

UNITED NATIONS
MOLDOVA



2020 | THE UNITED NATIONS COMMON COUNTRY ANALYSIS FOR THE REPUBLIC OF MOLDOVA

CHISINAU, MARCH 2021

AGENDA

10:02 AM
-
10:15 AM

OPENING REMARKS



SIMON SPRINGETT

UN RESIDENT COORDINATOR

OPENING REMARKS



GHEORGHE LEUCA

STATE SECRETARY OF THE MINISTRY
OF FOREIGN AFFAIRS AND EUROPEAN INTEGRATION

KEY FINDINGS ON PROSPERITY



ALA LIPCIU

NATIONAL COORDINATOR ILO

KEY FINDINGS ON PEACE AND PLANET



DIMA AL-KHATIB

RESIDENT REPRESENTATIVE UNDP

10:15 AM
-
10:25 AM

VULNERABLE GROUPS IN MOLDOVA,
LEAVING NO ONE BEHIND



DOMINIKA STOJANOSKA

REPRESENTATIVE UN WOMEN

REFLECTIONS ON THE PRESENTATION



LILIANA ROTARU

CCF MOLDOVA

10:37 AM
-
10:52 AM

REFLECTIONS ON THE PRESENTATION



ADRIAN ERMURACHI

DEPUTY SECRETARY GENERAL,
STATE CHANCELLERY

10:25 AM
-
10:37 AM

KEY FINDINGS ON PEOPLE



NIGINA ABASZADE

RESIDENT REPRESENTATIVE UNFPA

REFLECTIONS ON THE PRESENTATION



PETER MICHALKO

EU AMBASSADOR

10:52 AM
-
10:57 AM

CONCLUSION REMARKS



LARS LÖNNBACK

CHIEF OF MISSION IOM



KEY MESSAGES FROM THE 2020 CCA



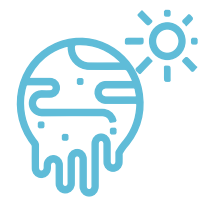
Inequalities are still persistent and affecting most vulnerable groups from the economic, social and environmental perspective.



Social Cohesion is fragile: Negative attitudes towards women, persons with disabilities, LGBTI persons, and social intolerance continue to impact on overall social cohesion.



Governance, participation and governmental institutions require further enhancement.



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.





PHOTO: UN WOMEN

LEAVE NO ONE BEHIND



UNITED NATIONS MOLDOVA



IDENTIFIED VULNERABLE GROUPS

VULNERABLE PEOPLE

- ETHNO-LINGUISTIC MINORITIES
- PERSONS IN RURAL AREAS
- WOMEN VICTIMS OF VIOLENCE
- ROMA
- VULNERABLE CHILDREN
- SMALLHOLDER AGRICULTURE PRODUCERS
- ASYLUM SEEKERS, REFUGEES AND STATELESS PERSONS
- PERSONS LIVING WITH AND AFFECTED BY HIV
- OLDER PEOPLE
- LGBTI PERSONS
- PERSONS IN DETENTION CENTERS
- RETURNING MIGRANTS, FAMILIES DEPENDENT ON REMITTANCES AND VICTIMS OF HUMAN TRAFICKING
- PERSONS WITH DISABILITIES

KEY ASPECTS TO UNDERSTAND LNOB:

1. DISCRIMINATION

SDG outcomes by sex, age, disability & social groups; evidence and recommendations from International Human Rights mechanisms, National Human Rights Institutions.

2. GEOGRAPHY

Isolation, risk or exclusion due to location; includes environmental degradation, transport, and technology.

3. VULNERABILITY TO SHOCKS

Includes conflicts, climate, environmental, pandemics, economic shocks, etc.

4. GOVERNANCE

Laws, policies, institutions, voice & participation (includes informal and traditional governing systems).

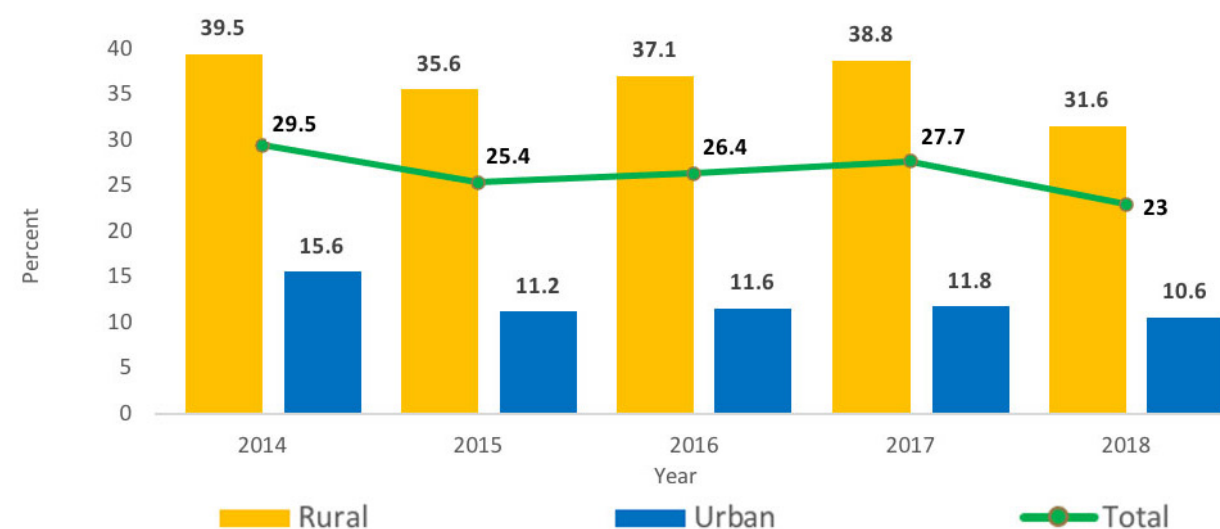
5. SOCIO-ECONOMIC STATUS

Multidimensional poverty; inequalities; multidimensional poverty of women, men and children; Gini coefficient; SDG outcomes.

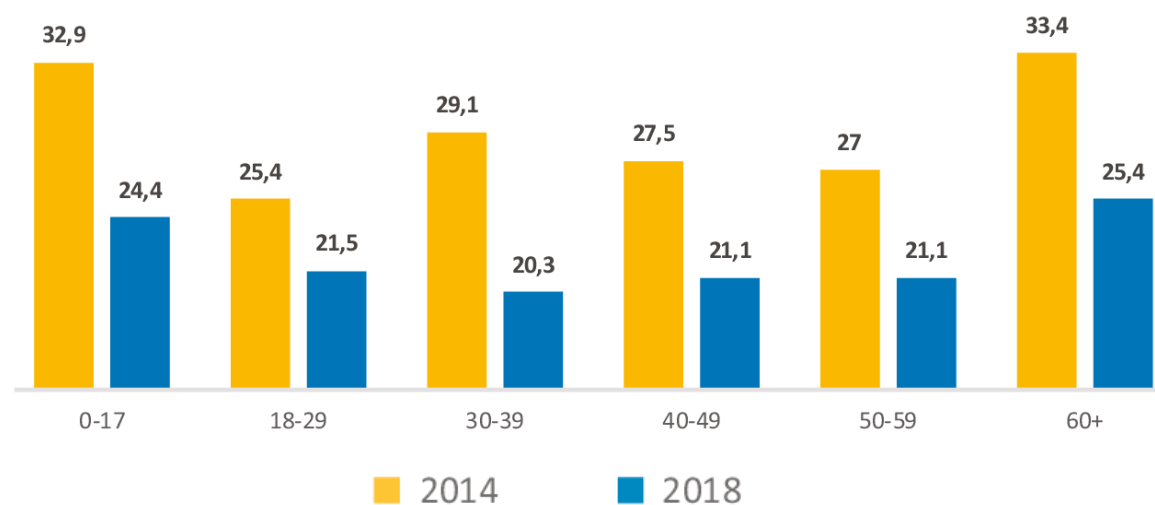
RURAL AND URBAN
EXTREME POVERTY
RATES DECLINED
SINCE 2014

PERSISTING POVERTY
AFFECTS SOME GROUPS
MORE THAN OTHERS
AND THE SITUATION
WAS EXACERBATED
BY THE COVID-19
PANDEMIC

ABSOLUTE POVERTY RATE BY URBAN/RURAL LOCATION (%)



POVERTY RATE BY AGE GROUP (%)



Income of the poorest households **increased by 38%**, coming primarily from remittances and social assistance.

24.3% of households composed of a single person aged **over 60** face **absolute poverty**.

The minimum pension covers just **63% of basic needs**.

Moldova **lost 10.4% in 2019** of human development progress due to persisting inequalities.

The **central and southern regions** have the **largest number of poor people**.

The share of the poor is **3 times higher in rural areas** (31.6%) than in urban areas (10.6%).

Households with five or more people face a **higher risk of poverty** (39.6 per cent in 2018).

¼ of children and **¼ of the population 60+** living in poverty.

Roma and **persons with disabilities** remain **most vulnerable**.

1 in 5 poor households **reduced health and education expenses** in order to cope with the pandemic fallout.



PHOTO: UNDP MOLDOVA

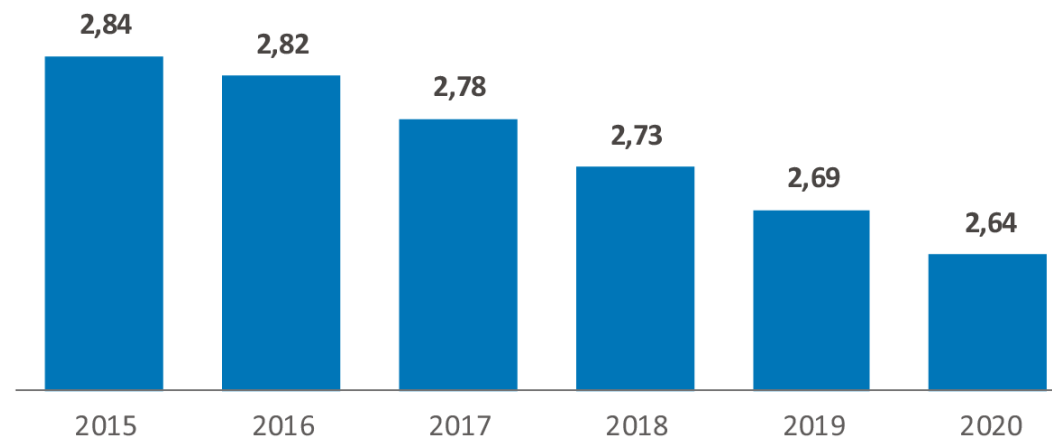
PEOPLE



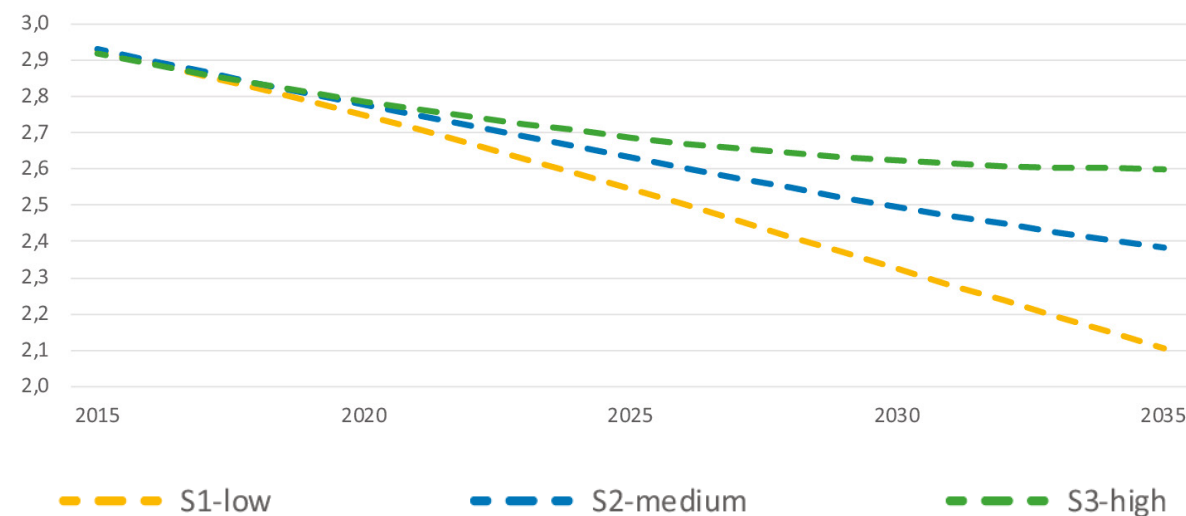
MOLDOVA
IS AMONG THE TOP
COUNTRIES WITH
FASTEST SHRINKING
POPULATION IN THE
WORLD

POPULATION
DECLINE IS EXPECTED
TO CONTINUE

RESIDENT POPULATION IN MOLDOVA (IN MILLIONS)



POPULATION PROJECTIONS (IN MILLIONS)



Massive outmigration, high mortality, lower birth rates and ageing.

Emigration rate of high-skilled workers is **close to 40%**, with the highest share amongst people aged 20-29 years.

The country is facing **rapid ageing** – ageing coefficient increased from **18.1%** in 2015 to **21.8%** in 2020.

In 2019, the **birth rate** fell to the 5-year lowest number of **12.2 babies per 1,000 persons**.

Fertility rate is 1.8 - below replacement level, still higher than EU average (1.56).

Reduced labour force: **share of people aged 16-56/61 shrinking by 9.2%** between 2015 and 2019.

Depopulation of rural areas and high mortality rates, including COVID-19 mortality, is a major concern.

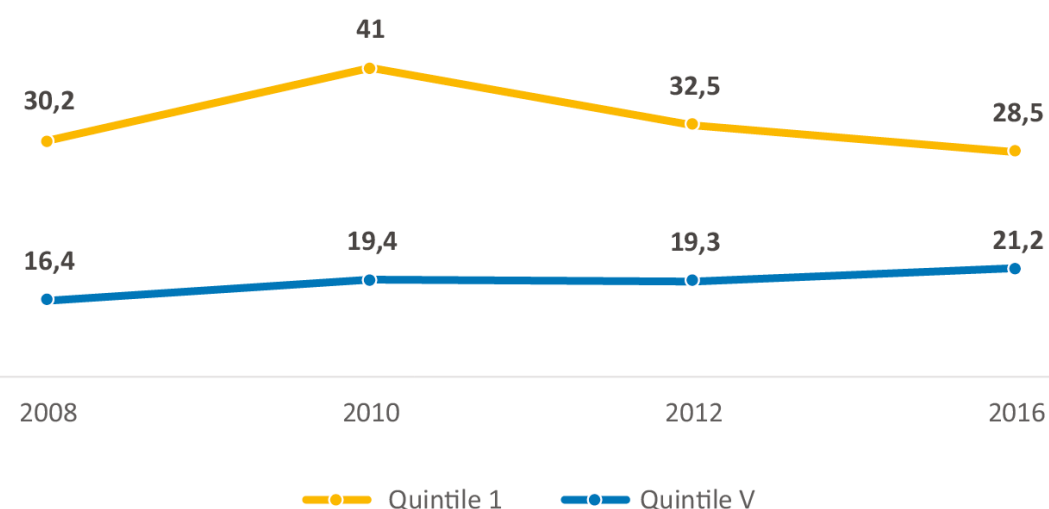
Based on a 3 scenarios projections, even the medium scenario predicts a **decrease of the population to less than 2.4 million by 2035**.

ACCESS TO HEALTH SERVICES HAS OVERALL IMPROVED BUT INEQUALITIES RELATED TO FINANCIAL CAPACITY OF HOUSEHOLDS PERSIST

PERSISTING INEQUALITIES IN HEALTH OUTCOMES BY REGION AND AGE

COVID-19 HAS GREATLY AFFECTED ACCESS TO HEALTH

SHARE OF PEOPLE WHO DO NOT HAVE HEALTH INSURANCE BY QUINTILE



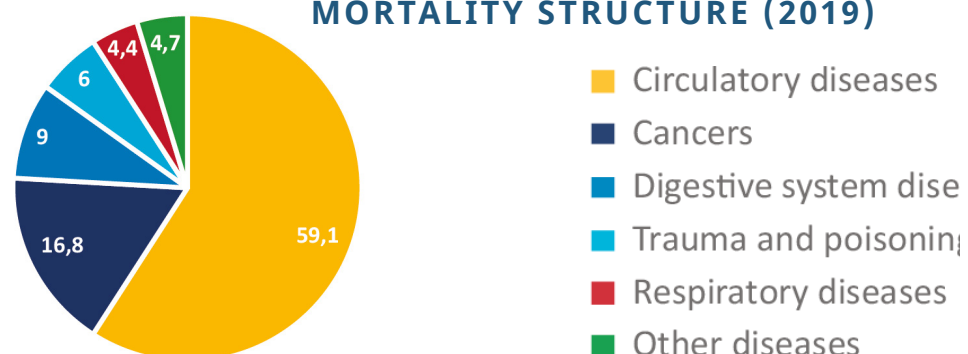
Life expectancy of Moldovans **increased by 1.6 years** in the last six years, however women spend larger proportion of their life in poor health (11.2 years) compared to men (8.6 years).

People's use of health care **has increased**.

Financial protection has **deteriorated** over time increasing patient's exposure to out-of-pocket payments.

Informal payments are common in Moldova and affect mostly people with lower income.

MORTALITY STRUCTURE (2019)



Rural population lives **4 years less** than people in urban settings.

High blood pressure, unhealthy behavior (dietary risks, tobacco and alcohol consumption) - the main risk factors driving **mortality and disability**.

Inequalities in access to health care by: people in remote rural areas, people from ethnic minorities (including Roma), persons with disabilities, people living with HIV, labour migrants and persons in detention.



Access **essential health services decreased** (TB treatment, SRH services, etc).



40% of older persons experienced difficulties in obtaining access to Non-Contagious Diseases medical services.



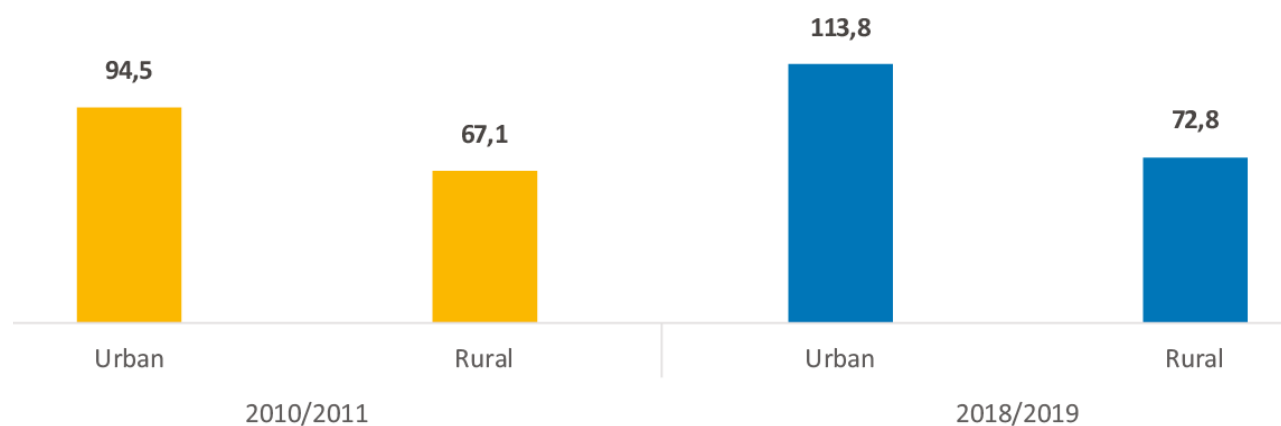
71.6% of hospitals do not have an epidemiologist.

ENROLLMENT
IN PRE-SCHOOL
EDUCATION IMPROVED
BUT DECREASED IN
HIGHER EDUCATION
AND WILL LIKELY
DECREASE FURTHER

INEQUALITIES IN
TERMS OF GENDER,
MINORITY STATUS
AND RESIDENCE
PERSIST IN EDUCATION

COVID-19 HAS GREATLY
AFFECTED ACCESS TO
EDUCATION

GROSS PRE-PRIMARY ENROLLMENT RATE BY URBAN/RURAL LOCATION (%)



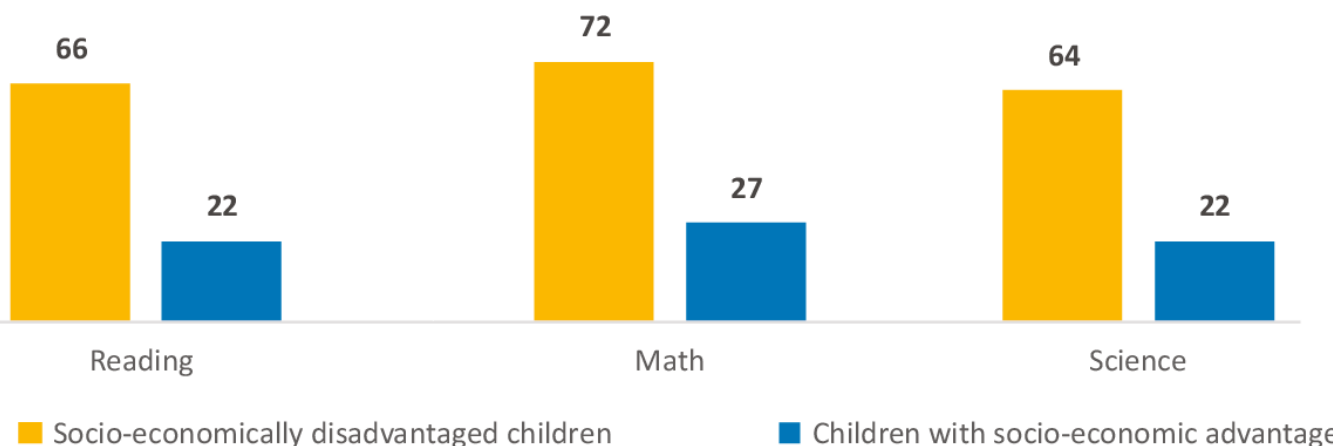
School enrollment rate for 3-6 y.o. **increased** from 44.4% in 2000 to **87.7%** in 2019.

Enrolment in higher education **is decreasing** with many young people seeking education abroad.

By 2035, **population aged under 24 will decrease by almost 32%** posing further challenges on education system.

Adults' participation in life-long learning **is decreasing** among both men and women.

PERCENTAGE OF CHILDREN WITH POOR PERFORMANCE
BY SOCIO-ECONOMIC BACKGROUND



80% of schools have indoor sanitary facilities, out of which only 24% are adapted to the needs of children with disabilities.

Children in rural areas perform worse than in urban settings.

Socio-economic wellbeing of households and urban/rural residence determine **access to ECD**.

Only **11% of children with disabilities** have access to ECD. Access of Roma children is similarly low.

150,000 OUT OF KINDERGARDEN

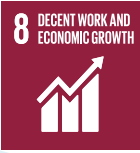
75% of surveyed children and youth lacked sufficient devices (poor 80%).

25% were in a school that only partially ensured remote learning (poor 55%).



PHOTO: UNDP MOLDOVA

PROSPERITY

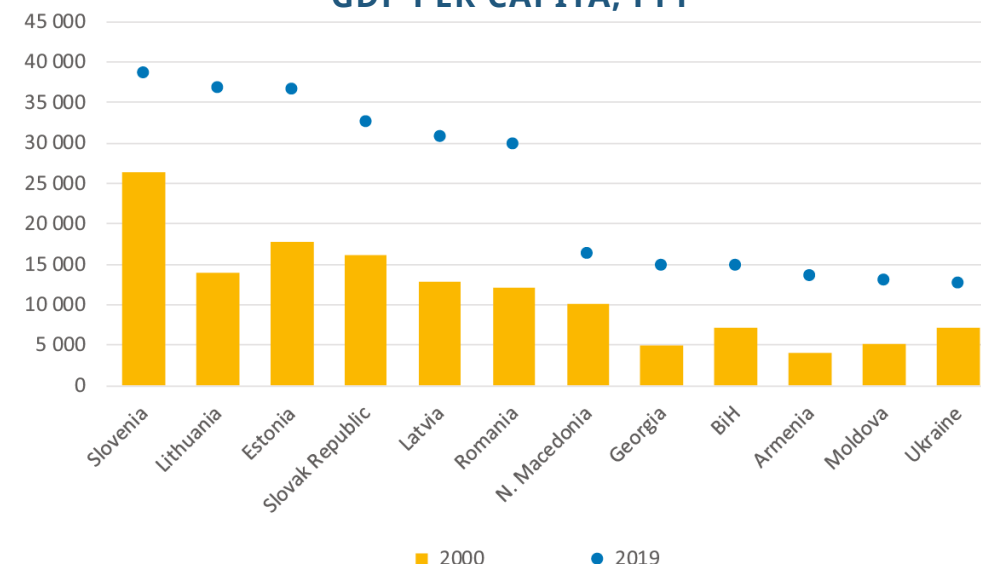


THE PROGRESS
TOWARDS SUSTAINABLE
ECONOMIC GROWTH
PRE COVID-19 HAS BEEN
SLOWING DOWN

MOLDOVA
UNDERINVESTS IN
TECHNOLOGIES AND
INNOVATION AND
UNDEREXPLOITS ITS
EXPORT POTENTIAL

COVID-19 NEGATIVELY
AFFECTED MOLDOVA'S
ECONOMY

GDP PER CAPITA, PPP



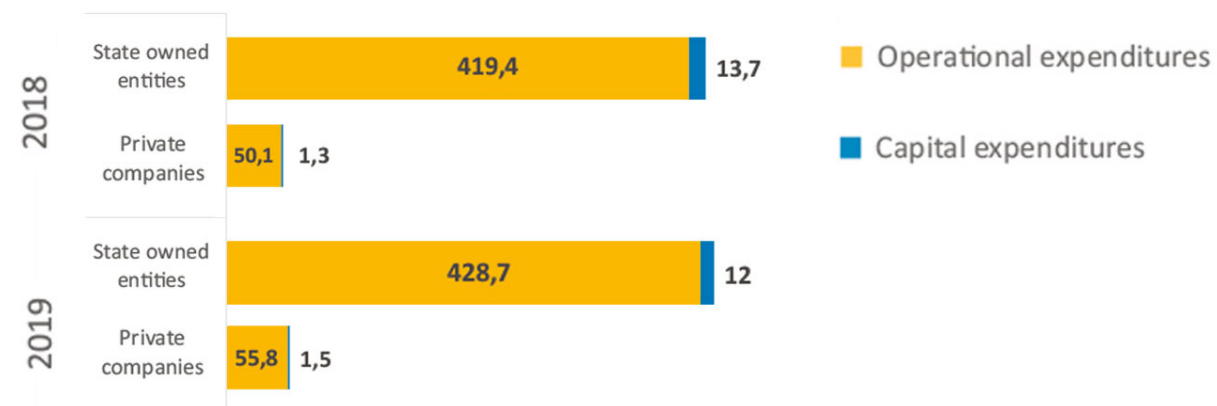
The FDI is still low and below its potential.

The agri-sector contribution to GDP is decreasing. The IT is the most dynamically developing sector.

MSMEs (98.6% of all enterprises) have low productivity (16% of the EU average), while the share of SMEs offering green products or services fell by more than twice.

Remittances were in decline, however showed upward trend in 2020 reflecting the formalization of money transfer flows.

EXPENDITURE ON R&D



Moldova lags behind its peer countries in terms of innovation.

Less than 1/5 enterprises integrate innovations into their activity.

Moldova spends 8 times less than the European average on R&D.

While almost 2/3 in Moldova's total exports and over a half of its total trade belongs to the EU, Moldova underutilises its export potential.

In 2020 the GDP contracted by 7% (NBS).

Public debt will likely reach 36% of GDP.

Service sector (over 57% of Moldova's economy with 59% of women employment) is the most affected by COVID-19.

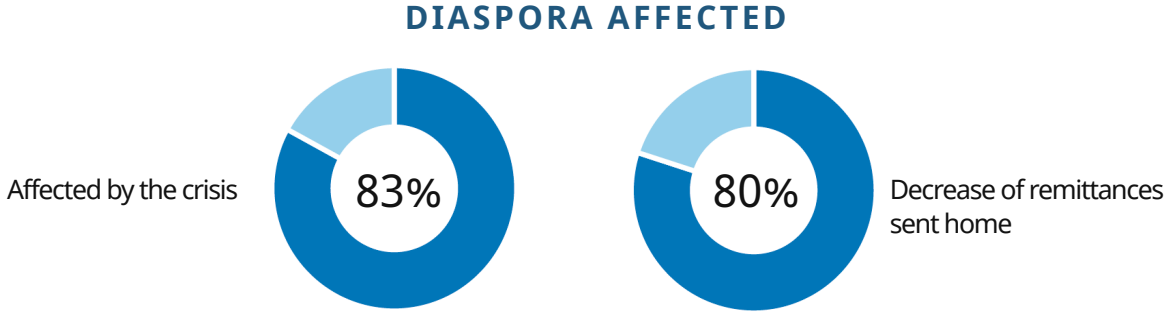
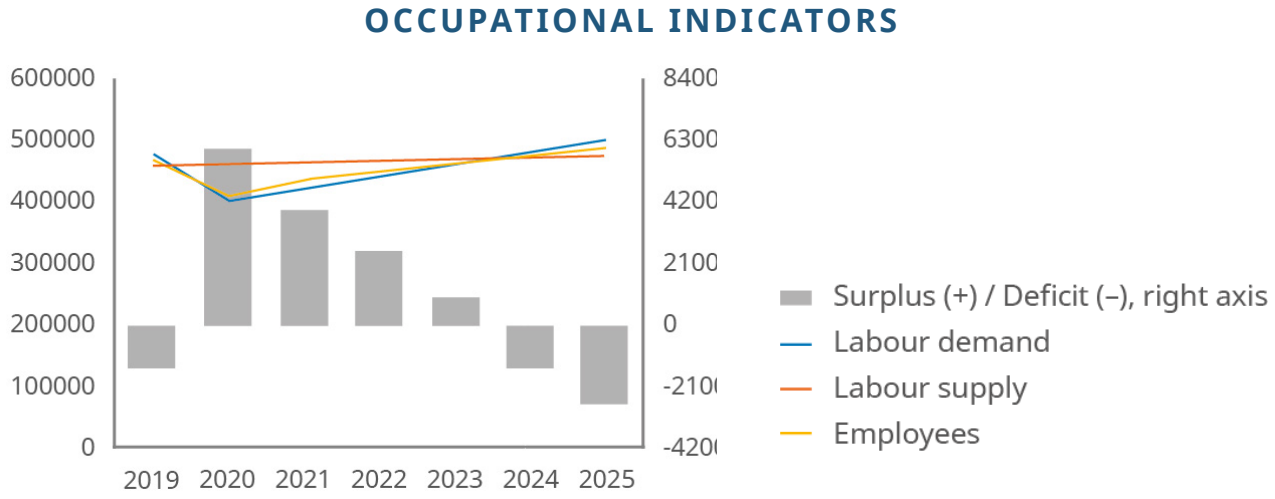
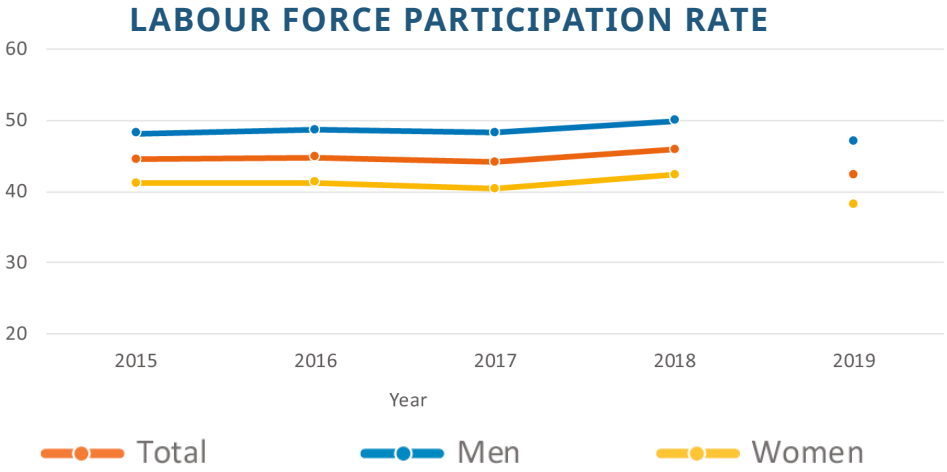
8%

OF MSMES RECIEVED GOVERNMENT SUPPORT

EMPLOYMENT RATES ARE THE LOWEST IN THE REGION AND LABOUR MARKET IS CHARACTERISED BY SUBSTANTIAL GENDER AND AGE-BASED DISCRIMINATION

SKILLS MISMATCH AND THE SHORTAGE OF A SKILLED WORKFORCE

THE COVID-19 CRISIS HAS GIVEN RISE TO CATEGORIES OF “NEWLY VULNERABLE” WORKERS AND JOB SEEKERS



Low employment rates (2019: 40%; EU average: 53% in 2019).

Persons with disability are twice more likely not to participate in the labour market as compared to persons without disabilities.

Every third person living with HIV is unemployed.

Inactivity rates have been high. The share of NEET is ~30% (20% men - 40% women).

While declining, informal employment is still high (2019: 23%; agriculture: 64.3%).

Job vacancy rates soared to record high (2019: 83%).

Net job creation has marginally improved; most of the jobs require middle-skilled roles in retail and service sectors.

Nearly half of the workforce performs in jobs that require low levels of qualification.

25 % of women - 15 % of men reported increased time spent on at least three unpaid domestic activities.

18% job loss among poor surveyed (versus 2.8% in the general population).

Freelancers, craftspersons, individual entrepreneurs and small farmers were highly affected.



PHOTO: FAO MOLDOVA

PEACE AND PLANET



GENDER INEQUALITIES AND GENDER-BASED VIOLENCE REMAIN A KEY PROBLEM

69% OF VULNERABLE WOMEN LOST AT LEAST
25 % OF THEIR INCOME DURING THE PANDEMIC

The **gender wage gap** is **14%**, in some sectors, such as finance, it reaches 38%.

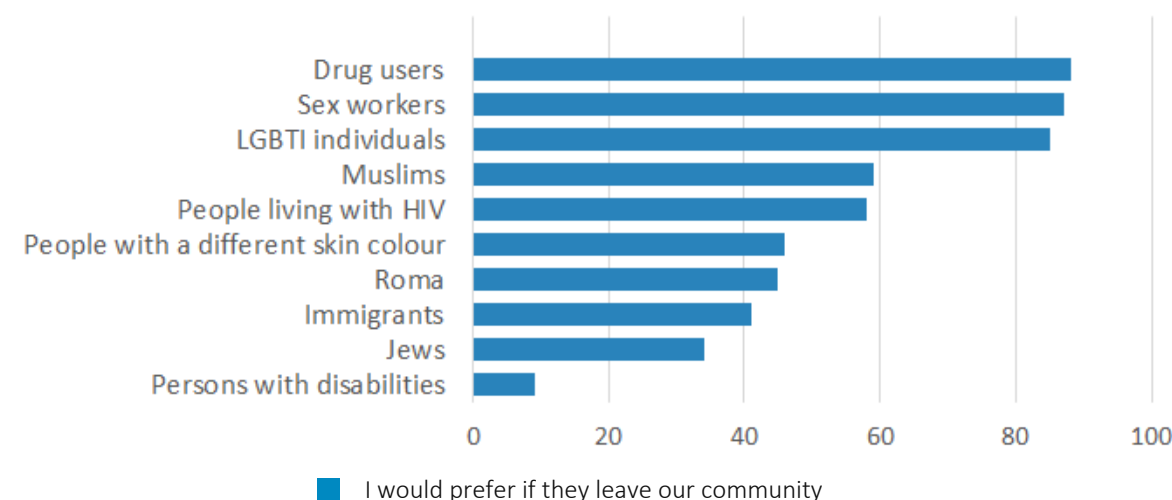
The participation of **women in business** has **improved by 6.4%**.

40% of women were victims of **domestic physical violence** at least once in their lives.

Low mainstreaming of gender equality into processes **for strategic planning**, policy development and budgeting.

SOCIAL COHESION REMAINS FRAGILE WITH NEGATIVE ATTITUDES TOWARDS VULNERABLE GROUPS

ACCEPTANCE OF VULNERABLE GROUPS



SCORE survey:

85% would prefer LGBT people to leave their community.

50% would prefer for people living with HIV and AIDS and Muslims to leave their communities.

30% would prefer for Jews, Roma and immigrants to leave their communities.

THE ESTABLISHMENT OF A HUMAN- CENTERED JUSTICE SYSTEM REMAINS TO BE ADDRESSED



76% of court users express negative views in terms of its performance, while 68% of businesses do not expect fair court proceedings and only 20% of citizens believe that courts are fair and impartial.

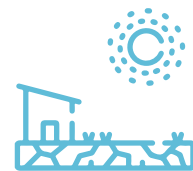


Moldova ranks **92** across **128** countries in the Rule of Law index.

MOLDOVA IS ONE
OF THE MOST
VULNERABLE
COUNTRIES TO
CLIMATE CHANGE
IN EUROPE

RESILIENCE BUILDING
AND ACCESS TO BASIC
SERVICES IN LOCAL
COMMUNITIES AND
VULNERABLE GROUPS
REMAIN A KEY ISSUE
TO BE ADDRESSED

\$ 50 MILLION
IN ECONOMIC LOSSES FROM DISASTERS
OVER THE LAST 10 YEARS



Climate modelling anticipates that droughts will become more frequent and severe

BY 2040

6.8% decline in average annual rainfall - summer (19.3%) and autumn (16%).

4.5 times more likely to have frequent and severe drought, with catastrophic drought (less than 50% of annual rainfall).

BY 2080

2/3 decrease in available **water resources**.

Increased occurrence and severity of **flash floods**.

Larger surfaces of degraded land.

**ONLY 1/5 OF RURAL
POPULATION**
ARE CONNECTED TO SEWERAGE FACILITIES

Disaster risk reduction and climate change **adaptation** should be mainstreamed into national development policies.

Waste generation rate (3.12 kg/ capita/day) is the second highest in Europe, yet its recycling is underdeveloped.

50% total air pollution is generated in the cities.

THE COUNTRY HEAVILY RELIES ON EXTERNAL ASSISTANCE



The **country heavily relies on external assistance** in financing its structural reforms and development while IFIs representing a major source of funding for Moldova’s development priorities.



The country’s efforts to finance infrastructure investments from its own capital stock are limited by the large budget share of recurrent expenditures (92% of total) and the significant under-execution of public investment.

MOLDOVA COULD BENEFIT FROM ALTERNATIVE FINANCING



The **private sector role in impact investing through public-private partnerships (PPPs) is limited by:**

- Inefficient legal framework
- Lack of capacity to implement and monitor PPP projects
- Lack of trust in judiciary system to protect PPP stakeholders



In order to improve financing of SDGs, Moldova could benefit from having an **integrated system to track public and private spending alignment to SDGs Agenda.**



UNITED NATIONS
MOLDOVA



THANK YOU