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

CHISINAU, MARCH 2021
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, LGBI 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.
LEAVE NO ONE BEHIND
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.
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.
Moldova is among the top countries with fastest shrinking population in the world.

Population decline is expected to continue due to 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 scenariors projections, even the medium scenario predicts a **decrease of the population** to less than 2.4 million by 2035.
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.

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

**School enrolment 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 aboard.

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.

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.

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

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

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

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<tbody>
<tr>
<td>Urban</td>
<td>94.5</td>
<td>113.8</td>
</tr>
<tr>
<td>Rural</td>
<td>67.1</td>
<td>72.8</td>
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</tbody>
</table>

**PERCENTAGE OF CHILDREN WITH POOR PERFORMANCE BY SOCIO-ECONOMIC BACKGROUND**

<table>
<thead>
<tr>
<th></th>
<th>Reading</th>
<th>Math</th>
<th>Science</th>
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<tbody>
<tr>
<td>disadvantaged</td>
<td>22</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>advantaged</td>
<td>66</td>
<td>72</td>
<td>64</td>
</tr>
</tbody>
</table>

**150,000 OUT OF KINDERGARDEN**
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

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.

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.
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.
PEACE AND PLANET
GENDER INEQUALITIES AND GENDER-BASED VIOLENCE REMAIN A KEY PROBLEM

SOCIAL COHESION REMAINS FRAGILE WITH NEGATIVE ATTITUDES TOWARDS VULNERABLE GROUPS

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

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.

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.

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.

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.

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

UNITED NATIONS MOLDOVA

WE ARE 6.3 MILLION
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.

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.
THANK YOU