living with HIV experience self-stigma, with 6.6 per cent of persons living with HIV reporting that they had attempted suicide. Every fourth person living with HIV reported that their status was revealed to the third parties without their consent, usually in a health institution, or within the family or community.</p>
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The Social Cohesion and Reconciliation Index (SCORE) undertaken by the United Nations in Moldova in 2018 revealed that almost 88 per cent of people in Moldova would prefer that persons who inject drugs or work in sex work not to live in the same community as them, while 66 per cent would not live with a person living with HIV. Other relevant findings from recent research are:

- Discrimination is a barrier to employment and to enjoying the full range of social, economic, and health rights.
  - Most persons living with HIV (about 80 per cent) live under the minimum subsistence level.
  - The majority of people living with or affected by HIV have a low level of education.
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## OLDER PEOPLE

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<b>Characteristics</b>	According to a study on inequalities in Moldova, the poorest households are those which include an adult with a disability, followed by households made up of older persons. <sup>402</sup>
<b>Vulnerabilities</b>	<p>Data from the National Bureau of Statistics (NBS) show that 24.3 per cent of <b>households composed of a single person aged over 60 face absolute poverty</b>. In addition, older women face more intense material, financial and physical vulnerabilities than men, as a result of the perpetuation of patriarchal gender roles throughout their life-cycle, the Active Ageing Index shows.<sup>403</sup></p> <p>During its review of Moldova's progress, the Committee on Economic, Social and Cultural Rights underscored that poverty is endemic in Moldova, especially in rural areas and among pensioners. The Committee recommended that the state focus its efforts on addressing poverty, with a special focus on people in rural areas and pensioners.<sup>404</sup></p> <p>The most recent data from the NBS show that the pension of pensioners from rural areas (those who were employed in agriculture) does not cover the minimum subsistence level. The minimum pension covers just 63 per cent of basic needs for those who are dependent on it. Every third pensioner stated that he/she works in agriculture, meaning that on the one hand, the poorest households are those including older persons and are based in the rural areas on the other hand, the activity they might be involved in are from the agriculture realm, which does not provide sufficient income to cover the basic needs.</p>
<b>IMPACT OF COVID-19:</b>	
	The latest risk analysis of COVID-19 on older persons <sup>405</sup> shows that older women were among the most affected and most vulnerable populations, having the highest risk of poverty. 44,7 per cent of older persons declared that their available income was not sufficient for the minimum existence needs, further exacerbated during COVID-19 <sup>406</sup> .
<b>Root causes of inequalities</b>	Most frequent causes for older people inequalities are low income, lack of social protection, discrimination, negative attitudes towards women, lack of access to information, among others.

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402 CPD, 'Inegalitățile în Republica Moldova: Provocări și oportunități', 2017.

403 UNFPA, 'Active Ageing Index in the Republic of Moldova', 2016. a

404 It also urged the State party to ensure that the Ajutor social cash transfer programme covers all eligible persons and increase the amount of benefits to a level that provides the beneficiaries with a decent standard of living. It has also further recommended that the State party review the eligibility criteria, including the list of assets, in order to ensure that the Ajutor social cash transfer programme covers all persons in need.

405 UNFPA, Implications of COVID-19 on older people in Moldova. 2020.

406 Institute for public policy, Public Opinion Barometer, 2020

## PEOPLE IN DETENTION

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**Characteristics** In total, 6,683 people are detained in prisons on the right bank, while 3,000 prisoners are estimated to be detained on the left bank. The incarceration rate is 168 per 100,000 of the population, one of the highest in the European region. Moldova has registered a 72 per cent reoffending rate.

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**Vulnerabilities** Prisoners are subject to various levels of vulnerability, stigma and discrimination. Imprisonment limits access to education, health care, employment and social life.

In Moldova, prisoners are detained in poor conditions. The European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment has repeatedly criticized Moldova for the very poor conditions of detention in its establishments; overcrowding; poor state of repair and hygiene; limited access to natural light; insalubrious sanitary facilities; and vermin infestation. In its Concluding Observations to the Government of the Republic of Moldova, the United Nations Committee Against Torture has also recommended measures to reduce overcrowding in all places of detention, in particular in Penitentiary No. 2 in Lipcani, Penitentiary No. 6 in Soroca, Penitentiary No. 7 in Rusca, Penitentiary No. 15 in Cricova, Penitentiary No. 18 in Branesti, and Penitentiary No. 13 in Chisinau (also recommending considering closing Penitentiary No. 13), including by implementing legislation to allow for alternatives to detention, in accordance with the United Nations Standard Minimum Rules for Non-custodial Measures (the Tokyo Rules). The Committee also recommended that the Government of Moldova “Intensify its efforts to bring the conditions of detention in places of deprivation of liberty into line with international standards such as the United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules)”.

People who are imprisoned who previously held employment have no opportunity to improve their professional skills while in prison, and once released from a long sentence are unlikely to be reemployed with the same or a similar employer. The high criminal reoffending rate in Moldova – out of 10 prisoners released, 7 will return to prison – is an indicator that educational and rehabilitative programmes both in prisons and after release are very limited.

Within prisons, an informal criminal structure segregates prisoners. The groups most vulnerable to discrimination and violence are men who have sex with men, sex offenders, drug users, members of minority ethnic groups (such as Roma), and also police informers.

Prison medical care is provided separately from the community, and the penitentiary healthcare system falls under the responsibility of the Ministry of Justice, not the Ministry of Health, Labour and Social Protection. There are also still issues with conflict of interest, given that doctors working under the prison administration carry out medical examinations on inmates when they are transferred from one institution to another or when they return to the penitentiary after having been in court. **One third of all prisoners are registered as having chronic health conditions and 40 per cent have mental health disorders.** A large share of prisoners enter the prison system with a pre-existing condition, which might worsen during their time in prison due to limited access to healthcare and poor detention conditions. The main cause causes of death among prisoners are injuries (including self-inflicted injuries), cardiovascular conditions and cancer. Up to 5 per cent of all prisoners are registered as having alcohol and drug dependency disorders, while about 4 per cent of prisoners are living with HIV and 1 per cent have cancer. Tuberculosis and especially, multi-drug resistant (MDR) tuberculosis remains a serious problem for the Moldovan prison system. Six per cent off all people in prisons are people over 60 and pensioners, while 4 per cent of all inmates are registered as having a disability (grades I, II or III).

After their release prisoners are subject to multiple layers of discrimination. Having a criminal record impedes prisoners in finding a job, finding housing, obtaining credit from the bank, creating a family and having normal social relations.

Women prisoners face more discrimination than men in the society, both during imprisonment and after their release. Women receive far fewer visits from relatives and friends during imprisonment compared to men. Women experience a much higher degree of blame from society for their ‘delinquent behaviour’ compared to men. Furthermore, there is also overcrowding in the female prison, Nr. 7 Rusca. Of all prisoners detained in Moldovan prisons only 6 per cent are women, yet the female prison Nr.7 Rusca is overcrowded. In addition, seven women are currently detained with children under three years old.

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## IMPACT OF COVID-19:

From 15 May to 20 July, over 1,000 detained and imprisoned people were transported to public bodies as part of the criminal investigation process; and some persons in detention were transported several times. Constant transportation and movement of detained and imprisoned people presents a high risk of COVID-19 infection for both detainees and prison staff, especially given the high number of infected detention facility employees. Further risk factors are the impossibility of maintaining social distance, as well as inadequate healthcare for people in detention. Data provided by the prisons medical unit on 27 September 2020 reported 64 confirmed COVID-19 cases among prisoners, while a further 78 prisoners were medically isolated because of having had contact with a person who had tested positive for COVID-19. Cases were mostly registered in pre-trial detention centres, nr. 13 Chisinau. Chisinau, prison 13 is also the most overcrowded prison, with 842 inmates despite a capacity for 570 people (i.e., 150 per cent over capacity). Most COVID-19 prisoners are treated in prison hospital nr.16, although some prisoners that required intensive care unit were transferred to public hospitals.

Due to COVID-19, the number of visits and parcels from relatives has been limited under quarantine measures. Since the number of prisoners with depression is high, and the level of anxiety and isolation among them has increased, as reported by the CSO Positive Initiative, which is active in prisons.

### Root causes of inequalities

Alternatives to imprisonment for non-violent crimes are an immediate measure that would reduce the number of people in prisons. Reducing the number of people that enter the criminal justice system would reduce the burden and the costs imposed on the prison administration and reduce overcrowding, a measure particularly important in the context of the COVID-19 pandemic.

## LGBTI PERSONS

### Characteristics

As in any society, LGBTI persons account for around 5-7 per cent of the population. In Moldova low rates of persons self-identifying as LGBTI mean that there are no data on the number and location of LGBTI people. LGBTI people are amongst the most discriminated against and underrepresented groups.

### Vulnerabilities

The sociological 'Study on the perceptions and attitudes of the population towards equality in Moldova'<sup>407</sup> showed that LGBTI persons remain the least accepted group in Moldovan society: 28 per cent of respondents from the general population said that the first association they have when hearing about LGBTI people was "abnormal", while 29 per cent had the association "promiscuous". A further 66 per cent of respondents said that they would prohibit LGBTI people from exercising their right to get married, and 71 per cent would stop gay people from adopting a child.

Analysis of data from the Moldova Social Cohesion and Reconciliation Index (SCORE) shows that 85 per cent of people included in the survey would prefer LGBT people to leave their community.<sup>408</sup>

Given the wide lack of acceptance of LGBTI people in the society, they face various types of vulnerabilities, in particular in relation to the right to personal security and integrity, right to effective remedy and access to services and the right to work.

407 UNDP, [STUDIUL privind percepțiile și atitudinile față de egalitate în Republica Moldova](#) (Romanian), p. 50.

408 UN Moldova, [Moldova Social Cohesion and Reconciliation Index 2018](#).

- **Lack of protection and remedies in cases of bias-motivated crimes (violence) against LGBTI people:** According to Genderdoc-M, an association working in the field of LGBTI rights, homophobic and transphobic crimes are not recognized as such either by the police and prosecutors or by the judiciary. The current Moldovan Criminal Code does not qualify sexual orientation, gender identity and/or gender expression as aggravating circumstances in a crime committed against an LGBTI person based on prejudice. Moreover, when anti-LGBTI hate crimes are reported to the police and/or prosecutor's office, these law-enforcement authorities refuse to investigate them, justifying their inaction on the grounds that no crime has been committed, despite sufficient evidence.
- **Freedom of expression and assembly of LGBTI persons:** The right to self-expression and freedom of peaceful assembly, even if formally secured by the authorities in the context of Moldovan Pride, remains a much-discussed challenge for LGBTI people in the country. Beyond Pride, which is accompanied by the police, public gatherings of LGBTI people usually take place in private settings.
- **Hate speech towards LGBTI people:** The intolerance towards LGBTI people fuels hate speech and hate crime against them. The legal framework does not criminalize hate speech towards LGBTI people, and the cycle of hatred and intolerance continues.

#### IMPACT OF COVID-19:

In the period of lockdown, the organization that provides services and support to LGBTI people had to interrupt the delivery of these services. In addition, Pride celebrations had to be postponed in 2020 because of the pandemic.

Members of the LGBTI community were furthermore exposed to an increased risk of violence (for instance, if they were forced to return to families that do not accept them if they could no longer afford to live away from their families), lack of access to health care (for instance, hormone therapy), and lack of access to work and livelihoods.<sup>409</sup>

#### Root causes of inequalities

The root cause of disadvantages come from the intolerance, stereotypes, prejudices and sometimes the hatred that the majority of the population manifest towards LGBTI persons. The stereotypes and prejudices related to LGBTI people stem from lack of knowledge and awareness on sexual orientation and gender identity.

## SMALLHOLDER AGRICULTURAL PRODUCERS

#### Characteristics

Small-scale farming predominates in the agricultural sector in Moldova and the role of smallholders in the whole agricultural production and rural development of the country is quite significant. According to data from the General Agricultural Census (2011) there are 900,000 agricultural holdings with an average land size of 2.5 ha. **In total, 98.8 per cent of agricultural producers are smallholders, and they cultivate 36.4 per cent of the total agricultural land**, generating over 62 per cent of the total volume of agricultural production. In 2018, 41 per cent of people who were self-employed in the agricultural sector were poor.<sup>410</sup>

409 OHCHR, 'COVID-19 and the Human Rights of LGBTI People', 2020.

410 NBS, 'Poverty level in the Republic of Moldova in 2014-2018', 2020.

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## Vulnerabilities

Smallholders are dealing with multiple challenges, in terms of economic profitability and various threats posed by the effects of climate change and extreme weather events. This situation was aggravated by the negative consequences of a severe drought in the country, which decreased the cereal, fruit and vegetable harvests by 20 to 50 per cent.

Small-scale farms are mainly subsistence and semi-subsistence farms that produce crops for self-sufficiency, meaning that the economic situation of smallholders is very unstable. Poverty rates are the highest in rural areas. Elderly people, women living in rural households, and families with adult members with disabilities are particularly exposed to poverty. Lack of employment opportunities and population ageing mean that smallholders are highly dependent on self-employment, remittances and pensions.

Smallholders experience major deficiencies in terms of accessing financial resources needed for investment in production technologies, equipment and inputs. As for the marketing of products, due to small volumes and inconsistent quality, smallholders cannot access high-value markets and negotiate long term supply contracts.

The physical infrastructure that is in poor condition and lack of adequate services are other factors limiting development possibilities for smallholders in rural areas.

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### IMPACT OF COVID-19:

The COVID-19 related measures imposed by the Government in the spring negatively affected the agricultural sector and smallholders, and they experienced a lack of access to local markets to sell their products and difficulties accessing inputs for production.

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## Root causes of inequalities

The root cause of disadvantages are the lack of economic viability of smallholders, who cannot generate sufficient income from agriculture activities to ensure a decent livelihood. The causes of their vulnerabilities include low productivity and competitiveness, restricted access to markets and reduced capital for investment.

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## PERSONS LIVING IN RURAL AREAS

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### Characteristics

According to data from the National Bureau of Statistics (NBS), 56.9 per cent of Moldova's population live in rural areas.<sup>411</sup> Rural women constitute almost 30 per cent of the country's population and 51 per cent of the stable<sup>412</sup> rural population.<sup>413</sup> Furthermore, 66 per cent of people living with disabilities in Moldova live in rural areas,<sup>414</sup> and according to data of the NBS 56.6 per cent of people aged over 60 live in rural areas.<sup>415</sup>

Life expectancy in rural areas is 2.6 years lower than life expectancy in urban areas.

According to data from the NBS, there is a trend of internal rural to urban migration. A UNDP study on inequalities in urban and rural [Moldova found that](#) internal migration is driven by the lack of opportunities to earn a living and find employment in rural areas, compared to cities.<sup>416</sup>

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411 NBS, '2019 MOLDOVA ÎN CIFRE: Breviar statistic / МОЛДОВА В ЦИФРАХ: Статистический справочник'.

412 The stable rural population refers to the number of people who have a permanent home on the respective territory, including people who are temporarily absent.

413 Institute for Public Policies (IPP), 'Perspective of women from rural areas on both banks of River Nistru', 2019.

414 National Bureau of Statistics, 'Persons with disabilities in the Republic of Moldova in 2018'.

415 NBS, 'Vârșnicii în Republica Moldova în anul 2017', 2018. <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6141>

416 UNDP Moldova, 'Inequalities in urban and rural Moldova: Beyond incomes and averages, looking into the future of inequalities', 2020.

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## Vulnerabilities

**Greater economic vulnerability of people in rural areas:** in rural areas, income levels are 1.4 per cent lower than in urban areas.<sup>417</sup> According to data from the NBS for rural households, salaries are the most important source of income (38.1 per cent of total income), but its contribution is 24.8 percentage points lower than in urban areas.<sup>418</sup> At the same time, income obtained from personal agricultural activity constituted 16.6 per cent of total disposable income, compared to 0.8 per cent in urban areas.

The rural population is more dependent on transfers from abroad than the urban population, with remittances making up 16 per cent of income compared to 8.5 per cent for the urban population. In addition, social benefits are a more important source of overall income, making up 20.5 per cent of total income, compared to 16.8 per cent in urban areas.

**Worse health status of people in rural areas:** a higher proportion (19.3 per cent) of the rural population perceive their health status to bad or very bad than the proportion of people from urban areas (12.8 per cent), as recorded in the Health Barometer.<sup>419</sup> There is a higher prevalence of chronic diseases in rural areas (50.8 per cent, compared to 44.2 per cent in urban areas). Currently there is a scarcity of medical staff in rural areas; family doctors have to provide primary medical assistance to the population of at least two to three communities. In this context, those most vulnerable, such as older persons and persons with disabilities from rural areas, are at risk of not having access to primary health care when they need it.

**Access to family planning services and contraceptives:** Girls and women from rural areas face difficulties in exercising their sexual and reproductive rights, due to limited access to family planning services and contraceptives. Although 56.9 per cent of the population live in rural areas, the Government still faces difficulties in ensuring equitable access to family planning services for women and girls living in rural areas, taking into account their real needs and choices.

**Access to protection services for victims of gender-based violence:** Women from rural areas who are victims of gender-based violence do not have access to protection services due to the lack of shelters and support services for victims, including psychosocial counselling, legal assistance and rehabilitation programmes. This is one of the concerns highlighted by the Committee on the Elimination of Discrimination Against Women (CEDAW) in its Concluding observations on the sixth periodic report of the Republic of Moldova.<sup>420</sup>

**Lower quality of education in rural areas:** According to the results of the 2018 PISA assessment there are differences between the competencies of students from urban and rural areas. Approximately 56 per cent of students in rural schools do not reach the minimum level of competence in science.<sup>421</sup> This could be due to the unequal distribution of educational services within in Moldova. As highlighted in the study on inequalities in urban and rural Moldova, the causes of the lower quality of the education provided in rural areas include the lack of teaching personnel for basic subjects, and parents' inability to procure additional textbooks.<sup>422</sup> Besides this, the rate of early school drop-out is 2.5 times higher for rural youth, than for young people in cities. The factors driving early school dropouts include residence in a rural area, the precarious financial situation of the household, and parents' low educational attainment. The Council for Preventing and Eliminating Discrimination and Ensuring Equality expressed its concerns regarding the high drop-out rate among schoolgirls in rural areas, as well as of the barriers faced by women and girls in rural areas to accessing vocational training, which continues to confine many women to unpaid domestic and care.<sup>423</sup>

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417 IPP, p. 33.

418 NBS, '[Veniturile și cheltuielile populației în anul 2019](#)', 2020.

419 Centrul pentru politici și analize în sănătate, '[Barometru de sanatate a populatiei Republicii Moldova](#), 2019', 2020.

420 Committee on the Elimination of Discrimination against Women, '[Concluding observations on the sixth periodic report of the Republic of Moldova \(CEDAW/C/MDA/CO/6\)](#)', 2020.

421 People's Advocate, '[Report on the respect of human rights and freedoms in the Republic of Moldova](#)', 2019, available at:

422 UNDP Moldova, '[Inequalities in urban and rural Moldova: Beyond incomes and averages, looking into the future of inequalities](#)', 2020.

423 Committee on the Elimination of Discrimination against Women, '[Concluding observations on the sixth periodic report of the Republic of Moldova \(CEDAW/C/MDA/CO/6\)](#)', 2020.

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**Lower knowledge of human rights, and poor perceptions and level of tolerance towards members of underrepresented groups among people living in rural areas.** Analysis of data from the Moldova Social Cohesion and Reconciliation Index (SCORE) shows that persons from rural areas have a lower level of belief in the universality of human rights (with a score of 6.9 in rural areas compared to 7.4 in urban areas).<sup>424</sup> The SCORE data also shows a lower level of social tolerance among people from rural areas.<sup>425</sup> Besides this, there is a low level of activism among the general population with regards to the promotion of their rights and the most passive are people from rural areas (72 per cent did not participate recently in any action), as highlighted in the sociological study on the perceptions of human rights in the Republic of Moldova, conducted by the People's Advocate Office in 2018.<sup>426</sup>

**Lower access to water and sanitation in rural areas.** According to NBS data, about 23 per cent of villages do not have access to drinking water and sewerage networks, and many of the existing systems are outdated. Only 2.3 per cent of people living in rural area have access to sanitation.<sup>427</sup>

**Lower access to internet connection** in rural areas, with 74.5 per cent of households having access in rural areas, compared to 86.1 per cent in urban areas.

#### IMPACT OF COVID-19:

According to the members of the NGO Task Force on COVID-19 and Human Rights created at the initiative of OHCHR, COVID-19 deepened existing inequalities:

- Access to medical services was even lower than at other times, due to a lack of transportation, as well as due to medical staff's fears of infection.
- Lower access to social and support services.
- Children in rural areas had lower access to good quality distance education given limited internet access, specifically access to broadband.
- The financial situation of many rural households has been affected by decreased remittances from abroad.

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#### Root causes of inequalities

Among the causes are the following:

- Lower/under-development of social infrastructure.
  - Vulnerability of the agricultural sector and insufficiency of alternatives for employment and occupation.
  - Lack of opportunities to participate in decision-making processes at local level.
  - Limited access to information about rights and how to claim them.
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424 UN Moldova, [Moldova Social Cohesion and Reconciliation Index](#), 2018.

425 Ibid.

426 People's Advocate Office, '[Perceptions of Human Rights in the Republic of Moldova \(2018\)](#)', 2018.

427 NBS, '[Water supply and sewerage in 2017](#)', 2018.

# 6

## ANALYSIS OF COUNTRY'S DEVELOPMENT RISKS

The risks to the sustainable development of Moldova are multiple. Although the country has shown progress towards achieving various SDGs in recent years, if not mitigated, the current vulnerability put the country at risk of falling behind in its commitment to achieving Agenda 2030. Most of the identified risks are interlinked and reinforcing.

At the beginning of 2020, Moldova emerged from a severe political crisis, following the 24 February 2019 parliamentary elections and after years of being controlled by oligarchic elements. Corruption runs deep in the country after so many years of control by these elements. The political crisis highlighted the fragility of Moldova in general and emphasized many of the existing risks to sustainable development that continue to be substantial and can only be overcome by years of dedicated work.

Two Regional Monthly Review (RMR) have been elaborated in the UN Moldova, one in 2017 and one in July 2019. The UNCT has identified the following risks as important risks to track over the next year.

At the country level, the survey on the impact of COVID-19 on social cohesion will be used to monitor some

of the key indicators of the fragile social cohesion in Moldova. Data were collected and analysed in July 2020 and December 2020. The fragile social cohesion directly impacts on the achievement of SDG 16. Human rights protection also remains a key issue for the Government. The United Nations and the international community continue to work to address these long-term risks.

Environmental, man-made, technological, biological and natural hazards pose multifaceted challenges in terms of systemic complexity, interconnectedness, and dependency. Non-linear processes govern ecological systems and they also interact with complex social systems, where geopolitical, cultural, and technological developments are all but impossible to predict. The global pandemic has demonstrated the devastating impact that can be wrought by such 'cascading risks', unfolding against a backdrop of a permanently altered climate system, ongoing internal conflicts, and global financial pressures.

What is particularly needed to address cascading risk is to create scenarios, tools and information that could join the triggers with their patterns of consequences and thus help visualise the potential structure of secondary emergencies.

## POLITICAL STABILITY

Probability: **Moderate**

National Capacity to cope: **Moderate**

Impact: **High**

Like 2019, 2020 is proving to be another challenging and somewhat unstable year on the political front. The governing coalition of the Democratic and Socialist parties started the year with a clear majority in parliament, but after several deputies left the Democratic Party, their majority dwindled. After a few weeks of tense internal struggles in the lead up to the parliamentary summer break, where it looked like the Government could be censured, the governing coalition managed to again secure a slim parliamentary majority. These factors have all contributed to a somewhat unstable year, especially when coupled with the continuing COVID-19 crisis. After presidential elections in November 2020, the majority in the parliament was dissolved. This risk could continue in 2021, affecting proper implementation of the national budget and the progress of the public reform.

### UNCT Capacity

The UNCT has demonstrated ability to manage crisis situation (from political crisis from early 2019 to date and the COVID-19 crisis in 2020). The UNCT is working on the Crisis Risk Dashboard (CRD) to assist in monitoring risks. Additionally, the UNCT is assisted by a HR Rights Advisor, a Peace and Development Advisor and a National Peace and development Officer.

## DEMOCRATIC SPACE

Probability: **Moderate**

National Capacity to cope: **Moderate**

Impact: **High**

The results of the presidential elections in November 2020 could possibly contribute to dividing people into different camps and shrinking civic space, or at least to creating an environment in which dialogue across groups is not supported. This should be monitored. The division between the various opposition parties and the governing coalition may also close down dialogue and limit the space for other civil society actors to operate. The concentration of media holdings in the hands of a few limits the freedom of information, as there are only a few small stations and newspapers that provide more balanced information to the public at large. The need to address gender equality in the upcoming elections and to better engage less privileged groups, including rural women and Roma, are also risks that also need to be followed closely.

### UNCT Capacity

The UNCT has been engaging in this area through OHCHR, UNDP, UN Women, UNFPA and others, mainly focusing on monitoring the issue and building the long-term capacity of the general public to engage. The UNCT has the capacity to continue to do so, but will need to assess its capacity to better engage on this issue with particular focus on vulnerable groups.

## SOCIAL COHESION, GENDER EQUALITY AND NON-DISCRIMINATION

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **Moderate**

Discrimination and continuing inequalities are a moderate risk for the country's development. Although poverty has been reduced in the country, other inequalities persist, such as unequal access to public services throughout the territory. Economic disparities and discrimination against vulnerable groups are among the obstacles that affect social and economic rights and the cohesiveness of society. In a survey conducted by the RCO on social cohesion and COVID-19, low social tolerance was observed in perceptions of people with opposite geopolitical views. Immigrants also seem to be badly perceived by the right bank survey participants with 9 per cent stating that they would prefer them to leave their communities. More concerningly, 20 per cent of respondents from the Right Bank are still reluctant to have any interactions with Muslims, Roma and people living with HIV. The perception of LGBTI individuals, sex workers and drug users – who seem to be accepted by less than 60 per cent of respondents from the Right Bank and about 70 per cent from the Left Bank – is much worse. In terms of gender, the survey also highlighted continuing worrying trends.

### UNCT Capacity

The UNCT has conducted a number of assessments, surveys and reports to gather updated information on this issue. Using this information to better risk inform programming needs more support. UN Women, UNDP, OHCHR, IOM, UNAIDS, WHO, UNFPA and others have been engaging in this area, contributing with policy recommendation and direct interventions.

The UN continued its confidence measures and human rights focused programming in the Transnistria Region. These programmes are aimed at strengthening relationships between the banks and building platforms and mechanisms that can bring the two banks together and begin to address some of the factors and dynamics driving the protracted conflict. The results and analysis from the SCORE and the recent survey on the impact of social cohesion were mainstreamed into UN advocacy and programming work to ensure that the UN better addressed some of the underlying causes of weak social cohesion in Moldova. More specifically they were used to strengthen UN strategic documents such as the CCA, Socio-Economic Response and Recovery Plan, and the Socio-economic impact assessment, as well as programming, such as the UNFPA youth project and UNAIDS work with marginalized groups.

## REGIONAL AND GLOBAL INFLUENCES

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **Medium**

The agreement between Russia, the European Union and the United States that helped to remove the oligarchic influence in Moldova in 2019 seems to have lapsed. The recent Presidential elections have again highlighted the clear divisions in the country between those that want closer ties to the EU and those that are focused more on the east. The current Government has stated its desire to bridge the two camps but remains somewhat challenged in its relationships with the west, especially with Romania and the EU. Despite the more tenuous relationship with the west, funds have been secured from the IMF, the EU, and the World Bank. This continued tension represents a medium risk for the country's governability and democratic space.

### UNCT Capacity

The United Nations is an impartial actor, and as such it is sometimes challenging for the UN to manoeuvre through regional and global dynamics.

## ENVIRONMENTAL RISK

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **Moderate**

Due to its geographic and economic features, Moldova is highly vulnerable to climate change, while being exposed to disasters due to hydrometeorological phenomena and natural hazards. Earthquakes, landslides, drought and floods are among the top hazards caused by climate events, with floods posing the greatest risk to communities and economy. Due to current and projected unusual high temperatures leading to water scarcity, incidence of forest fires is increasingly posing a threat to natural ecosystems, agricultural systems and human settlements. Economic losses due to climate-induced disasters have caused economic losses to the value of US\$4 million per year. Climate scenarios indicate the country could progressively trend towards a more arid environment, with the possibility of intensified droughts as well as fires.

### UNCT Capacity

UNDP has been working to increase Moldova's use of renewables. UNDRR, UNDP, FAO and some other agencies have also been supporting disaster risk reduction and urban resilience building in Moldova. UNDRR, in particular has supported Chisinau in strengthening local resilience to disaster risks with the Making Cities Resilient 2030 Initiative.

## ECONOMIC DEVELOPMENT – Commerce in the context of COVID-19

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **Moderate**

Because economic prospects in Moldova are largely linked to developments in the European Union and Russia, its main trading and investment partners, the impact of COVID-19 related measures in the current economic crisis remain a major source of risk that could affect the country economy and push more people into poverty.

### UNCT Capacity

The UNCT is supported by the RCO economist, and further support from this specialist is required. There is some capacity in some of the agencies including UNICEF, UNDP, FAO, ILO, and IOM. UNECE and UNCTAD can provide technical support to the Government. The UNCT has developed the UN Moldova COVID-19 Response and Recovery Plan to support the country in five key areas. Two of these are directly related to the economic recovery.

## ECONOMIC DEVELOPMENT – Poverty in the context of COVID-19 related measures

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **High**

There is a high risk of the vulnerable population falling back into poverty as a result of COVID-19 related measures, which led to a substantial reduction in disposable incomes through job loss, wage income decline and reduction in remittances.

### UNCT Capacity

A number of actions have been identified by the UNCT in the COVID-19 Social and Economic Response and Recovery Plan to respond to this risk.

## SOCIAL - ECONOMIC DEVELOPMENT – Population decrease

Probability: **High**

National Capacity to cope: **Moderate**

Impact: **Moderate**

There is a moderate to a high probability of rapid depopulation, especially outflows of youth and skilled workers, and this is negatively affecting human capital and slowing down the shift towards higher-skilled economic sectors and industry. In addition, increasing old-age dependency ratios poses significant challenges to the ability of the state budget to cover future pension needs.

### UNCT Capacity

UN Women, OHCHR, IOM, UNFPA, UNDP, UNICEF and others continue to lead on issues of migration and population decrease in Moldova. The UNCT could support the development of a comprehensive analysis to identify the impact of the population decrease in different aspects of development.



7

ANNEXES

## ANNEX 1. Tables

**Table 1: Public expenditures on agriculture, million MDL**

Estimations of the national public budget, 2016-2021						
Category	Executed	Executed	Approved	Estimated		
	2016	2017	2018	2019	2020	2021
<b>Revenues (total)</b>	45953,9	53377,6	56999,6	62157,4	66959,8	72611,4
<b>Expenditures (total)</b>	48462,6	54522,4	61713,5	67896,1	72383,7	77422,7
<b>Recurring expenses</b>	46967,4	53208,3	58269,7	64955,1	68707,5	75041,1
<b>Capital investments</b>	1495,2	1314,1	3443,8	2941,0	3676,2	2381,6
<b>Agriculture</b>	1340,6	1646,5	1851,9	1703,8	1602,4	1593,9
<b>Recurring expenses</b>	1294,9	1583,1	1801,0	1659,8	1572,3	1570,7
<b>Capital investments</b>	45,7	63,4	50,9	44,0	30,1	23,2
<b>Agriculture, share in total expenditures</b>						
<b>Agriculture</b>	<b>2,8</b>	<b>3,0</b>	<b>3,0</b>	<b>2,5</b>	<b>2,2</b>	<b>2,1</b>
<b>Recurring expenses</b>	2,7	2,9	2,9	2,4	2,2	2,0
<b>Capital investments</b>	0,1	0,1	0,1	0,1	0,0	0,0
<b>Estimations of the state budget, 2016-2021</b>						
<b>Revenues (total)</b>	28879,5	33947,4	36618,5	39639,2	42523,3	45957,5
<b>Expenditures (total)</b>	32313,2	35479,1	41332,4	45377,9	47947,2	50768,8
<b>Recurring expenses</b>	31353,3	34654,7	37995,7	42573,6	44413,9	48535,1
<b>Capital investments</b>	959,9	824,4	3336,7	2804,3	3533,3	2233,7
<b>Agriculture</b>	1301,5	1613,2	1826,2	1671,9	1567,5	1555,5
<b>Recurring expenses</b>	1263,9	1551,4	1776,1	1628,8	1538,3	1533,2
<b>Capital investments</b>	37,6	61,8	50,1	43,1	29,2	22,3
<b>Agriculture, share in total expenditures</b>						
<b>Agriculture</b>	4,0	4,5	4,4	3,7	3,3	3,1
<b>Recurring expenses</b>	3,9	4,4	4,3	3,6	3,2	3,0
<b>Capital investments</b>	0,1	0,2	0,1	0,1	0,1	0,0

Source: GD No 851 of 20.08.2018 on the approval of the Medium-term budgetary framework for the period 2019-2020.

**Table 2: Value of manufactured industrial production by types of activities. In thousand lei.**

	2014	2019	per cent 2014	per cent 2019	2014/2019
<b>Processing industry</b>	35452307,0	49862251,5	100,0 per cent	100,0 per cent	41 per cent
<b>Food industry</b>	<b>13107698,0</b>	<b>16707925,9</b>	<b>37,0 per cent</b>	<b>33,5 per cent</b>	27 per cent
<b>Production of beverages</b>	4574176,3	5217025,0	12,9 per cent	10,5 per cent	14 per cent
<b>Production, processing and preservation of meat and meat products</b>	3159582,7	4240926,3	8,9 per cent	8,5 per cent	34 per cent
<b>Production of grape wines</b>	<b>2404918,5</b>	<b>3357388,1</b>	<b>6,8 per cent</b>	<b>6,7 per cent</b>	40 per cent
<b>Processing and preservation of fruits and vegetables</b>	2006179,6	2951944,5	5,7 per cent	5,9 per cent	47 per cent
<b>Production of bakery and farinaceous products</b>	1926620,1	2628950,4	5,4 per cent	5,3 per cent	36 per cent
<b>Production of meat products (including from poultry meat)</b>	1616319,3	2386154,1	4,6 per cent	4,8 per cent	48 per cent
<b>Production of dairy products</b>	2003942,3	2230992,5	5,7 per cent	4,5 per cent	11 per cent
<b>Production of bread; cakes and fresh pastry products</b>	1542422,4	2102185,6	4,4 per cent	4,2 per cent	36 per cent
<b>Production of dairy and cheese products</b>	1825286,4	1995593,2	5,1 per cent	4,0 per cent	9 per cent
<b>Production of other food</b>	2439491,4	1883624,8	6,9 per cent	3,8 per cent	-23 per cent
<b>Production of vegetal and animal oils and fats</b>	752504,4	1796587,5	2,1 per cent	3,6 per cent	139 per cent
<b>Processing and preservation of poultry meat</b>	739569,0	1148396,4	2,1 per cent	2,3 per cent	55 per cent
<b>Production of sugar</b>	1662249,4	902186,8	4,7 per cent	1,8 per cent	-46 per cent

Source: NBS, 2020.<sup>428</sup>

428 NBS, [Value of manufactured industrial production, by types of activities, 2014-2019](#).

**Table 3: Number of green-field FDI projects announced in 2011-2019**

Country	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average (9 years)
<b>Moldova</b>	<b>13</b>	<b>8</b>	<b>11</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>7</b>
Georgia	34	23	20	21	14	11	19	21	19	<b>20</b>
Armenia	25	23	24	14	5	7	14	15	9	<b>15</b>
Bosnia and Herzegovina	30	29	31	21	25	16	26	30	28	<b>26</b>
N. Macedonia	26	31	27	32	32	20	11	13	10	<b>22</b>
Estonia	30	32	20	32	11	18	13	25	28	<b>23</b>
Leetonia	20	15	21	21	10	13	24	39	37	<b>22</b>
Lithuania	42	45	47	46	51	53	69	91	71	<b>57</b>
Slovakia	93	67	80	4	38	53	49	4	43	<b>57</b>

Source: UNCTAD "World Investment Report 2020" and FDI Intelligence "The FDI Report 2020"

**Table 4: Animal production in 2019/2018**

	Measure unit	Total	in per cent against 2018	Share	2020, half year	in per cent against half year of 2019
<b>Production of cattle and poultry (livestock)</b>	thousand tons	185,9	95	100	90,0	108
of which agriculture farms		85,4	99	45,9	52,6	124
populations households		100,5	91,8	54,1	37,4	91
<b>Milk</b>	thousand tons	366,9	89,1	100	168	90
of which agriculture farms		23,4	105,3	6,4	11,4	95
populations households		343,5	88,2	93,6	157	90
<b>Eggs</b>	million pieces	673,6	97,8	100	337	93
of which agriculture farms		284,7	89,5	42,3	144	88
populations households		388,9	104,9	57,7	193	97

**Table 5: Merchandise exports by product group, million \$US**

Product/Sector	2013	2014	2015	2016	2017	2018	2019
SI3_AGG - TO - EXP Total merchandise	<b>2,428</b>	<b>2,340</b>	<b>1,967</b>	<b>2,045</b>	<b>2,425</b>	<b>2,706</b>	<b>2,779</b>
SI3_AGG - AG - EXP Agricultural products	1,031	1,081	924	938	1,116	1,151	
SI3_AGG - AGFO - EXP Food	1,012	1,061	906	926	1,105	1,139	
% of AGRI/Total Export,	84%	92%	93%	91%	92%	85%	

Source: [www.data.wto.org](http://www.data.wto.org)

## ANNEX 2. CCA methodology

### METHODOLOGY

#### UN Country Common Assessment for Moldova (UN CCA)

The UN CCA for Moldova focuses on the analysis of challenges related to demographic and socio-economic situations while maintaining focus on the achievement of SDGs, leaving no one behind, addressing human rights, and considering the strategic priorities of Moldova's Government. The process will go beyond the analysis of the country-specific context and will integrate regional and global dimensions. The principles of human rights, gender equality and the empowerment of women, resilience and sustainability, accountability, leaving no one behind, economic transformations and growth, and development-humanitarian-peace collaboration will guide the overall development of the UN CCA and will be mainstreamed into the analysis.

The process will also address the four overarching areas of the current **UNDAF**: (i) Governance, human rights and gender equality; (ii) Sustainable, inclusive and equitable economic growth (iii) Environmental sustainability and resilience (iv) Inclusive and equitable social development. Furthermore, the analysis will be based on the UN SDG-related risk framework (annex 2 of the CCA Companion Piece).

Additionally, the process will build upon the results from the Moldova voluntary national review (**VNR**) development process. Furthermore, both processes will be conversant. The CCA paper will also assess gaps and needs for the implementation of the **National Development Strategy "Moldova 2030"**.

The UN CCA will include (but will be not limited to) the following elements:

- Taking stock of **country's progress towards fulfilment of the 2030 agenda** and possibilities/options for acceleration under specific SDGs or cross-cutting elements
- **Social inclusion, Human Rights, Gender Equality and Women's Empowerment**: identification and analysis of those left behind or at risk of being left behind using the [UNSDG Operational Guidance on Leaving No One Behind](#)
- **SDG Financing Landscape: Overview of financial flows** impacting SDG achievement
- **Multi-dimensional Risks Analysis**: Applying a multi-dimensional SDG-based Risk Framework (Annex 7 Cooperation Package Companion Piece), plus considerations of economic and financial risks, the CCA will examine the probability, impact and priority of existing, emerging and future risks on a country's development trajectory, particularly its impact on those furthest left behind.
- **Analysis of underlying causes and factors** influencing the country socio-economic and political situation.
- Demographic changes and its impact on socio-economic development.
- Identification of **key challenges, critical gaps and potential partnerships** to support the implementation of development policies and international commitments.
- Analysis of key areas for development:
  - Economic Transformation,
  - Environment and Climate Change,
  - Social Inclusion,
  - Governance and Institutional Capacity,
  - Prevention and Humanitarian-Development-Peace Collaboration.
- Identify how the COVID-19 has exacerbated Moldova's vulnerabilities.
- NBS reports on SDGs indicators monitoring.

However, the CCA analysis will be not limited to desk review and analytical work, but it will also collect data from field visits to ongoing projects, local authorities and Governmental officials for feedback collection and situation analysis, whereas appropriate and needed.

## I. TIMELINE AND MILESTONES

The critical pathway for UN CCA development is the following:

### I. Timeline approval and CCA task team establishment

- Approval of the **CCA concept and timeline** by the UNCT
- Establishment of **CCA task team** (including Regional Peer Support Group for CCA processes and quality assurance purposes)
- Establishment of a process for involvement of Result Groups, thematic groups such as socio-economic task force for COVID-19 impact assessment, SDGs/ M&E Task Force, Transnistria Region Task Team on as needs basis etc.

### II. Data Repository creation

- Creation of CCA Data Repository and uploading of data and thematic reports
- Establishment of COVID-19 impact assessments repository

### III. Conduct assessment and consultations

- Desk review of the available data, surveys, reports, thematic studies and identification of information gaps and challenges, establishment of benchmarks pre-Covid and post-Covid
- **Consultation with vulnerable groups within the frameworks of NLB tool** application

### IV. UN CCA document validation and approval

- Peer Support Group (PSG) to review the quality of the draft CCA
- RCO will share a draft UN CCA with the UN agencies for review and endorsement

### V. Public presentation

- **Dissemination of UN CCA results** amongst relevant (national) stakeholders
- **CCA is made available for the general public by the RC and UNCT**

## VI. The UN CCA TASK TEAM

The resident and non-resident UN agencies assigned one focal point to be part of the permanent task force on the development of the UN CCA. The designated focal point will be responsible for pooling expertise from the represented agency with the purpose of contributing to the CCA exercise throughout its process: from problem identification to analytical work and inputs to drafting. The RCO is a convening entity for the UN CCA Task Force. The RCO will be responsible for the overall leadership, coordination, facilitation and quality control in line with the roles and tasks described below:

- Establishment of data and analysis repository to be used by UNCT for CCA exercise and on as needs basis;
- After receiving contributions from the agencies, drafting CCA, thematic papers and such other analytical pieces supportive of UN CCA, as well as organization of discussions whereas relevant;
- Situational analysis of country context, policy environment and key development challenges through the prism of (i) political economy (ii) opportunities and social exclusion (iii) environment and climate change (iv) governance and institutions;
- Analysis of risks and assumptions about key findings under UN CCA;
- Review of financial flows impacting SDG performance and identification of financing gaps;
- Contribution to development of common UNCT advocacy messages and policy dialogue on key UN CCA findings;
- Organization of consultation process with key CCA stakeholders.

## ANNEX 3. List of CSOs and NGOs consulted during the development of the CCA.

### Group 1 Prosperity & People

NAME OF ORGANIZATIONS	CONTACT PERSONS
Asociatia obsteasca „POROJAN”	Duminica Ion
CCF Moldova	Liliana Rotaru
CCF Moldova	Livia Marginean
CCF Moldova	Lorina Ghitu
Consiliul Național al Tineretului din Moldova	Banari Roman
AO tinerilor cu dizabilitati „VIVERE”	Emma Matreniuc
Asociatia Nationala a Mediatorului ComuNitar	Valeriu Căldăraru
Concordia. Proiecte Sociale	Matas Viorica
USMF Nicolae Testemițanu	Revenco Ninel
A.O. PRODOCS	Cristina Cușchevici,
AO NOVA	Caraus Tatiana,
Public-Medical Institution “Mother and Child Institute”	Adela Horodisteanu-Banuh
Federația Familiilor pentru Unificare și Pace în Lume din Moldova	Esanu Andrei
Federația Familiilor pentru Unificare și Pace în Lume din Moldova	Nadejdin Sabina
Te Doy Foundation	Ruxanda Revenco
Лига Людей Живущих с ВИЧ Республики Молдова	Игорь Кильчевский
Centrul de Caritate pentru Refugiați A.O.	Ahmad Djavaid Paknehad
HelpAge International Moldova	Cristina Railean
НП „Женские инициативы”	Савчина Наталья
Initiativa Pozitiva	Ina Vutcariov

NAME OF ORGANIZATIONS	CONTACT PERSONS
Alianța INFONET	Victor Koroli
Centrul de Informare si Documentare privind Drepturile Copilului	Arina Zîcu
НП „Женские инициативы”	Бурлака Елена
Центр молодёжных инициатив «FEED-BACK”	Павел Иовчев
Центр молодёжных инициатив «FEED-BACK”	Чимпоеш Дмитрий
AO Parteneriate pentru fiecare copil	Natalia Semeniuc,
Alliance of Organizations of Persons with Disabilities	Diana Tudos
Asociatia Nevazatorilor din Moldova	Stefan Oprea
АНО „Добровольцы-это мы” г.Тирасполь	Дмитрий Чечель
I.P. Trimbos Moldova	Cristina Nestor
Lumos Foundation	Eugenia Godoroja
Centrul de Informare și Resurse „Pro Bono”	Simona-Patricia Podoleanu
Consiliul Național al Tineretului din Moldova	Borcoi Mihaela
Asociatia Nationala a Mediatorului ComuNitar	Valeriu Căldăraru
Позитивная Инициатива	Поверга Руслан
Asociația pentru Dezvoltarea Creativă	Tabuncic Simona
Asociația pentru Dezvoltare Creativă	Mariana Turcan
League PLWHA Moldova	Untura Liudmila
A.O“SUNSHINE”	Ala Burlaca

## Group 2 Peace

NAME OF ORGANIZATIONS	CONTACT PERSONS
Centrul de Drept al Avocatilor	Oleg Palii
Consiliul Național al Tineretului din Moldova	Nicolai Cheleş
Asociația Națională a Para-juriștilor din Republica Moldova	Violetta Odagiu
Human Rights Embassy	Lela Metreveli
Ambasada Drepturilor Omului	Veaceslav Turcan
Platforma tineretului pentru solidaritate interetnica	Mihail Platinda
Asociația Femeilor Avocate din Moldova	Veronica Ojog
Freedom House	Olesea Garbuz
GENDERDOC-M Information Centre	Anastasia Danilova
Institutul pentru Inițiative Strategice (IPIS)	Supac Inna
Gender-Centru	Valentina Bodrug-Lungu
Federația Universală pentru Pace (UPF Moldova)	Erica Zucec
Inițiativa Pozitiva	Cearanovski Constantin
RCTV Memoria	Ludmila Popovici
RCTV Memoria	Andriana Zaslavet
НП Центр „Резонанс”	Гончар Александр Юрьевич
Fundatia Te Doy Moldova	Tatiana Chebac
Promo-LEX	Nicoleta Hriplivii
Ассоциация украинской молодежи в Республике Молдова „ЗЛАГОДА”	Лекарцев Дмитрий
Asociația pentru Dezvoltarea Creativă	Tabuncic Ruxanda





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