



Government of the Republic of Moldova



United Nations Organization

# COMMON COUNTRY ASSESSMENT

Republic of Moldova

July 2005  
Chisinau

# Table of Contents

Executive Summary .....	3
Abbreviations .....	4
Moldova at a glance.....	6
<b>Chapter 1. Introduction.....</b>	<b>8</b>
1.1. Purpose of the Common Country Assessment .....	8
1.2. Relevance to National Development Frameworks .....	8
1.3. Preparation Process.....	8
<b>Chapter 2. A Rights-Based Assessment of Human Development in Moldova.....</b>	<b>9</b>
2.1. The right to development and well-being .....	9
2.2. The right to health .....	15
2.3. The right to education.....	26
2.4. The right to a healthy environment.....	30
2.5. The right to social protection.....	36
2.6. The right to good governance .....	42
Emergency preparedness and response .....	45
2.7. Cross-Cutting Concerns .....	48
Young people .....	48
Gender equality .....	49
The current situation in the Transnistrian region of the Republic of Moldova .....	52
<b>Chapter 3: Proposed Areas of Cooperation.....</b>	<b>55</b>
Priority area 1: Increasing access to quality social services.....	55
Priority area 2: Governance reform.....	56
Priority area 3: Regional and local development.....	56
Priority area 4: Enhancing civic participation .....	57
Priority area 5: Promoting and protecting human rights.....	57
<b>List of Annexes</b>	
Annex A: Indicators Framework .....	58
Annex B: Linking Table .....	66
Annex C: Moldova's International Human Rights Obligations .....	70
Annex D: International Environmental Conventions .....	71
Annex E: Demographic Situation.....	72
Annex F: Public Financial Management System .....	78
Annex G: List of Key References .....	87

## Executive Summary

This Common Country Assessment (CCA) was conducted jointly by UN Agencies, in collaboration with Government and civil society representatives, between January and July of 2005. It offers a comprehensive assessment of the human development situation in Moldova. The objective is to ensure that the CCA complies with and enhances the national development framework contained in the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) by offering additional insight, data, and analysis of key issues related to public expenditure policy and governance reform, health and education, the environment, and social protection for the most vulnerable groups in Moldova.

This is a particularly appropriate time for the UN and its partners to engage in such an exercise as Moldova is at cross-roads in its economic and social development. Since gaining independence in 1991, the country has taken significant steps to modernize its economy, address corruption and improve access to health and education services. However, despite numerous positive achievements, the quality of life for many Moldovans has deteriorated as will be documented in chapter 2 of this CCA.

Chapter 3 of this CCA offers five possible areas for future cooperation between the UN system, government, and civil society, for the period 2007 thru 2011. Each of these areas represents a set of key underlying causes common to the problems summarized above, and analyzed in the report. These **areas of cooperation** below will be elaborated further in the United Nations Development Assistance Framework (UNDAF):

- A. Increasing access to quality social services
- B. Governance reform
- C. Regional and local development
- D. Enhancing civic participation
- E. Promoting and protecting human rights.

## Abbreviations

CEE/CA	Central and Eastern Europe/Central Asia
CEE/CIS	Central and Eastern Europe/ Commonwealth of Independent States
CBO	Community-Based Organization
CCA	Common Country Assessment
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CFAA	Country Financial Accountability Assessment
CIS	Commonwealth of Independent States
CoA	Court of Audit
CRC	Convention on the Rights of the Child
CSO	Civil Society Organization
DSS	Department of Statistics and Sociology/NBS: National Bureau of Statistics <sup>1</sup>
ECD	Early Childhood Development
EGPRSP	Economic Growth and Poverty Reduction Strategy Paper
EPI	Expanded Programme on Immunization
EU	European Union
FCD	Financial Control Department
GDP	Gross Domestic Product
HBS	Household Based Surveys
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IBRD	International Bank for Reconstruction and Development (World Bank)
ICPD	International Conference for Population and Development
IDD	Iodine Deficiency Disorder
IEC	Information, Education and Communication
ILO	International Labour Organization
IMCI	Integrated Management of Childhood Illnesses
IMR	Infant Mortality Rate
IPEC	International Programme on the Elimination of Child Labour
IT	Information Technology
IUD	Intra Uterine Device
KAP	Knowledge, Attitude, Practices
LSBE	Life Skills-Based Education
MD	Millennium Declaration
MDGs	Millennium Development Goals
MDGR	Millennium Development Goals Report
MFIs	Micro-Finance Institutions
MMR	Maternal Mortality Rate
MAFI	Ministry of Agriculture and Food Industry
MoE	Ministry of Economy/MET: Ministry of Economy and Trade <sup>2</sup>
MoEd	Ministry of Education/MEYS: Ministry of Education, Youth and Sport <sup>3</sup>
MENR	Ministry of Environment and Natural Resources
MoF	Ministry of Finance

---

<sup>1, 2, 3</sup> Changes occurred after March 2005 elections



MoH	Ministry of Health/MHSP: Ministry of Health and Social Protection <sup>4</sup>
MoJ	Ministry of Justice
MTEF	Medium Term Expenditure Framework
NGO	Non-governmental Organisation
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation
PFAP	Private Farmers Assistance Program
PFM	Public Financial Management
PPMU	Policy and Poverty Monitoring Unit
PPP	Purchasing Power Parity
PTA	Parent Teacher Association
SDES	State Department for Exceptional Situations
SME	Small and Medium Enterprises
STIs/STDs	Sexually Transmitted Infections/Diseases
TG	Theme Group
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNODIHR	United Nations Office for Democratic Institutions and Human Rights
UNRC	United Nations Resident Coordinator
VAT	Value Added Tax
WES	Water and Environmental Sanitation
WFCL	Worst Forms of Child Labour
WHO	World Health Organization
WTO	World Trade Organization

---

<sup>4</sup> Changes occurred after March 2005 elections

## Moldova at a glance

The Republic of Moldova is a small landlocked country<sup>1</sup> in the Southeast of Europe, neighbouring Romania to the West and Ukraine to the East. It is a Parliamentary Republic with a President elected every 4 years.

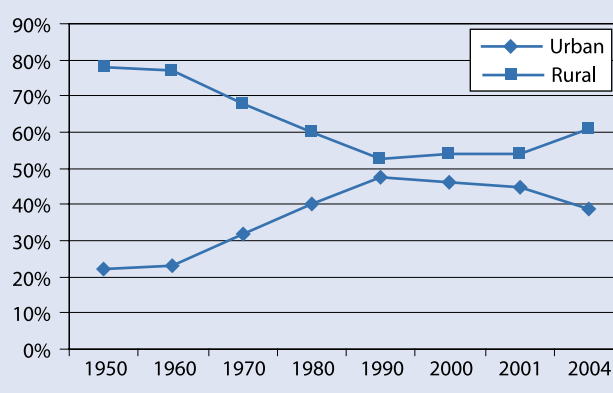
Since its 27 August 1991 independence from the disintegrating Soviet Union, Moldova has faced numerous political, economic and social challenges in transforming from a command economy to a democratic market economy. The country has made significant progress towards macroeconomic and financial stabilization resulting in an environment more conducive to medium-term economic growth and development. Nonetheless, Moldova's living standards and human development indicators still rank amongst the lowest in Europe, even in comparison with other transition economies.

The 2004 census, which did not cover Transnistria, estimates the population at 3,607,435<sup>2</sup>. Life expectancy at birth is 65 for men and 72 for women<sup>3</sup>, well below the EU average of 79.06. In rural areas, life expectancy is 3 years lower for both sexes. Birth rates per thousand people dropped from 18 to 10 between 1990 and 2003. During the same period, mortality rate increased

from 10 deaths per thousand people to nearly 12. The number of children under five years of age has declined by half. However, by the beginning of 2004, the proportion of adolescents and young people between the ages of 10 and 24 increased compared to 1990, i.e. adolescents in 2004 accounted for 19.4% of the whole population and in 1990 – 16.4%; young people in 2004 – 18.7% and in 1990 – 14.4%<sup>4</sup>.

The population in Moldova is mostly rural and appears to be rural-ising (Figure 1<sup>5</sup>). The urban share of the population peaked at about half in 1990 but has declined to 39% in 2003. Between 1990 and 2003, 171,000 people left their urban homes and returned to the countryside, mostly the retired or underemployed<sup>6</sup>. Young people have tended to leave rural areas for larger cities where there are more opportunities or they migrate abroad in search of work. Thus, people over 60<sup>7</sup>, account for 15.2% of the rural population compared to 11.8% of the urban population. Overall, 1 in 7 people in Moldova is over 60<sup>8</sup>. These trends are accompanied by mass migration abroad,

**Figure 1: Rural-ising Population**



<sup>1</sup> On 30 September, 2003, Moldova was formally accepted to the Group of land-locked developing countries.

<sup>2</sup> According to the preliminary data of the census: 3,607,435, of which 52% (1,756,000) are women, and 48% (1,632,000) are men. The median age is 35. The census covered an estimated 93% of the population. The Transnistria was not included in the census. A separate census has been performed in the Transnistria region. Department of Statistics and Sociology (DSS). Demographic situation of the population of the Republic of Moldova, DSS, 2004.

<sup>3</sup> Statistics Annual of the Republic of Moldova, 1991-2004.

<sup>4</sup> National Bureau of Statistics, 2004

<sup>5</sup> Aurica Susu, "Impact of structural demographic population changes on rural development", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 56

<sup>6</sup> Aurica Susu, "Impact of structural demographic population changes on rural development", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 54

<sup>7</sup> Gh. Paladi, Academy of Science, "Demographic aspects of ageing in the Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 19

<sup>8</sup> Demographic situation in the Republic of Moldova for 2003, Department of Statistics and Sociology

motivated mainly by poverty. Officially an estimated 367,000 Moldovan citizens, or 10% of the population have left the country in search of employment<sup>9</sup>. Unofficial figures are higher.



<sup>9</sup> Preliminary results of the national population census, DSS, Information Note, January, 2005

# CHAPTER 1

## INTRODUCTION

### 1.1. Purpose of the Common Country Assessment

This United Nations Common Country Assessment (CCA) provides a comprehensive assessment of the development situation in Moldova. It identifies the key problems and highlights the immediate, underlying and root causes of these problems. It also seeks to identify those groups and individuals within society whose rights are not being met, those who have an obligation to act, and their capacity to do so. On the basis of this assessment, the CCA concludes by establishing strategic areas of cooperation for the UN, government, and civil society cooperation for the period 2007 to 2011 to be elaborated further in the United Nations Development Assistance Framework (UNDAF). Every effort has been made to ensure that the data, analysis and argument in this report reflect the widest and most credible information available, as of May 2005.

### 1.2. Relevance to National Development Frameworks

A key aim of the CCA is to ensure that the analysis both complies with and enhances the national development framework contained in the Government's main strategic document – EGPRSP – Economic Growth and Poverty Reduction Strategy Paper<sup>1</sup>. A summary table is provided in Annex B, which links the major development problems analyzed in this CCA to the EGPRSP, the Millennium Development Goals (MDGs)<sup>2</sup>, and to the human rights instruments ratified by the government (Annex C). The problems analyzed in this CCA are also aligned with a core set of issues identified in the European Union – Republic of Moldova Action Plan.

### 1.3. Preparation Process

Preparation of the CCA was launched in January 2005 with the first meeting of the CCA/UNDAF Steering Committee. The Deputy Prime Minister of Moldova and the UN Resident Coordinator serve as co-chairs. Two theme groups (TGs)<sup>3</sup> and several sub-groups were established with membership drawn from senior government ranks, civil society, academia, donor organizations and UN Agencies. Special attention was paid to the involvement of non-resident UN Agencies. The TGs reflect the overall structure of the EGPRSP.

### Methodology

The work involved 5 major steps. In **step 1**, sub-groups compiled key data about the national development situation (see Annex A) and identified major development problems in terms of the most-affected population groups, geographic disparities, and trends. In **step 2**, the sub-groups selected a limited number of key problems for deeper analysis<sup>4</sup>, establishing their immediate, underlying and root causes and identifying the individuals or groups whose rights were not being met, individuals and groups responsible for taking action, and their capacity needs for doing so. In **step 3**, there were a series of facilitated review meetings on 31 March with the full theme group membership to further elaborate the human rights analysis. In **step 4**, a core of theme group members met to identify and select initial areas of cooperation. In the **final step**, the various components were consolidated into a first draft CCA document. This was shared with all Theme Group members on April 30 for review and comment.

---

<sup>1</sup> The EGPRSP was approved by the Parliament in November 2004.

<sup>2</sup> The First National MDG Report was approved by the Government of the Republic of Moldova in March 2005.

<sup>3</sup> Both Theme Groups were co-chaired by one Government and one UN representatives. The lists of TGs' members can be obtained from the following URL [http://un.md/un\\_common/docs/FILE9.doc](http://un.md/un_common/docs/FILE9.doc)

<sup>4</sup> The main criteria were: (1) the magnitude and severity of the problem; (2) a negative trend; (3) the risk of humanitarian crises or natural disasters; (3) extreme disparities; (4) clear linkages to achievable MDGs (5) opportunities for cooperation among UN agencies and with government and civil partners; (6) relevance to the mandates of UN agencies.

## CHAPTER 2

# A RIGHTS-BASED ASSESSMENT OF HUMAN DEVELOPMENT IN MOLDOVA

This chapter assesses the human development situation in Moldova. Major problems are assessed and analyzed to identify trends, geographic disparities and the most-affected population groups. The individuals and groups in society who are mainly responsible for taking action are identified, as is the assistance they will require in order to take effective action.

### 2.1. The right to development and well-being

#### Poverty

The available estimations of poverty are based on several methodologies: of the World Bank, the National Bureau of Statistics and a Policy and Poverty Monitoring Unit in the Ministry of Economy. They are described in the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP), and were therefore officially approved when the EGPRSP was approved by the Parliament. In the near future several other methodological documents will be approved and will contribute to improving poverty and policy monitoring, systems and tools. The Government's capacity to monitor poverty reduction policies, particularly with respect to the impacts of government expenditures<sup>1</sup>, is limited for the

following reasons: low salaries do not attract skilled staff, policy monitoring institutions do not have sufficient technical and financial resources or use outdated methodologies and function based on obsolete regulations. Statistical data are not disaggregated sufficiently by gender, geographic area or type of settlement. These constraints significantly reduce the development and targeting of policies to make them pro-poor.

The last available official data for the CCA is from 2002. Since then, due to continuous economic growth, a relative decrease in poverty levels is to be expected.

In 2002, the average per capita income was \$2,428 USD per annum, measured in terms of purchasing power parity<sup>2</sup>. In the same year, 40% of Moldovans were defined as poor, and more than 1 in 4 Moldovans lived in extreme poverty, making less than 212 lei per month<sup>3</sup>. Poverty is largely a rural problem with 70% of the total affecting agricultural labourers and small farmers<sup>4</sup> (Figure 2). One in five poor people live in small towns.

**MDG 1:  
STATUS AND PROSPECTS  
HALVE BETWEEN 1990 AND 2015  
THE PROPORTION OF PEOPLE IN EXTREME POVERTY  
AND WHO SUFFER FROM HUNGER**

In 2002, 40 percent of the population lived on less than \$2.15 per day (PPP values).

It is *probable* that the goal can be reached if actions are taken to create a coherent regulatory framework and strengthen the investment climate, make public administration more transparent and accountable, improve access to basic services in rural areas, and better target social assistance to the poor.

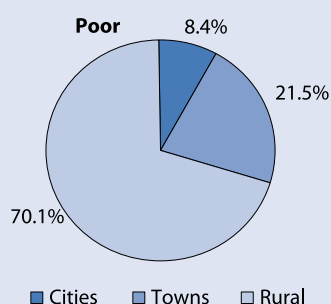
Source: MDGR, 2004

<sup>1</sup> *Economic Growth and Poverty Reduction Strategy Paper (2004-2006)*, Government of the Republic of Moldova, Chisinau, May 2004, Ch6.3.1.

<sup>2</sup> *National Human Development Report – Good Governance and Human Development*, UNDP, Republic of Moldova 2003, table 13, page 23.

<sup>3</sup> *Poverty in Moldova, 2002, Poverty and Policy Monitoring Unit (PPMU)*, The Ministry of Economy, 2003. It should be noted that the relevance of the Moldovan poverty lines is questionable. In case of extreme poverty, the line of 212 Moldovan lei is the equivalent of living on less than \$16 USD per month.

<sup>4</sup> *Economic Policies for Growth, Employment and Poverty Reduction study, draft*, April 2005

**Figure 2: Distribution of the poor by type of residence, 2002**

Source: PPMU based on HBS data

During Soviet times, most small towns were dependent on a few enterprises. Upon independence and the loss of markets, subsidies, and guaranteed employment, long term structural unemployment has become a severe problem. The rate of unemployment in small towns is approximately 12%<sup>5</sup>. Inhabitants of small and medium-sized towns are the most vulnerable to experiencing extreme poverty. Statistical data show that the poorest rural households have the highest share of in-kind income. This means that a typical Moldovan farm is not producing for the market, but for its own consumption needs<sup>6</sup>.

The evidence is strong that there is greater incidence of poverty and extreme poverty in families with three or more children, single-headed families and with the single elderly. Due to changes in the population structure, there is a trend towards feminization of the rural population; hence, future measurements are likely to show that women are more severely affected by poverty<sup>7</sup>. Women are also more frequently employed in lower paid jobs than men. This trend has led to an increase of the gender pay gap to 28% (i.e. on average, women get 28% lower salary than men). The distribution of income also indicates a lower income from entrepreneurial activities and a higher reliance on social assistance indemnities, including pensions. In 2003, 41.3% of the households headed by women assessed their living standards as low compared to 27.7% of households headed by men<sup>8</sup>.

Of particular concern are the 1 in 5 children classed as poor in Moldova. Extreme poverty among children is especially acute: 33% of children under the age of 5 do not receive adequate food to meet their proper health and development needs<sup>9</sup>. Mirroring the national poverty profile, this situation is most serious in rural areas.

While in general elderly people are not the most affected group, within this larger group some are extremely vulnerable (e.g. pensioners-only households, old pensioners, and women relying on pensions). In the age group 58–61, 90.4% of women rely on pensions as their main source of income, compared to only 20.7% of men of the same age. The disparity decreases with age. 98.2% of men over 70 and 98.8% of women over 70 depend on pensions<sup>10</sup>.

Inequality is another problem related to poverty. While Moldova started transition as a nearly egalitarian society, with Gini of low 0.25, inequality rose sharply in 1992 reaching a Gini index of high 0.40, and between 1992 and 1999 the situation further worsened, reaching a Gini value of 0.44 (with certain decline to 0.39 in 2001). High inequality hampers perspectives of economic growth and reduces its pro-poor benefits.

### Inequity in social protection spending

Social protection programs in Moldova do not always target the poorest. The non-poor represent 41% of beneficiaries and account for nearly a third of total spending (Table 1). The housing programme displays even higher inequity.

<sup>5</sup> *Workforce in Republic of Moldova – employment and unemployment: 2004*, DSS, March 2005.

<sup>6</sup> *Efficiency of the Agricultural Sector in the Post-Privatization Period*, Private Farmers Assistance Program PFAP, 2004.

<sup>7</sup> Aurica Turcan, "An analysis of demographic and demo-economic ageing in Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p.102

<sup>8</sup> "Women and men in the Republic of Moldova", DSS, 2004

<sup>9</sup> *Poverty in Moldova, 2002*, PPMU, 2003.

<sup>10</sup> "Women and men in the Republic of Moldova", DSS, 2004

**Table 1. Equity in social protection spending by the State**

	Extremely poor			Poor			Non-poor (reflects losses)		
	Coverage, % of total per category	Share of total beneficiaries	Share in the budget	Coverage, % of total per category	Share of total beneficiaries	Share in the budget	Coverage, % of total per category	Share of total beneficiaries	Share in the budget
Social assistance	20.8%	48.8%	61.9%	16.3%	10.1%	6.9%	13.7%	<b>41.2%</b>	<b>31.2%</b>
Nominal compensation for housing	13.5%	45.8%	60.1%	11.3%	10.2%	7.0%	10.1%	<b>44.0%</b>	<b>32.9%</b>
Child benefits	9.9%	61.1%	63.9%	7.3%	9.9%	7.6%	5.4%	29.0%	28.5%
Social pensions	4.5%	62.7%	62.0%	1.9%	7.2%	7.5%	1.7%	30.1%	30.5%

Source: *Recession, Recovery and Poverty in Moldova*, World Bank, Report No. 28024-MD, 2004.

## Labor force migration

The general census in October 2004 revealed that between two censuses (i.e. 1998 and 2004), 367,000 Moldovan citizens, or 10% of the population, have left the country to seek employment<sup>11</sup>, while unofficial sources state that the number of potential migrants was around 600,000 people<sup>12</sup> by September-October 2004. Migration is both a consequence of poverty and a key strategy for coping with it. The Central Bank estimates that remittances in 2004 amounted to \$701 million USD, representing nearly 27% of GDP<sup>13</sup>. Migration serves to reduce the pressure on the labor market. Remittances play a central role in balance of payment deficit financing<sup>14</sup> and there is evidence that household poverty is decreased when family members are able to work abroad<sup>15</sup>. Most remittances are used for current consumption, education and health, purchase of real estate. Since government revenues are mainly derived from VAT and excise taxes, remittances help to sustain the government budget and expenditures on essential public services. However, the negative effects of migration may come to overshadow the positive ones. Migration reduces the number and quality of the labor force and has increased the dependency ratio, from 1.41 in 2002 to 1.74 in 2004<sup>16</sup>. In terms of macro-economic policy and management, remittances exert inflationary pressure, and complicate monetary policy. Most importantly, it reduces pressure to implement systematic actions on regulatory matters, corruption, and macro-economic policy development.

## The Macroeconomic situation: external vulnerability

Inflation and debt are both undermining the economic stability. In both 2003 and 2004, **inflation** exceeded the targets set by the National Bank<sup>17</sup>. Since growth in the consumer price index is seen mainly in the price of basic foodstuffs, and these represent over 75% of spending in poor households (Table 2), inflation affects the poor most severely<sup>18</sup>.

**Table 2. Structure of consumption expenditures by poverty status, 2002 (%)**

	Total	Poor	Extreme poor	Non-poor
Food	58.4	<b>75.8</b>	<b>77.4</b>	54.5
Housing and utilities	14.8	10.4	10.2	15.8
Healthcare	4.0	2.1	1.8	4.4
Education	1.4	0.4	0.4	1.6

Source: PPMU

<sup>11</sup> Preliminary results of the national population census, DSS, Information Note, January, 2005

<sup>12</sup> Republic of Moldova: Selected issues, International Monetary Fund, February 2005.

<sup>13</sup> Quarterly Monetary Report, Quarter 4, 2004, National Bank of Moldova.

<sup>14</sup> The IMF estimates that remittances covered nearly ¾ of the trade deficit in 2002-2003 Republic of Moldova: Selected issues, International Monetary Fund, February 2005.

<sup>15</sup> The IMF estimates that in 40% of households with a member working abroad, at least 65% of their income is derived from remittances. Republic of Moldova: Selected issues, International Monetary Fund, February 2005.

<sup>16</sup> The dependency ratio is equal to the number of unemployed persons per 1 employed person. Generally, the higher the ratio, the higher the fiscal burden on active workers and businesses because they have to pay more in taxes to provide social assistance. Workforce in Republic of Moldova – employment and unemployment: 2004, DSS, March 2005.

<sup>17</sup> Inflation was 16% in 2003 and 13% in 2004. The target is 8 to 10%

<sup>18</sup> Poverty in Moldova 2002, Summary, PPMU, Ministry of Economy, 2003.



The **trade deficit** amounts to 30% of GDP. It reflects Moldova's quite narrow range of export products, dominated by agricultural produce and by the food and beverages sector, together accounting for around 50% of exports. While these sectors may still retain a potential for further development, weaknesses in adherence to international standards for quality, packaging and marking, as well as limited marketing skills and other market access issues have so far precluded more significant expansion into e.g. the EU market. The trade deficit also reflects the low diversity of export markets, which in turn highlights the shortcomings in market knowledge and market exposure of Moldovan SMEs. Moldova's exports to the Commonwealth of Independent States (CIS), primarily Russia<sup>19</sup> outweigh the exports to the EU and other Western markets. Moldova will have to respond to the current regulations of the World Trade Organization (WTO). In the area of trade facilitation, for instance, these will result in specific obligations in areas such as information flows, availability of and access to information, as well as the use of aligned trade documents. In order to address this situation an assessment of Moldova's current trade infrastructure should be undertaken to identify needs, priorities and opportunities.

The **external debt** of Moldova was \$1.6 billion USD in January 2005. In recent years, total external debt has decreased both in absolute terms and as share of GDP (the ratio of external debt to GDP fell from 97.2% at the end of 2003 to 74.2% at the end of 2004)<sup>20</sup>. However, debt-servicing remains high, and this diverts badly needed resources from investments in essential public services and public infrastructure. Moldova also remains highly vulnerable to fluctuations in global energy prices, due to significant energy imports. In March 2005, the domestic fuel price rose by 6%, a significant cost impact for farming households.

### A regulatory framework for growth and investments: still in transition

The on-going regulatory reform led by the Ministry of Economy and Trade has brought simplifications in the legal framework; it is expected that the effect of the reform will be visible in the near future already. Businesses are in great need of a better operating environment; as reports, looking at the last several years, showed weaknesses of the regulatory framework impact on the number of new businesses created, number of jobs, and size of informal economy<sup>21</sup>. The Ministry of Economy and Trade estimates that 60% of small and medium enterprises (SMEs) are not registered; it is estimated that the share of the informal economy in gross national income is equal to 45% of the formal one<sup>22</sup>. The overall result is that public revenue and expenditures suffer. The recent "guillotine" law<sup>23</sup> is intended to abolish all normative acts which are not in accordance with the legislation and are not market-oriented; over 700 documents fall under this category. However, abolishment itself may have

**Table 3. Main composition of trade, 2003**

Exports fob	US\$ m	% of total
Food products	314.3	39.8
Vegetable products	91.3	11.6
Textiles	129.7	16.4
Machinery & equipment	30.3	3.8
Total exports, including others	790.3	100.0
Imports cif		
Mineral products	297.7	21.2
Machinery & equipment	214.1	15.3
Textiles	118.4	8.4
Chemicals	132.7	9.5
Total imports, including others	1402.8	100.0

Source: The EIU Country Profile 2004

**Table 4. Main trading partners, 2003**

Exports fob to:	% of total	Imports cif from:	% of total
Russia	39.0	Ukraine	22.0
Romania	11.4	Russia	13.0
Italy	10.4	Germany	9.7
Ukraine	7.1	Italy	8.3

Source: The EIU Country Profile 2004

<sup>19</sup> In 2004 the CIS accounted for 51% of Moldova's exports, with Russia alone taking 36% (EIU Country Report May 2005)

<sup>20</sup> National Bank of Moldova, Annual Report 2004

<sup>21</sup> In 2003 medium-to-large Moldovan enterprises hired 177,000 new employees, but dismissed over 185,000. The positive net job creation for 2003 was only due to activity among small and micro enterprises. *Labor Market in the Republic of Moldova, 2004*, Department of Statistics and Sociology (DSS), 2005

<sup>22</sup> Doing Business Indicators, <http://rru.worldbank.org/DoingBusiness/default.aspx>, World Bank

<sup>23</sup> The Law on Reviewing and Optimisation of the Normative Framework Regulating Entrepreneurial Activity Regulation, nr. 424 of 16/12/2004.



little impact on the institutional practices, particularly in rural areas. Structural issues of concern are the over-bureaucratization of regulatory procedures for businesses, ambiguous functions of public institutions, lack of transparency in decision-making processes within ministries, and poor remuneration of public servants<sup>24</sup>.

### Weak support for enterprise development

SMEs play an important role in providing jobs and reducing extreme poverty, but the institutional, financial and physical infrastructure to support small and medium enterprises is still underdeveloped<sup>25</sup>. The Government has created a Fund for Support of Entrepreneurship and SME Development. Its budget is mainly comprised of budgetary transfers (in 2003, they amounted to only \$83,000 USD), thus few businesses have received support. The main benefit for businesses is through policies on taxes. Small businesses can benefit during 3 years from integral tax exemption and for the following three years – from partial tax exemption, (35%). The tax rate for businesses was reduced between 2000 and 2005 from 28% to 18%. The projected rate for 2006 is 15%. The creation of a sustainable trade support network that would improve access to higher quality business services and new markets by the underserved SMEs is critical to improve their export performance and ability to attract foreign investment. There appears to be a urban-rural divide in service provision for SMEs. Six national business development centres are all located in the capital, but appear to lack the know-how and resources necessary to tackle problems in the country as a whole. The lack of physical infrastructure and institutions to support entrepreneurship in rural areas is a major concern. Approximately 70% of roads are in poor or extremely poor condition, and this complicates the transport of agricultural products to markets<sup>26</sup>.

On the basis of this analysis, **3 key problems**<sup>27</sup> have been identified preventing greater traction in economic development and poverty reduction efforts: an unfavourable business environment; major regional inequalities; and public expenditure policy not supporting sustainable growth and poverty reduction.

### Unfavourable business environment

The cost of doing business in Moldova is high compared with regional and OECD standards. Excessive administrative procedures are the main culprit<sup>28</sup>. For example, it takes 30 days (according to the law it is from 3 to 10 days) and 10 separate procedures (one stop shops are being used now) to register a company, and a typical Moldovan business completes certification procedures 13 times and receives 18 visits by state inspectors per year. Unofficial transaction costs related to corruption and crime can be prohibitive<sup>29</sup>. Small and medium enterprises, in particular, fail to thrive. The Government State Programme for Small Business Support for 2002-2005 has some notable achievements such as the introduction of the “guillotine” law, entrepreneur patents and simplification of licensing procedures. But problems often emerge at the operational level, where there is a lack of human, technical and financial capacities for policy implementation<sup>30</sup>. A new Strategy has been developed for 2006-2008 which aims at supporting SME development sector to increase its contribution to the country’s sustainable economic growth and poverty reduction.

<sup>24</sup> *Economic Growth and Poverty Reduction Strategy Paper (2004-2006)*, Government of the Republic of Moldova, Chisinau, May 2004

<sup>25</sup> Moldova: Investment Climate Assessment, Final Draft, World Bank, May 27, 2004.

<sup>26</sup> Moldova: Investment Climate Assessment, Final Draft, World Bank, May 27, 2004.

<sup>27</sup> This analysis was conducted with government and civil society partners to identify the immediate, underlying and root causes of each problem. The causality diagrams (“problem trees”) can be obtained at the following URL [http://un.md/un\\_common/docs/CCA\\_CausalityDiagrams.doc](http://un.md/un_common/docs/CCA_CausalityDiagrams.doc)

<sup>28</sup> Doing Business Indicators, <http://rru.worldbank.org/DoingBusiness/default.aspx>, World Bank; and Moldova: Investment Climate Assessment, Final Draft, World Bank, May 27, 2004.

<sup>29</sup> Small business and corruption: a guide for entrepreneurs, Carasciuc L et al., Transparency International Moldova, 2003

<sup>30</sup> On July 26, 2004, the government adopted Decision nr. 834 “On some measures of regulating purchase and exports of cereals and cereal products”. According to the provisions of this decision, wheat, wheat flour, barley and their mix could be exported only on the grounds of a contract registered at the Universal Goods Market of Moldova. The Customs Department extended the provisions of this decision on all cereals and is asking for 12 documents to authorize exports.

The principal institution responsible for business environment is the Ministry of Economy and Trade. During the past two years it has been leading effectively the regulatory reform, which is a process of reviewing and streamlining business regulations in order to cut the ineffective ones that hinder investment and enterprise development. During this time the Ministry's human and technical capacities have improved significantly albeit, its capacity to coordinate and enforce state economic policies in all public administration institutions is quite limited since responsibility for economic policies is dispersed among several ministries and departments. Recent recommendations to improve the situation include:

- A separate agency for SME promotion, with particular emphasis on export development, to implement state policies and communicate more effectively with small business; and
- Reactivating the Agency for Competition Protection and Anti-Monopoly Policies.

The business environment does not affect all groups equally. Rural areas lack the institutional infrastructure, such as micro-credit facilities and business incubators, to support new enterprise development. The poor lack the financial resources to leap regulatory hurdles and pay informal fees. Little attention has been paid to promoting women entrepreneurs, and this despite research that shows about a third of all women are willing to manage their own business. Strengthening the position of women in SMEs can play an important role in raising living standards and making society more inclusive. In Moldova, women comprise:

- 1-2 percent of leaders in big enterprises, corporations, and financial groups; and
- 10 and 40 percent of owners of medium and small businesses, respectively.

### **Major regional inequalities**

Poverty in Moldova is concentrated in small towns and rural areas and income inequality between the capital and small towns and rural areas is growing. An indicator of this is the greater absolute number of migrants from rural areas and small towns rather than cities<sup>31</sup>. As late as May 2005 an Agency for Regional Development was created responsible for regional development policy and programmes. Nonetheless, if the current situation prevails, the risks are obvious:

- Poverty in small towns and rural areas will worsen;
- Migration from rural localities will remain high;
- Regional and local authorities may not acquire the necessary skills and human resources to formulate local economic development policies, thereby compromising cooperation with European institutions.

Sound regional development policy has the potential for creating partnerships between central and local authorities and with civil society organisations, local businesses and the communities. An immediate opportunity may be to launch regional EGPRSPs, with an emphasis on public participation.

### **Public expenditure policy not supporting sustainable growth and poverty reduction**

The Ministry of Finance allocates budget resources in accordance with the Medium Term Expenditure Framework (MTEF). The EGPRSP also contains objectives and priorities for public resources spending. The structure of actual public expenditures however does not yet reflect a longer-term focus on eradicating poverty by greater public investment in infrastructure, education and health, and in social protection. The Government's mechanisms for public resource allocation should be strengthened to allow for a better targeting of the poor and to support private sector development. These mechanisms should be developed and implemented on the basis of regular and participatory consultations with beneficiaries and other stakeholders, including local public administrations. The latter will help to assess the impact of social assistance policies and programmes. The risks of inaction are serious: inequality will increase and drive more Moldovans to migrate in search of work.

<sup>31</sup> *Migration of the Labor Force and Remittances in Moldova, Alliance for Micro-financing, 2004.*

## 2.2. The right to health

The right to health is enshrined in the Constitution of Moldova and guaranteed through free provision by the State of basic health services. By subscribing to Millennium Declaration Moldova Government committed to reaching the MDGs and outlined the key measures necessary to achieve these goals in the EGPRSP. In line with its strategic orientation towards accession to EU, the Government has established priority tasks on ensuring health for all on the basis of principles of accessibility, accountability, co-participation, cost-efficiency and increasing quality of public health, epidemiological safety, food safety and prevention of epidemics.

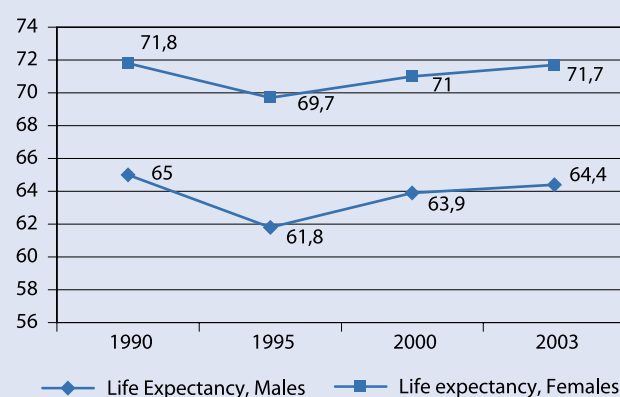
The evolution of Moldova's health status after the independence (1991) has been uneven and was closely influenced by socio-economic developments. **Life expectancy** in Moldova (Fig. 3) remains the lowest in the European Region: 68.07 versus 79.06 years for European Union<sup>1</sup>.

Non-communicable diseases continue to represent the bulk of morbidity, disability and premature deaths in Moldova. Cardiovascular diseases are responsible for more than half (57%) and cancer – for 11.6% of the total mortality. Accidents and other external causes of injury and poisoning contribute about 9% to the overall mortality<sup>2</sup>.

The most prominent non-communicable diseases, such as cardiovascular pathology, cancer, chronic digestive diseases and diabetes, are linked by common preventable risk factors related to lifestyle, such as tobacco and alcohol use, unhealthy diet, obesity, physical inactivity and stress. Smoking is widespread with a higher prevalence of smoking among males as compared to females<sup>3</sup>. Over 25% of population suffers from overweight and more than 30% is obese<sup>4</sup>. More than 8% of the population has health problems caused by excessive alcohol consumption<sup>5</sup> with traditional male disadvantage. The annual number of officially registered drug users has increased by more than 30% every year since 1996, with higher rates registered in males and the youth.

The prevalence of mental health disorders is high in Moldova and the suicides rates are above the regional average.<sup>6,7</sup> Mental health services are mainly provided in large psychiatric hospitals and people have no access to services in primary health care settings. However, some progress has been made within the framework of the Stability Pact Mental Health project for south-eastern Europe. A national mental health policy is currently under development and a pilot community-based mental health centre has been set up. Further work is needed to continue the mental health reform on the basis of the Mental Health Action Plan for Europe endorsed by the country at the WHO Ministerial Conference in Helsinki.

**Figure 3. Trends in life expectancy, Moldova 1990-2003.**



Source: MoH

<sup>1</sup> European Health For All Database (HFA-DB). January: 2005

<sup>2</sup> Health Care in Moldova, State Department of Statistics and Sociology. Chisinau:2004

<sup>3</sup> State Department of Statistics and Sociology, "Femeile si Barbatii in Republica Moldova" [Men and Women in Moldova], Chisinau: 2004

<sup>4</sup> M.Chauliac. Etude de la consommation alimentaire et des apports nutritionnels des familles moldaves, UNICEF: 1998

<sup>5</sup> UNDP, Moldova National Human Development Report, Chisinau: 1999

<sup>6</sup> European Health for All Database [online database]. Copenhagen, WHO Regional Office for Europe, 2005 (<http://data.euro.who.int/hfad/b/>)

<sup>7</sup> European Health for All database – mortality indicators (HFA-MDB) [online database]. Copenhagen, WHO Regional Office for Europe, 2005 ([http://www.euro.who.int/InformationSources/Data/20011017\\_1](http://www.euro.who.int/InformationSources/Data/20011017_1))

The right to a healthy life of Moldovan workers overseas represents an issue of concern, as 15.4 % of migrants have said that their health condition within the host countries was quite poor and for 33.0 % – poor. Lack of medical services remains an important issue for migrants. Upon return, 22% of migrants stated that their health had worsened considerably due to working conditions in the destination countries<sup>8</sup>.

Victims of trafficking also experience a wide range of health problems that need to be properly addressed upon their repatriation to ensure their rehabilitation and reintegration in the society. IOM data for 2004, calculated on basis of 1,140 victims assisted, indicate a wide variety of reproductive health problems and neurotic disorders in 65% of cases and psychotic disorders in 30% of the cases.

Overall, the Moldovan health system is poorly prepared to address the issue of lifestyles and prevention of non-communicable diseases. Limited financing of health promotion and disease prevention activities translates into poor motivation and lack of incentives for primary health care workers to deliver preventive services and information. Inadequate counselling and communication skills of primary health care providers and lack of educational materials for the general population limit the effectiveness of health promotion. Inefficient strategies on healthy lifestyles and weak inter-sectoral cooperation in addressing public health issues in Moldova further hinders the implementation of health promotion initiatives.

Unemployment, poverty and stress are also key factors in unhealthy lives. There is clear evidence that the increasing burden of disease in Moldova is linked to poverty, and spikes in mortality can be correlated with the two major economic setbacks of the last decade<sup>9</sup>.

On the basis of the situation assessment and analysis, **4 problem areas**<sup>10</sup> in health have been identified: child health and mortality, maternal health and mortality, adolescent and young people's health, HIV/AIDS, STIs and Tuberculosis.

## Child Health and Mortality

Infant and under-5 mortality indicators have improved since 2001, following a period of stagnation during the 1990's. This trend can be explained by improved access to, and quality of, essential mother and child health care services. Access to family planning information and services, as well as free-of-charge contraceptives for groups at risk, is institutionalized and provided through a network of 45 family planning cabinets, mainly located in district centres. The introduction of the Basic Benefit Package of health services in 2003 and Compulsory Health Insurance in 2004 facilitated the free-of-charge access for pregnant women and children to health services and essential drugs. Immunization rates exceed 95% for the main antigens (Box 1); coverage with antenatal care and the proportion of births attended by qualified staff is almost universal. In addition, large-scale

### MDG 4: STATUS AND PROSPECTS REDUCE INFANT AND CHILD MORTALITY RATES BY TWO-THIRDS BETWEEN 1990 AND 2015

Under-five mortality rates have decreased from 25 deaths per thousand live births in 1990 to 18 in 2002.

It is *probable* that the goal can be reached provided there is greater support for primary health care services in rural areas, better targeted social assistance programmes for young needy families and improved education for families about key caring practices.

Source: MDGR, 2004

<sup>8</sup> The Moldova Microfinance Alliance Research (2004) on Labour Migration and Remittances

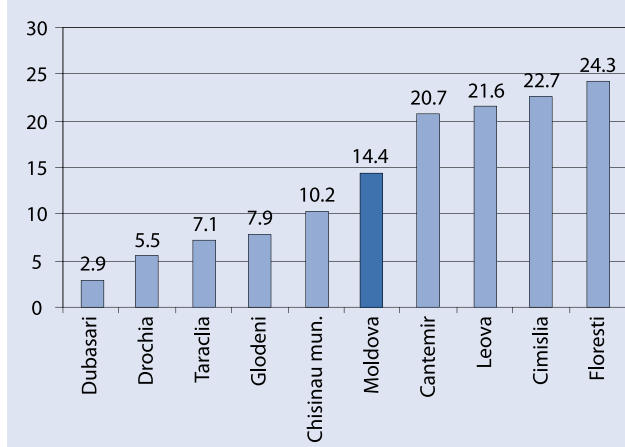
<sup>9</sup> A.Cornea. Poverty, Inequality and Policy in Moldova. 2004

<sup>10</sup> The analysis was conducted with government and civil society partners to identify the immediate, underlying and root causes of each problem. The causality diagrams ("problem trees") can be obtained at the following URL [http://un.md/un\\_common/docs/CCA\\_CausalityDiagrams.doc](http://un.md/un_common/docs/CCA_CausalityDiagrams.doc)

implementation of training activities for health workers coupled with recent equipping of primary health care facilities contributed to improved quality of care.

Despite positive trends in the reduction of child mortality rate at the national level, there are striking **disparities among regions**. Four Raions (Districts) have infant mortality rates above 20 per 1,000 live births (Fig. 4). This reflects significant differences in the quality and provision of essential services and an unequal distribution of financial resources, staff, and equipment. Per capita health spending between Raions varied as much as two fold<sup>11</sup>. The ratio of family doctors per 1,000 people is ten times lower in rural settings compared to urban areas<sup>12</sup> with 15% of villages lacking family doctors. Between 1995 and 2001, the number of doctors in urban areas declined by 29%, while the number in rural areas declined by around 30%. The decline for nurses in rural areas was as dramatic – 42% compared to 40% in urban areas.

**Figure 4. Infant Mortality by territorial-administrative units, 2003**



average looks high, the data shows that 18% of mothers stop breastfeeding before the age of three months and 34% stop before six months, thus depriving infants of important advantages to health. Nevertheless, all maternity hospitals promoted (and continue doing so) exclusive breastfeeding, thus contributing to a decrease in infant mortality from 17.8% in 1998 to 11.6% in 2004.

### Box 1. Immunization and vaccine preventable diseases

Historically, immunization was compulsory and provided free of charge to all children. The economic crisis in the 1990s caused disruptions in vaccine supply and decreased attention towards vaccine preventable diseases. However, since 1996 high vaccination coverage rates have been achieved (equal to or higher than 95%). As a result, incidence of vaccine preventable diseases went down<sup>1</sup>.

Positive trends of state financing on vaccines & supplies are also registered: in 2004 funds allocated comprised 84% (vs. 13% in 2001). However, capacity building activities (in-service training, “cold chain” maintenance, etc) are generally covered from donor contributions. The Assessment of Immunization Services in 2003 highlighted inadequate knowledge & practices by healthcare providers in vaccine management & supervision.

<sup>1</sup> Department of Statistics and Sociology. Health Care in Moldova, Chisinau: 2004

Perinatal conditions, respiratory diseases, congenital malformation and injuries represent major causes of infant and under-5 mortality. While improvements have been seen<sup>13</sup>, there are still many illnesses, causing deaths, which could be prevented or cured.<sup>14</sup> The high level of child mortality at home (23% of all infant deaths) arises due to avoidable causes (more than half of all deaths) and could be explained by inadequate child care knowledge and practices in families/parents and their failure to recognize danger signs and seek help. One in four parents can not name at least 2 danger signs requiring immediate medical attention<sup>15</sup>.

On average, mothers keep breastfeeding their children until they are 14-months old. However, while this

<sup>11</sup> A.Rifat. Review of Experience of Family Medicine in Eastern Europe and Central Asia, Moldova Case Study. World Bank, 2004 (in print)

<sup>12</sup> A.Rifat. Review of Experience of Family Medicine in Eastern Europe and Central Asia, Moldova Case Study. World Bank, 2004 (in print)

<sup>13</sup> The decrease in perinatal causes of death could be attributed to the National Perinatal Care Programme. The decline in congenital malformations and respiratory diseases could be explained by nation-wide immunization campaigns against Rubella, introduction of universal supplementation of all pregnant women with folic acid, and expansion of the IMCI (integrated management of childhood illnesses) strategy.

<sup>14</sup> Standard death rate of diarrhoeal disease among children under the age of 5 per 100000, reported by the European Health for All Database of WHO, remains to be relatively high in Moldova. While it has decreased from its 1990 value of 18.24 to 9.37 in 2002, it is still higher than the European average (including the EECCA countries) of 7.78 and the EU average of 0.36.

<sup>15</sup> Ministry of Health, UNICEF. Multiple Indicator Cluster Survey. Chisinau: 2000.



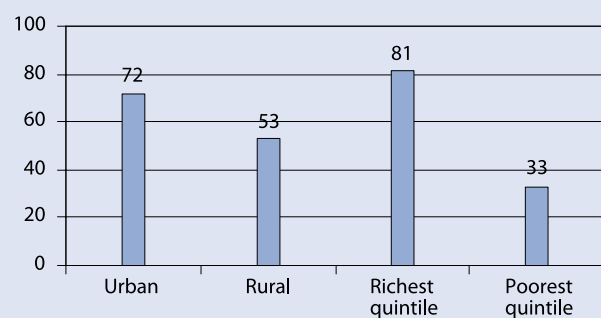
Nutrition plays an important role in ensuring child survival. While acute malnutrition is rare, **stunting** in children increased from 10 to 17 percent between 1996 and 2003<sup>16</sup>. Among the poor, it more than doubled from 11 to 26 percent. There are no significant differences in stunting between girls and boys. The stunting in children is caused by inadequate intake of energy and micronutrients, as well as high prevalence of infectious and diarrhoeal diseases. Poor hygiene and inconsistent hand washing practices contribute to diarrhoea. Only 51% of rural children between the age of 4 and 7 regularly wash their hands, compared with 77% in urban areas<sup>17</sup>. There is even greater difference in appropriate hand-washing practices among children living in poor households (43%) and those from rich ones (83%).

“Hidden hungers” or **micronutrient deficiencies** due to inadequate intake of iodine and iron are widespread. Every third child in Moldova has visible or palpable forms of goitre<sup>18</sup>. It is estimated that up to 15,000 newborns are at risk each year of impaired mental development due to **iodine deficiency** during pregnancy<sup>19</sup>. At the same time, only 34% of households use adequately iodized salt<sup>20</sup> with great disparities between rural (29.5%) and urban (38%) areas, as well as between poorest (29.1%) and richest (41%) households. The causes are weak enforcement mechanisms allowing the import of non-iodized salt, inefficient monitoring of IDD/USI efforts, poor knowledge about the consequences of iodine deficiency and widespread misconceptions about negative effects of iodized salt on staple foods and home pickles.

During last decade, **anaemia** in children under 5 years oscillated around 8%<sup>21</sup>, without any signs of improvement. The worst situation is attested in the age group of 6-12 months, 21% of these children being affected by anaemia. According to the estimates of “Micronutrient Initiative”, in Moldova, severe anaemia during pregnancy contributes to 200 neonatal deaths annually<sup>22</sup>. Some 30% of children under 2 years of age are at risk of disruptive brain development and experience growth retardation because of the iron deficiency.

Insufficient intake of food rich in iron – meat, fish, eggs, etc. – is the main cause of anaemia. Reflecting the overall pattern of poverty in Moldova there are significant disparities between rural and urban areas, and poor and rich households when it comes to the consumption of meat and fish (Fig. 5), eggs, and dairy products.

**Figure 5. Consumption of meat/fish in households w. young children, at least 3 times a day**



## Maternal Health and Mortality

The highest proportion of women's ill health burden is related to their reproductive role. The age at which women begin or stop child-bearing, the interval between each birth, the total number of lifetime pregnancies and the sociocultural and economic circumstances in which women live all influence maternal morbidity and mortality<sup>23</sup>.

<sup>16</sup> Government of Moldova, UNICEF. Early Childhood Care and Development in Moldova. Chisinau: 2004

<sup>17</sup> Government of Moldova, UNICEF. Early Childhood Care and Development. Chisinau: 2004

<sup>18</sup> M.Chauliac, Moldova National Nutrition Study, UNICEF: 1996

<sup>19</sup> Moldova Damage Assessment Report, Micronutrient Initiative. 2004

<sup>20</sup> Multiple Indicator Cluster Survey, Government of Moldova, UNICEF. Chisinau: 2000

<sup>21</sup> Public Health in Moldova. State Department of Statistics and Sociology. Chisinau: 2004

<sup>22</sup> Micronutrient Initiative. Moldova Damage Assessment Report. 2004

<sup>23</sup> ICPD Programme of Actions, Chapter VIII on Health, Morbidity and Mortality, Cairo 1994

For each of the past three years, there have been fewer than 10 cases of **maternal death**, with a ratio of 22 deaths per 100,000 live births<sup>24</sup> and almost two fold difference between urban (15.6) and rural (25.3) areas. Nevertheless, it continues to be higher in comparison with the European average. The major causes of maternal mortality in Moldova are unsafe induced abortions (37.5%), haemorrhage (19%), puerperal sepsis (18%), embolism (17%), and pregnancy-related conditions (9%). A quarter of maternal deaths occurred at home, mainly because women and their families were unable to recognize life-threatening problems and seek help<sup>25</sup>.

**MDG 5:  
STATUS AND PROSPECTS  
REDUCE MATERNAL MORTALITY RATE BY  
THREE-QUARTERS BETWEEN 1990 AND 2015**

Maternal mortality declined from 50 deaths per 100,000 live births in 1994 to 22 in 2003.

It is *probable* that the goal can be reached if actions are taken to improve access to emergency care in rural areas, increase utilization of modern methods of contraception and reduce un-safe abortion practices.

*Source: MDGR, 2004*

Despite a high coverage of antenatal care, with an average of 6 visits to a health provider during pregnancy, the referral system for antenatal care is not working effectively, in many instances leading to unnecessary delays and inefficient management of diseases. According to the latest study **2/3 of complicated pregnancies were not appropriately referred**<sup>26</sup>. In addition, antenatal care is not fully used to disseminate health related information. Less than half of pregnant women reported having received some information on postpartum contraception during antenatal visits.

Women's nutrition is also a major underlying cause, with nearly one in two pregnant women having **anaemia**<sup>27</sup>. In order to specifically address the issue of anaemia, in 2003 the Ministry of Health of Moldova introduced free supplementation of iron tablets for all pregnant women. In 2004, 62% of pregnant women were taking iron tablets<sup>28</sup>. In order to ensure a more effective anaemia control, the Government plans to complement supplementation strategy by flour fortification with iron and folic acid.

While there has been a three-fold reduction in the number of abortions since 1995, they represent an important public health problem in Moldova. In 2004, 16,070 abortions were performed representing 15.8 to 1,000 women of reproductive age, or 441.0 per 1,000 live births. Though the legislation of Moldova is pro-choice, a sizeable proportion of the carried out abortions are self-induced or otherwise unsafe, leading to debilitating consequences for the women's sexual and reproductive health.

**Unsafe abortions account for a third of maternal deaths** and high levels of infertility among women. Over 70% of abortions are performed through obsolete and intrusive methods<sup>29</sup>. Abortion is still used as a method of fertility regulation due to inadequate access to contraception and a large number of unintended and unwanted pregnancies. Available data suggest a **low use of effective contraceptive methods**<sup>30</sup>: condom (3.5%), pills (3.3%) and surgical sterilization (1.2%) were used by a very small proportion of the population, while 38% used no contraception at all. Data for 2004 provided by the Ministry of Health indicate a slight increase in use of hormonal contraceptives up to 7.9%, an index of IUD use of 19.9%, and 2% use of surgical sterilization. The

<sup>24</sup> National Center for Public Health and Management, Public Health in Moldova. Chisinau: 2004

<sup>25</sup> Very few pregnant women in Moldova could name danger signs during pregnancy: only 3% mentioned severe headache with blurred vision, 7.7% – sudden swelling of hands &/or face, 20.2% – sudden gush of fluid from vagina or leaking. UNICEF. Access and quality of primary health care services in Moldova. August, 2004

<sup>26</sup> Ministry of Health, UNICEF. Evaluation of the National Perinatal Care Programme. 2004

<sup>27</sup> Public Health in Moldova. State Department of Statistics and Sociology. Chisinau: 2004

<sup>28</sup> Ministry of Health, UNICEF. Evaluation of the National Perinatal Care Programme. Chisinau: 2004

<sup>29</sup> UNFPA. Reproductive Health Guide for Family Doctors. Chisinau: 2005 (in print)

<sup>30</sup> Ministry of Health, UNICEF. Multiple Indicators Cluster Survey. Chisinau: 2001

Reproductive Health Survey 1997 estimated the unmet need for contraceptives to be 29%. The proportion of unmet family planning needs is especially high in Transnistria, where there is no family planning network. Poor availability of contraceptives is due to lack of fund commitment from the state budget for securing women at risk, including HIV positive, with free of charge contraceptives. Currently, contraceptives are provided by donors and distributed via family planning cabinets in district centres. Recent data suggest significant rural-urban inequities in the availability of contraceptives: condoms and oral contraceptives are found in ¼ of rural health facilities compared with nearly 90% of urban facilities.

Among others, unintended and unwanted pregnancies result in unwanted children and high number of abandoned and institutionalized children.

### Adolescent's and Young People's Health

One in four Moldovans is between the age of 10 and 24. More than one in ten young people smoke and drink alcohol 2 to 3 times per week<sup>32</sup>. The Ministry of Health reports that the majority of registered drug users are under 25 and nearly 1 in 3 are between the ages of 15 and 18.

The **teenage pregnancy** rate is growing and makes up about 14% of the total number of pregnancies<sup>33</sup>, compared with an average of 7% in Europe. Adolescents are involved in about 1 in 10 of the **abortions** conducted annually<sup>34</sup>, and represent 12% of all cases of **sexually transmitted infections** (STIs)<sup>35</sup>. Adolescent girls are twice more likely to be affected than boys. It is estimated that nearly half of sexually active young people suffer from one or more reproductive tract infections<sup>36</sup>. HIV infection among young people is a concern, and while the absolute number of infected is relatively small, the number of infected under the age of 18 has doubled every two years<sup>37</sup>. These concerns were also noted by the CRC committee which urged the tailoring of health services to the needs of adolescents<sup>38</sup>.

The worsening health status of the adolescents and young people is caused by inadequate knowledge and unsafe behaviours, peer pressure, distortion of values in the society. A recent study<sup>39</sup> showed that, while 1 in 4 young people are having sex, with average age of first sex at 16, only 1 in 10 could correctly identify how STIs and HIV were transmitted. More than half of young people did not use a condom for their first sexual intercourse. The lowest level of knowledge is among young people in residential institutions.

Important underlying causes include: poor access to health information and services, and sporadic health promotion and life skills education, mainly driven by NGOs. The planned introduction by the Ministry of Education in September 2005 of Life-Skills Based Education as a mandatory subject in all grades is likely to improve adolescent and young people's access to information and equip them with skills necessary to adopt healthy behaviours and reduce those with negative impact.

Adolescents often do not seek care because of financial, organizational or behavioural constraints. There are only a few places in Moldova where young people can find youth-friendly health services provided in a confidential,

<sup>31</sup> A.Rifat. Review of Experience of Family Medicine in Eastern Europe and Central Asia, Moldova Case Study. World Bank, 2004 (in print)

<sup>32</sup> UNICEF, National Baseline Evaluation of Knowledge, Attitudes and Practices of Young People. Chisinau: 2005

<sup>33</sup> Department of Statistics and Sociology, Health Care in Moldova. Chisinau: 2004

<sup>34</sup> National Center for Reproductive Health, Family Planning and Medical Genetics, 2003

<sup>35</sup> State Department of Statistics and Sociology. Health Care in Moldova. Chisinau: 2004

<sup>36</sup> National Center for Reproductive Health, Family Planning and Medical Genetics, 2003

<sup>37</sup> State Department of Statistics and Sociology. Health Care in Moldova. Chisinau: 2004

<sup>38</sup> *Concluding Observations: Republic of Moldova*, Committee on the Rights of the Child, 31 Oct 2002.

<sup>39</sup> Young People's Health and Development: A Study of Young People's Knowledge, Attitudes, Practices. UNICEF, Health for Youth: 2005



private and non-judgmental way. Currently, there are 3 functioning YFS Centres and 9 more are in the process of being established. However, health care professionals often lack basic skills in the area of counselling and interpersonal communication, as well as specific knowledge of problems affecting adolescents.

Among key root causes of poor adolescent health are poverty, unemployment, migration, as well as increase in human trafficking associated with illegal work and sex trade. Young people between the ages of 15 and 24 represent one in three of the Moldovan unemployed which explains the unprecedented levels of migration in search of job opportunities. Moldova has one of the highest migration rates among young people in Europe and Central Asia, at about 130 persons per 1,000 population. According to a Young Voices opinion poll, almost 90% of young people expressed a desire to go abroad for at least a short period<sup>40</sup>, 38% would leave forever, with only 9% of young people wishing to stay in Moldova. In most cases, migration is associated with increased sexual and drug use.

### HIV/AIDS, STIs, and Tuberculosis

The incidence of **Sexually Transmitted Infections** (STIs) has decreased markedly since the mid 1990s, but is still unacceptably high<sup>41</sup>. Urban areas have double the infection rates of rural areas, and there is a higher incidence of both syphilis and gonorrhoea in men.

STIs epidemic is attributable to an underestimation of personal risks, unsafe sex practices, early initiation of sexual relations, increased population mobility, growing poverty and unemployment. The impact of STIs on society is substantial, since after maternal causes, STIs are responsible for the greatest number of healthy years lost by women of reproductive age in developing countries<sup>42</sup>. In addition, STIs are seen as an important predictor of HIV/AIDS spread in general population.

As of December 2004, the cumulative number of people living with HIV/AIDS reached 2,305<sup>43</sup>.

The incidence rate of 6.2 per 100,000 people makes Moldova the fifth most affected country among the Commonwealth of Independent States (CIS). The epidemic is still at early stage with less than 1% of the general population being affected and is mainly contained within high risk groups<sup>44</sup>, such as intravenous drug users (9.5%), commercial sex workers (4.4%), men having sex with men (1.69%), and people in detention (4.7%).

According to the recently held Situation Analyses in HIV/AIDS, the financial and psychological burden of HIV/AIDS in Moldova lies with women since they are the single (caretakers) in the case of children and teenagers who combine injecting drug use, and other problems associated with HIV/AIDS.

Though HIV/AIDS is present in all districts the distribution of cases points to significantly higher rates of infection in districts<sup>45</sup> predominantly affected by drug use. Analysis of new HIV/AIDS cases by gender reveals a significant increase in infections among women (Fig. 6).

#### MDG 6: STATUS AND PROSPECTS HALT AND REVERSE BY 2015 THE SPREAD OF HIV/ AIDS, MALARIA, AND OTHER DISEASES

HIV infection rate is around 5 per 100,000 persons. TB incidence is 84 per 100,000 persons and has doubled since 1990.

There is *potential* to reach the goal if actions are taken to promote safe behaviors, improve access to counseling and testing services, strengthen primary care services and provide access to HIV related treatment and care.

Source: MDGR, 2004

<sup>40</sup> Youth Voices, UNICEF, 2002.

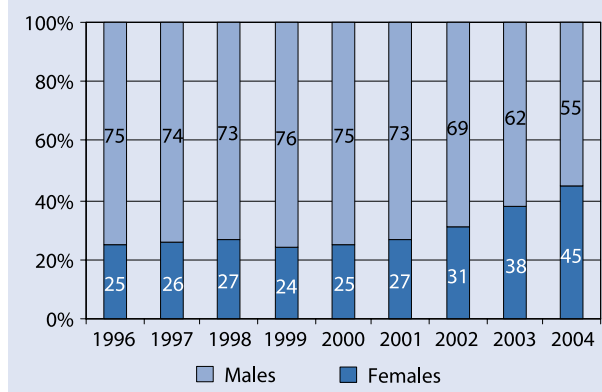
<sup>41</sup> Between 1995 and 2003, the incidence of syphilis and gonorrhoea decreased from 174 and 100 cases per 100,000 people to 77 and 47 cases, respectively. Source: Public Health in Moldova, National Center for Public Health and Management. Chisinau, 2004

<sup>42</sup> World Health Organization (WHO), *An Overview of Selected Curable Sexually Transmitted Diseases*, Geneva: WHO, Global Programme on AIDS, 1995.

<sup>43</sup> National AIDS Center, 2005

<sup>44</sup> CIVIS, HIV/AIDS Surveillance in Moldova. Chisinau: 2004

<sup>45</sup> Districts of Balti, Donduseni, Falesti, Soroca, Causeni, and Calarasi

**Figure 6. Distribution of HIV cases by sex, 1996-2004**

of epidemic spread is extremely high. It is estimated that in the absence of effective interventions, HIV/AIDS prevalence may reach up to 2% of the population by the beginning of 2011<sup>47</sup>.

While sexual and perinatal transmission of HIV increased, the proportion of cases due to intravenous drug use fell from 84% in 1997 to 42% in 2004. This is mainly due to wide implementation of harm reduction activities in the country. The recent study of young drug users (20-35 years) has shown high level of recommended practices for halting HIV spread in this risk group. A large number of IDUs (67.3%) have declared they have never shared needles, 96% have access to needles and syringes and have adequate general knowledge in the field of AIDS prevention. The use of a condom during sexual intercourse with permanent partners was reported by 72%<sup>48</sup>, with casual and/or commercial partners – 93% and 90% respectively, which is significantly higher when compared to condom use by young people from general population.

The effectiveness of harm reduction activities is not a reason for complacency and rejoicing. Interventions targeting the most vulnerable should continue being at the core of HIV/AIDS efforts in Moldova. These are critical for protecting the risk groups and preventing widespread dissemination of HIV virus into the general population. At the same time, more emphasis should be made on interventions targeting general population and youth, in particular.

HIV infection increasingly affects children, both through vertical transmission of HIV/AIDS and by affecting the child's family, leading to higher risks of abandonment, poverty, orphan-hood, and institutionalization. More than one in ten HIV infected people is under the age of 18<sup>49</sup> and the number of those affected is on the rise. In the absence of child focused care and support programmes there is a pressing need for developing interventions aimed at improving household economic capacity, provision of psychological support to affected children and their caregivers, strengthening child-care capacities, promoting community care for children without family support.

HIV and STIs are of particular concern in the context of the sizeable migration phenomenon. Migrant population are at higher risk of contracting HIV and STIs because of poverty, exploitation, separation from

<sup>46</sup> National AIDS Center. Chisinau: 2004

<sup>47</sup> World Health Organization, Moldova Health Policy Note: The Health Sector in Transition. November 2003.

<sup>48</sup> Multi Indicator Cluster Survey, Ministry of Health and UNICEF

<sup>49</sup> National AIDS Center. February: 2005

families and partners. Illegal migrants, living in constant fear of deportation, avoid contact with official government agencies, even in health matters, making HIV testing, care, support and any needed treatment particularly challenging. Migrants, regardless of their status, have limited access to reliable and culturally appropriate information on HIV/AIDS and to health services<sup>50</sup>.

There is limited availability of voluntary counselling and testing for HIV and STIs. Health care providers are not equipped with necessary knowledge and skills to provide education and counselling on HIV/AIDS related issues. Referral mechanisms among harm-reduction, reproductive health, mother and child health are weak, as well as integration among health, education, psychological, and social services for those affected by HIV. Stigma and discrimination continue to impede counselling, referral services and prevent people from getting tested, disclosing their status and seeking treatment. Although Moldova has made great progress in providing access to AIDS treatment, which de facto is 100% available, access throughout the country remains quite limited and is mostly available in the capital. Rural parts of the country and especially the breakaway region of Transnistria are in urgent need of scaling up antiretroviral treatment with the latter requiring substantial support in epidemiological surveillance. In this context, a promising collaboration has been initiated and is under way to integrate HIV/AIDS related activities in the Transnistrian region. The implementation of the National HIV/AIDS Programme 2001 – 2005 and the joint efforts of the local and central public administration, civil society and international organizations lay the foundation for future coordinated action.

The incidence of **Tuberculosis** has increased by about a third from 60 cases per 100,000 people in 2000 to 88 cases in 2003. Over a third of all TB cases are among children and young people. The incidence of TB among men is nearly three times the rate among women<sup>51</sup>. This is attributed to a larger number of males in penitentiaries, where the incidence is an astounding 43 times greater than the country average<sup>52</sup>.

During 2002-2003 the share of TB cases in children 0-14 years old oscillated between 5.8 and 7.0% of all cases. In absolute numbers, annually, some 200 new TB cases are detected in children under 14 (no gender difference) the majority coming from families with unemployed parents, large families with more than 3 children, families with a TB infected member.<sup>53</sup> Epidemiologically, TB detected in young children proves that they were recently exposed to an adult with infectious disease and can be used as a surrogate for the amount of infectious cases prevalent in the society.

The alarming situation with regard to tuberculosis has been driven by impoverishment, worsening nutritional status, aggravating situation in penitentiaries and, thus, increasing number of populations at risk of contracting TB. All this coupled with poor knowledge of TB signs among population and increased mobility poses greater risks of disease spread in general population. However, higher TB incidence can be partially explained by the introduction in 2001 of DOTS, which among others led to improved access to health care and better detection of TB<sup>54</sup>. As of beginning of 2003, about 88% of Moldova population had access to specialized medical assistance based on DOTS.

<sup>50</sup> Data provided by ILO-MIGRANT project Moldova

<sup>51</sup> Public Health in Moldova, State Department of Statistics and Sociology. Chisinau, 2004

<sup>52</sup> World Bank. Assessment of tuberculosis in Moldova. July, 2001

<sup>53</sup> Constantin Iarovoi, Note on TB epidemiological situation the Republic of Moldova 2003-2004. Chisinau: 2004

<sup>54</sup> WHO. Application to the WHO Green Light Committee for approval of a DOTS-plus pilot-project in the Republic of Moldova. Chisinau: 2004

## The health system

As shown above, inequities in the health care status of Moldovan population are explained by variation in availability, accessibility and quality of health care services, distribution of infrastructure, financial and human resources, drugs, etc. The Moldovan health sector experienced a two thirds decline in its budget allocation between 1993 and 2003<sup>55</sup>. According to preliminary information provided by the Ministry of Health and Social Protection, the share of public expenditures allocated for health care (as % of GDP) has increased from 2.9% in 2000 to 3.4% in 2003 and 4.0% in 2004. Nevertheless, it is still well below both the world average and average for central and eastern European countries. As a result of fiscal deficiencies, the Ministry of Health and local authorities operated significant reduction in the health care delivery network<sup>56</sup>. Between 1997 and 2000, 195 hospitals were closed with 65 hospitals left, and the number of primary health care facilities was reduced from 530 to 121. Still, the skewed allocation of resources towards hospital and specialized outpatient care remains a fundamental structural inefficiency of the system. A large share of cases treated in hospitals could be served by primary care facilities.

Decreased access to drugs, obsolete equipment, and poor conditions of physical infrastructure limit the quality of the health services especially in rural areas. A large proportion of equipment has not been replaced during the last 20 years. Human resources availability and the quality of health care services are quite low particularly in rural areas. Over the past few years nearly 40% of the personnel have left the system or have been dismissed. In many instances, interventions are neither evidence-based nor cost-effective. Counselling and communication skills are particularly weak, which hinders health promotion and disease prevention activities. The health sector suffers from extremely low salaries which provide little incentive to improve quality.

There are particular concerns with the quality of inpatient care provided to children<sup>57</sup>. Separation of the child from parents after admission, and particularly, during invasive procedures, failure to control pain, excessive use of intramuscular injections, failure to respect the child's need for privacy or to preserve his/her dignity, failure to explain the illness and its treatment to the child and/or parent represent some examples of child's right violation in hospitals<sup>58</sup>. Unnecessary sufferings caused by lack of respect for human rights can be alleviated with additional staff training, a change in attitude, and a redistribution or more effective use of existing resources.

The 2004 *Compulsory Health Insurance Scheme* was a major effort to improve the use of existing resources, and deliver better quality, standardized services. Initial results are promising. The average salaries of medical workers have increased compared to 2003<sup>59</sup>. Health services utilization increased during the first 3 months of 2004, and the number of visits to doctors increased by 20%. At the same time, reports<sup>60</sup> suggest that these increases were driven mainly by better-off households. Exclusion from health care services is more pronounced in rural areas, for larger households and for households whose head has lower educational status<sup>61</sup>. The widespread practice of informal payment exacerbates the issue of financial accessibility, particularly for the poorest<sup>62</sup>. In an

<sup>55</sup> World Bank. Moldova Health Policy Note: The Health Sector in Transition. Europe and Central Asia Region. Human Development Sector Unit. Report No. 26676-MD. November 2003.

<sup>56</sup> World Bank. Moldova Health Policy Note: The Health Sector in Transition. Europe and Central Asia Region. Human Development Sector Unit. Report No. 26676-MD. November 2003

<sup>57</sup> The United Nations Convention on the Rights of the Child makes it clear that there is a duty on the states to provide adequate health care for children as well as to ensure that in receiving this care that they are protected from harmful practices and discrimination.

<sup>58</sup> Sue Nicholson, Andrew Clarke, Report on Child Friendly Healthcare. Child Advocacy International: 2002

<sup>59</sup> According to the Ministry of Economy and Trade, salaries of doctors in republican medical institutions increased with 41.8%, in raion medical institutions – with 58.5%, in municipal institutions – with 56.2%. Overall, salaries of medical workers increased with 60.9% in 2004 as compared to 2003.

<sup>60</sup> A.Rifat. Review of Experience of Family Medicine in Eastern Europe and Central Asia, Moldova Case Study. World Bank 2004 (in print)

<sup>61</sup> A. Cornea. Poverty, inequality and policy in Moldova. 2005

<sup>62</sup> World Bank. Moldova Health Policy Note: The Health Sector in Transition. Europe and Central Asia Region. Human Development Sector Unit. Report No. 26676-MD. November 2003

effort to increase the access to basic health services for the rural population, the Government reports that medical-sanitary institutions are present in 1,174 rural localities out of the total 1,417. During 2002-2003, positive trends are reported in access to medicines, physical accessibility increasing with 4.89% and economic accessibility with 4.6%.

Prospects for the future depend on allocating scarce resources in primary health care and preventive services in rural areas, to benefit the poorest. Progress is restrained by many factors, particularly budgetary constraints, and the lack of a common vision among policy and decision-makers for the long-term development of health system reform. The National Health Policy developed in 2002 is still awaiting approval from the government. The health sectoral strategy from EGPRSP, developed on the basis of the National Health Policy document, sets forth the following medium-term objectives: improving access of the most vulnerable population to basic health services of good quality, efficient use of resources, and strengthening of health promotion and disease prevention activities.

## 2.3. The right to education

Education is a foundation for economic growth and social cohesion; poverty reduction efforts cannot succeed without equitable investments in human capital: knowledge, competencies, and creative capacities. After independence, a series of political, economic and social reforms initiated to shift Moldova towards a market economy highlighted structural weaknesses in the education system. As education is traditionally considered a sub-system of the socio-economic and value sphere, the Government and communities attributed high priority to this sector. The 1994 Constitution restated the right to education for all citizens and primary and junior secondary education stayed both free and compulsory. A reform based on the concept of education for development and centred on the child rather than on the system was launched. In 1995, a Law on Education spelled out a number of policy changes and a series of actions in the area of education funding, school management, curriculum reform, and teacher training, supervision and evaluation. As a result, the structure of the education system was modernized, and now comprises 6 main levels: pre-primary, primary, junior-secondary (gymnasium), secondary (lyceum), vocational, and post-secondary. This reform also opened the door to a rapid expansion of private education. There are over 160 private educational institutions created with the agreement of the MEYS and licensed by the Licensing Chamber, and competing with public institutions. These include kindergartens, 60 pre-primary, primary and secondary schools, 18 colleges, 15 universities and 5 vocational schools.

**MDG 2:  
STATUS AND PROSPECTS  
ACHIEVE UNIVERSAL ACCESS TO PRIMARY AND  
JUNIOR-SECONDARY EDUCATION BY 2015**

In 2002 net enrolment was 88 percent for primary school and 84 percent for junior secondary school.

There is potential to achieve the targets if spending is increased, and there are immediate efforts to improve the supply of qualified teachers and teaching and learning materials, especially in rural schools.

*Source: MDGR, 2004*

According to the ICPD Programme of Action, Dakar Framework for Action and MDG 2, by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, should have free and fair access to a primary education of good quality. The Republic of Moldova, following an extensive dialogue with various partners, took on an even more ambitious objective of making sure that all children in the country complete a full course of basic education<sup>1</sup>.

In accordance with these principles it was elaborated a National Education for All Strategy

and there were made sufficient provisions in the EGPRSP to achieve universal enrolment in pre-, primary and junior secondary school by 2015. While the normative framework for achieving this goal is mostly in place, the situation assessment shows that there are sizeable gaps in its implementation. Economic crisis has had a severe financial impact on state finances. Over the last decade the Government has not been able to provide the required budget for education expenditures. Despite a gradual doubling of actual expenditures over the last 5 years to nearly 1.4 billion lei, education expenditures as a proportion of GDP have been halved from a peak of over 10% of GDP in 1996 to 5.3% in 2003<sup>2</sup> (Figure 7). Increasingly, poorer families have not been able to cope with the increased cost of education.

The **pre-school education** system has been particularly affected. It is estimated that about 4 in 5 children between the ages of 0 and 5 do not enjoy any early education and the urban-rural and social disparities continue to deepen. In the past six years, the number of functioning pre-school units has dropped by a third,

<sup>1</sup> First National MDG Report, March 2005

<sup>2</sup> Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004. Pre-schools accounted for 16% of spending, and primary and general secondary accounted for 57%. Vocational and post secondary education accounted for 5.5 and 10 percent respectively. Source: MEYS.

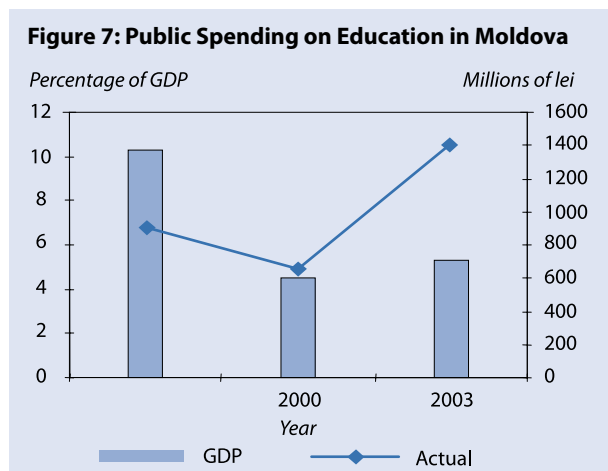
and the number of staff serving pre-school units and kindergartens has been reduced by 70%. This slump in enrolment took place in parallel with a sharp contraction in birth rates and subsequent reduction in the numbers of children of pre-school age. This fall is explained by the closure of kindergartens managed by state enterprises and factories and the inability of the state services to provide support for their functioning. In **primary education** the net enrolment rate throughout the country continues to be in excess of 90% without any discrimination against girls. However, there is an increasing risk that poor children drop out of school or cannot enjoy their right to primary education. In 2002, poor households spent 10 times less on education (per member of household) than non-poor families. As a result, only 74% of children from poor families went to school, compared to 81% of children from non-poor families. In **secondary education** the same tendency is observed. Only 7% of children from poor families have access to secondary education compared to 24% of children from non-poor families. The MEYS estimates that about 15,000 children, mostly between the ages of 15 and 16, leave the junior secondary education system each year without any qualifications. These young people face an uncertain future with the risks of unemployment, substance abuse, and trafficking due to the growing pressure to migrate in search of work. Despite the active national debate on the scale and nature of **vocational training**, trends are still negative. Since 1995 the number of students attending vocational schools has decreased from over 34,000 students to 16,474 in 2004<sup>3</sup>. This is attributed first to high costs of vocational training that Government and parents cannot afford and secondly to inconsistency between supply and demand due to insufficient curricula reforms.

Despite promoting the principle of **non-discrimination** through the normative and policy framework in education, there are still stipulations restricting women's right to seek education in military and police forces. Girls can mainly be found in specific types of schools/specializations – 89% of college students and 69% of university students in education, and, respectively, represent 85% and 65% in medicine. The remuneration of education and health professionals is among the lowest, hence women are relegated to lower income. Women represent 63% of staff teaching at the college level, and 51% of teachers at the university level. In higher education institutions, female teachers represent 43% of the PhD holders, but only 10.8% of certified PhD<sup>4</sup>.

Three key issues focussed on in this report are poor access to quality education, poor vocational training and insufficient support for young people.

### Poor access to quality education

In the 2004 EGPRSP, the Government dedicated a significant place to the education sector and the Ministry of Education, Youth and Sport has recently announced new policies and strategies. Significant efforts have been made to improve **access to quality Early Child Development**. The MEYS elaborated new regulations aiming at transferring part of the accountability to municipal authorities. However, this decentralization has been characterized by administrative rigidity and weak financial support. Without adequate technical support, the local authorities have



<sup>3</sup> Department of Statistics and Sociology, 2004.

<sup>4</sup> "Millennium Development Goals in the Republic of Moldova". First National Report. June 2005



not been able to mobilize funds for the development of sustainable local alternatives and have closed some of their kindergartens. In the remaining centres, cost-saving efforts and low supervision has hampered quality.

**In the Primary Education System** one of the main concerns is **rural schools**. About 250 rural communities with over 10,000 school children do not have schools in their towns and settlements. The main problems faced by rural schools are lack of teachers, inadequate supervision and support, few school libraries and inadequate infrastructure. One in three rural teachers has a teaching degree, yet more than 2 in 3 teach three or more subjects. All teachers, but rural teachers in particular, need additional in-service training and support to sustain education quality.

Another challenge in primary education relates to children with special needs. The MEYS estimates that over 16,000 children of school age have disabilities or impairments of different kinds. In the recent years efforts were deployed to better integrate **children with disabilities** into general schools. However, many of these initiatives have stopped due to funding shortfalls, shortage of trained teachers, and lack of support among school administrators, parents and teachers. The situation of children with special needs is very difficult, and state budget allocations are insufficient to sustain existing programmes<sup>5</sup>.

Another challenge is children deprived of parental care. As discussed in section 2.1, nearly 10% of the population have left the country in search of work. On the positive side, their remittances help keep children in school and can provide opportunities for secondary and post-secondary education. But schooling cannot be left to the schools alone. The MEYS estimates that 68,000 school children have one parent working abroad, and nearly 28,000 children have both parents abroad. These children may lack the guidance and support to stay in school and perform well. The discrimination faced by children of migrants exposes them to further vulnerability, such as sexual and labour exploitation.

A further challenge in primary education relates to access to quality education. The fall in real teachers' salaries coupled with the low capacity of state services to stop deteriorating school environments have resulted in losses of the best qualified teachers. Seven percent of all teaching staff are over the retirement age, and more than 50% have been working for 18 years or more (Figure 8). Between 1995 and 2001, nearly 25,000 of teachers left the profession. The result across the system is that subjects go un-taught and school performance and morale suffers<sup>6</sup>. Other underlying causes that contribute significantly to the low quality of education are weak technical support and supervision, outdated teaching methods and low participation of children and parents. A study run in 1999<sup>7</sup> compares school systems from 10 transitional countries in the Eastern European and Central Asian Regions. Out of 38 countries, Moldova was ranked last in terms of availability of basic education resources, including funding, teaching materials, buildings, heating systems and training facilities<sup>8</sup>. Consequently, many young professionals who enter teaching do not have the requisite education themselves to deliver the new curriculum.

**Figure 8: Ageing Teachers**



<sup>3</sup> Department of Statistics and Sociology, 2004.

<sup>4</sup> "Millennium Development Goals in the Republic of Moldova". First National Report. June 2005

<sup>5</sup> Education for All Programme, Chisinau, 2001.

<sup>6</sup> In 2003-2004 there were 2305 advertised teaching vacancies at various levels. Source: MEYS.

<sup>7</sup> TIMSS Study

<sup>8</sup> Education for All Programme, Chisinau, 2001.



## Poor vocational training

Each year 15,000 young people leave the education system without any qualification. Vocational training is either not accessible or does not provide young people with the skills they need to find satisfactory employment. While spending on vocational education has increased in recent years, it garners only 5.5% of the total annual spending on education, a decrease of 2% from its highest level in 1999. A second major cause is the clear discrepancy between the offers of vocational training and the main types of activity in the economy. Nearly half of the population is engaged in the agricultural sector, but agriculture accounts for only 13% of vocational training spaces. By contrast, 3% of the population is engaged in construction, but this field accounts for 15% of vocational training spaces. There is little coordination between training institutes and the private sector in assessing the current skills demand in the labour market. Lack of human and financial capacities impedes a country-wide assessment of needs in qualified workers.

## Insufficient support for young people

There is an absence of government programmes to support the most vulnerable youth groups. Educational policies for vocational training of young people are not adequate, and have created a young workforce with skills ill-suited to a modern job market. Fiscal and lending policies do not provide incentives to young people to start businesses. The last administrative and territorial reform reduced by a factor of ten the number of youth specialists employed by local public administrations. Today, only 82 town halls out of 900 have youth specialists. Despite the fact that current policies promote youth services, there are no policies offering young families support for basic housing, child care and counselling. Since young women have particular problems in securing satisfactory employment due to their child-bearing and child-rearing role, their needs should be addressed by the normative and policies framework, in particular educating and enabling men to share more equally family planning, domestic and child-rearing responsibilities<sup>9</sup>.

## Common causes of poor quality education system. What can be done.

The lack of access to and the poor quality of education share some common root causes. The **Government** should make more efforts to fully implement the strategies elaborated for the EGPRSP. It should increase the budget, introduce innovative mechanisms such as performance-based funding or per-capita school grants, update policies and norms, improve the system of pre-service and in-service teachers and school managers training, supervise and bring to nationwide scale good practices as LSBE and regularly assess the quality of services delivery. It should also play an increased role in informing and mobilising the local authorities, communities, families and parents on how to fulfil their respective accountabilities to have friendly and efficient schools. The families and especially **the parents and care givers** should act as active duty bearers and pay more attention to the development of their children at home and in school. The lack of functioning parent-teacher associations (PTAs) is a concern. Where PTAs function, they are expected to provide building maintenance, but little input to the organisation and management of schools. **NGOs** should play a more active role rather than just mobilising resources and communities for the implementation of projects. Another challenge is to enable **schools** to protect children against violence, neglect, abuses and discrimination. There is little data about these protection issues inside schools but a recent KAP study conducted by UNICEF reported that one third of respondents overall reportedly know someone who has been physically abused by teachers in educational institutions. Schools are poorly equipped with regulations that make them able to prevent children from being abused and trafficked.

<sup>9</sup> ICPD Programme of Actions, Chapter IV on Gender Equality, Equity, and Empowerment of Women, Cairo 1994

## 2.4. The right to a healthy environment

Although the right to a healthy environment is established in the Constitution of the Republic of Moldova<sup>1</sup> and it is mentioned as a development objective in the country's strategic development papers (EGPRSP, National Environmental and Water policies, Biodiversity Strategy and National Action Plan to address Persistent Organic Pollution etc.), the environmental situation in Moldova presents a number of serious threats to human development.

The Republic of Moldova is party to 18 International Environmental Conventions (Annex D). Efforts are made by governmental agencies and by the civil society to meet the country's obligations under ratified conventions but they need better coordination and should be supported further since the achieved results are far from satisfactory, mainly due to limited resources and deficient management. These obligations call for solutions to a large spectrum of problems the country is facing in striving to realize the ambitious objectives of the EU – Moldova Action Plan, declared as a national priority. In order to provide for the country's sustainable economic and social development, policies need to incorporate environmental quality features/parameters. This will also support the convergence with the EU standards.

### MDG 7: STATUS AND PROSPECTS ENSURE ENVIRONMENTAL SUSTAINABILITY

In 2002, 39 percent of the population had sustainable access to safe drinking water.

There is potential to reach the goal but immediate actions are needed to improve quality of surface and groundwater and rehabilitate and protect dug wells and piped water systems.

Source: MDGR, 2004

### Water quality

The degradation of water resources is an urgent concern. The Nistru and Prut river systems account for 90% of total surface waters in Moldova. Catchment areas for the rivers lie in the Ukrainian Carpathians and pass through Moldova into the Danube delta and Nistru liman which lie in Ukraine and Romania. These areas are classed as sensitive environments of European significance. Water reaching the territory of Moldova is of relatively good quality. Within Moldova, the classification of the Nistru and Prut rivers changed to moderately polluted<sup>2</sup>. In industrial areas, parts of both rivers are highly polluted<sup>3</sup>.

In 2002, these **two rivers accounted for a third of the potable water supply in Moldova**, serving mostly the urban population of the country<sup>4</sup>. Up to a fifth of this water is used in the food processing industry. Yet, the Ministry of Health reports that about a quarter to a half of all tests of the Nistru and Prut rivers do not pass quality standards to be used as source of potable water<sup>5</sup>. In 2003, both rivers registered the presence of heavy metals, ammonia and nitrates anywhere from 5 to 18 times the allowable limits<sup>6</sup>. The main sources of water pollution are urban and rural wastewater, pollution from agricultural operations, and spills from improper warehousing of dangerous chemicals, particularly fertilizers and pesticides. The quality of inland tributaries and reservoirs is alarming and some downstream segments are classified as extremely polluted<sup>7, 8, 9</sup>.

<sup>1</sup> Constitution of the Republic of Moldova, 1998

<sup>2</sup> Strategy of Economic Growth and Poverty Reduction, Government of the Republic of Moldova, 2003

<sup>3</sup> Ecological State. Republic of Moldova., thematic map, 2004

<sup>4</sup> There are 9 drinking water intakes. These serve just under a quarter of the total population, including the city of Chisinau. Water treatment includes disinfecting, filtration, coagulation, sedimentation and micro-filtration, but for most of the population it lacks the additional steps of oxidation and more effective disinfecting methods. Environment Millennium Development Goal (MDG) in Europe and Central Asia. Water and Sanitation Targets for Moldova, draft, 2003

<sup>5</sup> Strategy on Development of Water Resources of the Republic of Moldova, ACVAPROJECT, draft

<sup>6</sup> State of the Environment Report, 2004.

<sup>7</sup> Prut River Basin Water Management Project, TACIS, 2000.

<sup>8</sup> Prut River Tributaries: Environmental Protection Review, Protection Strategy and Option, TACIS, 2001

<sup>9</sup> Water Cadastre of the Republic of Moldova, 1998

**Ground water** is the main source of potable water for over 1.5 million rural residents and about 300,000 residents of small and medium-sized towns<sup>10</sup>. The quality of shallow groundwater has been deteriorated by nitrates, ammonia, chlorides and microbiological pollution<sup>11</sup>. The average nitrate concentrations in wells exceed the maximum allowable limits for most categories of land-use, particularly residential areas (Table 5). The significant deterioration of river water and groundwater in Moldova pose serious threats to human health. Approximately half of the country's population is at risk of illness caused by contaminated drinking water<sup>12</sup>.

**Table 5: Water quality of shallow wells by land-use, 1997**  
(The max level of nitrate concentration is 50 mg/l)

Land use	Nitrate concentration (avg. mg/l)
Arable	35
Forests	75
Orchards/ vineyards	89
Livestock public farm	209
Rural villages	312

*Source: Study on the Quality of Rural Drinking Water, GOM/WB/EPDRB, 1997*

### Water supply and sewerage infrastructure

One in two Moldovans depend on piped water systems, mainly in cities and medium-sized towns<sup>13</sup>. Only about half of these systems are in satisfactory condition, mostly in larger cities. Piped systems serve only about 9% of the population living in small towns and rural areas, and most of these systems are not operating, mainly due to broken pumps, collapsed boreholes and blocked distribution systems<sup>14</sup>.

The Ministry of Health and Social Protection is preparing a new set of standards for the drinking water quality that is in line with the WHO Guidelines for Drinking-water Quality and the EU Drinking Water Directive.

The last countrywide study<sup>15</sup> indicates that about 71% of the urban population is connected to wastewater facilities. In Chisinau and Balti this increases to 90%. But many are not functioning. About a half of the populations of small and medium-sized towns are connected. By contrast, only 12% of the rural population are connected to wastewater and sewerage systems, many of which are not functioning. It can be assumed that no more than 2% of the rural population enjoys functioning systems<sup>16</sup>. The rest rely on pit latrines and basic drainage systems for household waste-water.

### Soil and land degradation

Agriculture continues to play a vital role in the economy and the subsistence of a large proportion of the rural population. Agricultural lands constitute 75% of the total land surface of the country<sup>17</sup>. Land reform increased the number of land owners and there are currently more than 1.3 million farms. At the same time, land is being taken out of agricultural production. About 4,400 ha of arable land are lost each year to construction and mining<sup>18</sup>. At present the per capita share of agricultural land is 0.43 ha, far below the sustainable level of 0.6 ha<sup>19</sup>. Land fragmentation, poor crop rotation, inadequate tilling and increased neglect of soil and water protection

<sup>10</sup> Environment MDG in Europe and Central Asia. Water and Sanitation Targets for Moldova, draft, 2003

<sup>11</sup> Ibid.

<sup>12</sup> It is estimated that more than 130 000 shallow wells in rural areas are seriously contaminated. The MoH reports that between 30 and 80 percent of surveyed shallow wells do not correspond to drinking water quality standards. Strategy on Development of Water Resources of the Republic of Moldova, ACVAPROJECT, draft, 2004. International studies and assessments also support these facts, including: River Basin Water Management Project Moldova, Annex 2 – Ground Water and Land Use, TACIS, 2000; and Danish Environmental Protection Agency (DEPA), Water Quality Monitoring Project, Moldova, draft, COWI, 2002.

<sup>13</sup> Correction of Complex Scheme for Water Supply and Sewerage Development in Moldova, ACVAPROJECT, 2004.

<sup>14</sup> Environment Millennium Development Goal (MDG) in Europe and Central Asia. Water and Sanitation Targets for Moldova, draft, 2003

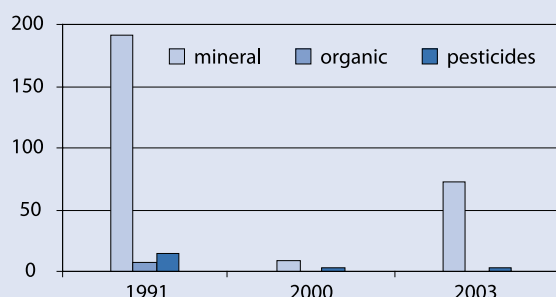
<sup>15</sup> Correction of Complex Scheme for Water Supply and Sewerage Development in Moldova till the year 2015, ACVAPROJECT, 2003

<sup>16</sup> Environment Millennium Development Goal (MDG) in Europe and Central Asia. Water and Sanitation Targets for Moldova, draft, 2003

<sup>17</sup> Crops account for 55 percent, and perennial fruit and vine plantations and pastures account for about 10 percent each.

<sup>18</sup> State of the Environment Report, Republic of Moldova., 2004

<sup>19</sup> State of the Environment Report, Republic of Moldova., 2004

**Figure 9. Use of mineral and organic fertilizers and pesticides ('000 tons)**

Source: State of the Environment Report, Republic of Moldova 2004

irrigated, that is less than 5% of total irrigable lands. This has contributed to a drop in food production, employment and incomes for the rural population and reflects the shift of the average Moldovan farm to production for subsistence. In lands formerly irrigated, water-logging and **soil salinization** are a concern. It is estimated that over 112,000 ha of arable lands are salinized, of which a third are croplands and 2/3 are pasture<sup>22</sup>. More than 2 million ha of agricultural land in Moldova is situated in hilly areas, and 800,000 ha or a third of all agricultural lands are already eroded. It is estimated that nearly 26 million tons of fertile soils are lost each year due to **erosion** of different types<sup>23</sup>.

### Air quality

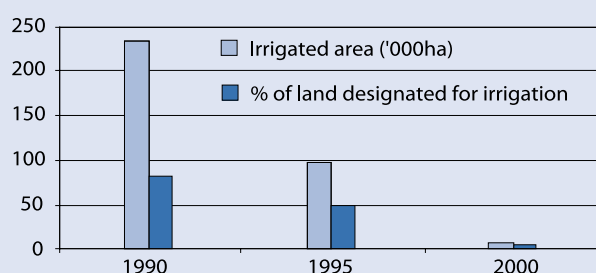
Urban areas are most severely affected by air pollution. In 2003, the average annual concentrations of nitrogen dioxide and formaldehyde in Chisinau exceeded air quality standards by 29 and 90 percent respectively<sup>24</sup>. Cars and trucks are the main culprits, accounting for 86% of total emissions. There are over 2,200 sources of industrial pollution in Moldova, however, the biggest polluter is the Dnestrovsk coal and gas-fired power station in the *Transnistria*.

### Management of industrial and municipal waste

The quantity of toxic industrial waste in 2002 was 112 tons and 3 times less than in 2001. However, there is very little data on water and soil contamination by persistent organic pollutants. The improper and unsupervised storage of large quantities of pesticides and other toxic substances near residential areas, water resources and food and livestock production centres is worrying. Management of domestic waste is another major concern. Most official landfills are overloaded, and about 25 million m<sup>3</sup> of waste is dumped illegally, with the risk of further soil and groundwater contamination<sup>25</sup>.

measures have taken their toll. Average soil quality values have decreased from 70 to 65 units<sup>20</sup>. High prices for fertilizers as well as the lack of a system of their distribution led to a dramatic decrease in their use (Figure 9). It is estimated that agricultural lands have lost, on average, 10% of their fertility in the past decade<sup>21</sup>.

The amount of **irrigated land** has dropped considerably since 1990 (Figure 10). At present, it is estimated that no more than 20,000 ha of land are

**Figure 10. Irrigated lands**

Source: State of the Environment Report, 2004

<sup>20</sup> Higher unit range corresponds to more fertility and productivity potential of the soil. Currently, highly fertile soils of first and second category (value level above 80) form about 48% of total lands in Moldova, medium fertile soils within the third and fourth category (value rate from 40 to 80) form about 40%, and low fertility soils (value index is less than 40) form 13%

<sup>21</sup> Complex Scheme for Re-cultivation of Degraded Lands, 2003.

<sup>22</sup> State of the Environment Report, 2004.

<sup>23</sup> State of the Environment Report, 2004.

<sup>24</sup> State of the Environmental Report, 2004.

<sup>25</sup> State of the Environmental Report, 2004

## Bio-diversity

Moldova is home to a wealth of flora and fauna<sup>26</sup>, but 10% of vascular plants and about one third of vertebrate animals are included in the Red Book of Moldova<sup>27</sup>. Both the *Nistru* and *Prut* rivers are regulated by hydropower weirs and flood protection dams. All tributaries have been regulated by a dense network of reservoirs. These have significantly altered their associated wetlands and flood-plains which serve ecological corridors of international importance<sup>28</sup>. Thirteen of 82 Moldovan fish are listed as endangered species<sup>29</sup>. Damage to fish spawning grounds has decreased commercial fishing hauls from 166 tons to just 9 tons in the past 10 years. The average age of forest reserves in Moldova is 40 years, and they are considerably fragmented. About 75% of forests are degraded and illegal cutting is widespread in rural areas. The steppe eco-systems are also under intense land-use pressures. A large portion of the steppe's flora and fauna is in danger of disappearing in the next 10 years<sup>30</sup>. Total protected areas constitute 66 thousand ha or nearly 2% of the country, which is considerably lower than the majority of European countries.

Summary of the **three priority problems** and their root causes: pollution of surface and ground waters, soil degradation and the loss of bio-diversity.

## Pollution of surface and ground waters

Human activity has significantly altered the quality and quantity of surface and ground water resources. This poses direct threats to the health of population. Wastewater collection and sewerage treatment technologies are outdated and there is widespread non-compliance with quality control standards. Reporting of water quality testing results is irregular and conceals the actual effectiveness of wastewater treatment capacities. There is inadequate collection and disposal of domestic and industrial waste and very low awareness among the general population about the danger of improperly stored domestic and agricultural waste, particularly to rivers and dug wells.

The inadequate storage of pesticides is another important factor. Despite the fact that the Moldova Government ratified the Stockholm Convention on Persistent Organic Pollutants on 7 April 2004 and therefore committed itself to taking measures to eliminate or reduce the release of POPs into the environment, there is still low awareness of population about the dangers of exposure to toxic chemicals. Supervision is insufficient to assess the danger and there are few properly organised facilities for the processing or safe storage of toxic waste. Improper tillage and ploughing practices also contribute to soil erosion, losses of soil fertility and contamination of water bodies. Finally, vulnerable areas of major rivers, such as floodplains, are not sufficiently protected from other uses, particularly grazing.

Sewerage and wastewater treatment facilities and waste and hazardous material disposal systems suffer from severe budgetary constraints. Tariffs for services are inadequate and their application is uneven. There is also insufficient awareness among both the general population and local administrations about environmental protection. Water service reforms have little environmental emphasis, institutional cooperation is poor, and there is little strategic planning for water conservation. Households and local administrations alike are reluctant to enforce sound environmental practices if they are seen to limit the short-term economic value of their lands and other natural resources.

<sup>26</sup> These include: 5500 plants 460 types of vertebrate animals and about 14 500 types of non-vertebrate varieties. Biological Diversity Conservation. National Strategy and Action Plan, 2002

<sup>27</sup> Red Book of Moldova, 2001

<sup>28</sup> Concept on creation of ecological network in the Republic of Moldova, BIOTICA, Collection of scientific articles: to academician L.S.Bergu – 125 years old, 2001. Biological Diversity Conservation. National strategy and Action Plan, 2002

<sup>29</sup> Bio-diversity conservation, thematic map, 1999.<sup>30</sup> Biological Diversity Conservation. National Strategy and Action Plan, 2002.

## Soil degradation

Declines in soil fertility have severely limited the country's agricultural and ecological potential. An immediate cause is top-soil erosion. Across Moldova there are inadequate technologies and equipment for proper irrigation and drainage, and soil management and conservation. Agricultural extension units lack the resources to provide training to farmers on best practices, and government monitoring of soil management and conservation practices are negligible.

During the transition period, there was a sudden shift in livestock management from well maintained collective paddocks and barns to extensive grazing natural areas. This encroached on ecologically fragile areas. There is a very low awareness among the rural population as well as local administrations about the negative impacts of this trend.

Similar to the situation for water quality, there is an underdeveloped and poorly enforced system of penalties for illegal dumping of chemicals and other toxic waste. There are few facilities for the safe disposal of toxic chemicals and wastes, and a lack of guidelines and approved technologies for remediation of polluted areas.

At root, there is insufficient motivation among local administrative bodies to enforce and monitor environmental protection. Supervision is lacking and there is a distinct lack of experience in modern soil and land management practices. As a result there is insufficient communication and training about these matters, ineffective extension to farming households, and no mobilization or mass communication efforts to address the issue. Farm households are not sufficiently aware of the advantages of proper soil management and lack a support system for trying new conservation techniques. The resources of the Ministries of the Environment and Agriculture are simply overstretched. Policies and the regulatory framework for soil and land management are inadequate and there are too many free-riders and polluters for effective supervision and control efforts.

## Loss of bio-diversity

The bio-diversity of Moldova is under threat. Forests, green belts, wetlands and unique steppe regions are being reduced and fragmented. This loss of ecological stability will have negative impacts on poverty reduction efforts. A first immediate cause is the ongoing encroachment into protected areas for illegal hunting and timber cutting. Another is the illegal collection of rare or protected species of flora and fauna. The general population is unaware of the situation of endangered species in Moldova and the forest service lacks sufficient capacity to monitor protected areas. Penalties are inadequate and poorly enforced. A key root cause is the high and increasing prices of energy (coal and gas), particularly in winter months.

## Root causes common to all three priority problems

- Land reform was implemented without due consideration to environmental assessment and protection;
- There is no integrated management of land and water resources on the basis of watersheds, and no consultation with local resource users;
- The legislative and regulatory framework is sound but enforcement is still lacking;
- Institutional cooperation among line ministries is inadequate for developing cross-sector policies, strategies, and plans related to environmental management and ecological conservation;
- There is weak capacity for environmental governance to conduct environmental impact assessments, strategic assessments, audits and cost-benefit analyses, as tools for better cross-sectoral implementation of environmental policies and strategies;
- Environmental Monitoring Systems needs significant efforts to become operational as a tool for an efficient environmental management;

- The waste management system and waste use/recycling need urgent intervention.
- There is no system of prompt response to natural hazards and disasters which cause serious impact on people's life quality and on the quality of environment;
- There is no system to provide environmental and ecological training and retraining to public officials (in MENR, other line ministries, at districts and local levels);
- There are insufficient resources to comply with the cross-border cooperation for natural resources management and protection, such as the EU waste-water directive.
- There is no mechanism in place to ensure public participation to decision-making
- Access to environmental information<sup>31</sup> is limited, as there are not enough capacity and resources in the sector, including the MENR. The role of access to information as a prerequisite for human development and poverty reduction is not sufficiently recognised.
- The management of the National Ecological Fund is characterised by lack of transparency and efficiency in using resources for solving environmental problems at local and regional level.

---

<sup>31</sup> Moldova has to meet obligations under the signed and ratified in 1999 Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (*Aarhus, Denmark, 25 June 1998*). (<http://www.unece.org/env/pp/ctreaty.htm>)



## 2.5. The right to social protection

The social protection system in Moldova has two main components: a social insurance system, based on the contributions of employers and employees, and social assistance programmes and specialized services to protect the poorest and most vulnerable members of society. As a percentage of GDP, public spending on this social safety net has declined by nearly half since 1997 (Table 6), and the extremely poor make up only 1 in 2 of the total beneficiaries of the system (See section 2.1). Vulnerability is on the increase.

**Table 6. Social Protection Expenditures**

	1997	1998	1999	2000	2001	2002	2003	2004 est.
Expenditures, mln. lei	455,2	361,2	466,5	614,2	504,6	645,6	744,0	921,4
Inflation adjusted, mln. lei	406,4	334,4	335,6	468,9	458,7	613,7	666,7	815,4
As % of GDP	5,10	3,96	3,79	3,83	2,65	2,86	2,73	2,88

*Estimates: EXPERT-GRUP, "Business and Economy Review", no.4, April 2005.*

The social assistance system does not provide effective help to families with children. There are more than 25,000 large (three or more children) families in Moldova, amounting to 2% of all families. Child-care legislation lays down various payments, but leave and other benefits for child-care are too small: \$3-10 per month for each child from big or one-parent families, and for handicapped children<sup>1</sup>.

### Box 2: Vulnerability in Moldova

- **Four out of ten children** under the age of ten live in extreme poverty
- About **370,000 people** (10% of the total population) have left the country in search of work, leaving about **28,000 children** without the care of both parents
- Both the total number and the incidence of **disabilities among children** are increasing
- **13,500 children** are in residential institutions, and their numbers increase by 2% per year
- In 2003, **3,681** street children were registered – a 40% increase from 2002
- The number of unemployed young people between the ages of 16 and 29 was **28,000** in 2003, representing **nearly 1 in 2 of the total unemployed**
- More than **80%** of identified victims of trafficking in human beings reported that they were victims of violence in the family.

Migration has left an estimated **28,000 children without the care of both parents**<sup>2</sup>. 2 in 3 of these children are girls<sup>3</sup>. A recent survey of 1,844 children from 25 rural settlements reported that an astonishing 81% had at least one parent working abroad<sup>4</sup>.

**Institutionalization** remains the main form of protection for children without parental care<sup>5</sup>. Only 6% of children without parental care benefit from community-based and family support services<sup>6</sup>. At the beginning of 2001, 13,500 children lived in these institutions, excluding Transnistria for which there were no figures<sup>7</sup>. Of these children, nearly all are of school age (7-17 years) and 2 in 3 are boys<sup>8</sup>. Nearly half of these children were placed in institutions by a parent<sup>9</sup>. The main reasons given are: illness or disability (36%); poverty (27%); death of a parent (16%);

<sup>1</sup> Ala Mindicanu, Report on "Mainstreaming gender policies in the Republic of Moldova", 2004

<sup>2</sup> Information of the Ministry of Education of Moldova, December 2004

<sup>3</sup> UNICEF, "Young people health and development", national baseline evaluation of knowledge, attitudes and practices of young people, 2005

<sup>4</sup> In December 2003 the Ministry of Education registered 22,976 children with both parents working abroad. Source: Psychological development of children in disintegrated families in the Republic of Moldova, Conference on education: QUO VADIS, Anatol Dubrovsky, Vice-Minister of Education, 2004

<sup>5</sup> Evaluation of the Financial Framework of Child and Family Social Protection, UNICEF, 2004

<sup>6</sup> Evaluation of the Financial framework of Child and Family Social protection, UNICEF, 2004

<sup>7</sup> The Situation of Children and Family in the Republic of Moldova, Assessment and Analysis, UNICEF, 2000-2001

<sup>8</sup> UNICEF "Status of Institutionalized Children" Report, 2000

<sup>9</sup> Survey "The informational system of children placed in residential institution in the Republic of Moldova", EveryChild, Ministry of Education, Ministry of Health, Ministry of Labor and Social Protection, 2003



and family problems (8%). While state grants cover approximately 70% of the operating costs of these institutions<sup>10</sup>, there are too few resources to support the counselling and vocational training needs of the children. The inadequate quality of care and education isolates these children socially, and jeopardizes their future ability to find decent employment and integrate successfully into the community. Children, who grow up in institutions, particularly girls, face heightened social risks and are ten times more vulnerable to trafficking<sup>11</sup>. These concerns were also noted by the CRC committee that urged immediate action to develop family-based alternatives<sup>12</sup>.

There is very little reliable data about **violence against children and women**. Although the number of official complaints to authorities concerning the sexual and physical abuse of children grew between 2002 and 2003, reaching 124 and 41 cases respectively, many cases of violence, abuse, neglect and exploitation are simply not reported and investigated.<sup>13</sup> In 1998 alone, 120 persons died as a result of family conflicts, mostly women. There are few official data, attesting the true proportions of domestic violence, due to underreporting, which might be explained by the perception that it is not a crime but rather 'family business'. Violence experienced by women mostly takes place within the "privacy" of their homes, this contributing to the existing "culture of silence" in this area<sup>14</sup>. The Reproductive Health Survey 1997 indicates that 21.5% of women reported abuse by a partner or ex-partner. Violence among and towards young people is also a concern. Nearly 40% of young people say they know personally someone who had been subjected to sexual violence<sup>15</sup>, and almost 80% say they know someone who has been subjected to physical violence. Most reported cases take place in nightclubs and in the street, but a third of reported incidents took place in schools or in the family<sup>17</sup>.

As a consequence of poor parental skills children are neglected. The Ministry of Health and Social Protection registers an annual average of 1,200–1,300 of cases of accidents by burn, 99% of which are direct consequences of lack of supervision on behalf of the parents. Three out of a hundred parents do not consult a doctor when the child is ill and six do not buy drugs even when they have money.

As a result of abuse and neglect, children often abandon their families for the street. According to the Ministry of Internal Affairs, in 2003, there were **3,681 children living and/or working in the street**. It is not known how many are girls or boys. Most have a place to live, but spend their time on the street begging (45%), labouring (17%), thieving (15%) or engaged in petty marketing (9%). Children left behind by migrants and children with physical disabilities are particularly vulnerable to exploitation for begging. There is a major lack of specialized support and rehabilitation services for these children<sup>17</sup>.

The number of registered cases of the **worst forms of child labour** increased by 2½ times between 2001 and 2004<sup>18</sup>, and 260 judicial cases have been filed since the beginning of 2003<sup>19</sup>. Children work both in the fields as well as within the households most of the year. Although their work is not regular or does not have the same intensity all year long, they are still assigned various tasks on a daily basis. Of 145 school-age children included in a survey on rural child labour,<sup>20</sup> 1 in 3 reported that their parents force them to work and 2 in 3 stated they

<sup>10</sup> AiBi, UNICEF, the Report "Child Adoption in Moldova", 2003

<sup>11</sup> According to statistics from the IOM Rehabilitation Center for Victims of trafficking, 10% of identified and assisted victims of trafficking from 2000–2004, grew up in institutions. Since children growing up in institutions constitute approximately 1 % of the total child population, we conclude that they are 10 times more vulnerable to being trafficked.

<sup>12</sup> Concluding Observations: Republic of Moldova, Committee on the Rights of the Child, 31 Oct 2002.

<sup>13</sup> Information note prepared by the Ministry of Internal Affairs for the UN Study on Violence against Children, 2004

<sup>14</sup> UNFPA Draft Regional Programme on "Responding to Gender-based Violence and Trafficking of Women and Children" for the CEE/CA and CIS region

<sup>15</sup> UNICEF, Survey of assessment of youth's knowledge, attitudes and practices "Youth health and development", 2005

<sup>16</sup> UNICEF, Survey of assessment of youth's knowledge, attitudes and practices "Youth health and development", 2005

<sup>17</sup> Survey "Street children from Chisinau" accomplished by the Resource Center for Social Assistance, 2000

<sup>18</sup> Ministry of Labour and Social Protection, January 2005

<sup>19</sup> First Periodical Report of the Government of the Republic of Moldova on the implementation of ILO Convention 182, September 2004

<sup>20</sup> Rural Child Labor Study, National Women's Studies and Information Center, ILO-IPEC, 2004.

are punished if they fail to work or perform poorly. Since the children are involved in activities which do not correspond to their age, they suffer physical traumas and various types of allergies.

The Ministry of Education, Youth and Sport estimates that about 16,000 children of school age have disabilities or impairments of different kinds. The majority of these children do not attend school whilst an estimated 5,000 are enrolled in special residential schools. Most are cared for at home. They become excluded from society because most public spaces and buildings are not accessible to persons with disabilities. The general attitude of society is that these children are best cared for in institutional settings<sup>21</sup>.

The number of **children and young people in conflict with the law** is stable. Offences committed by children represent about 10% of the total number of recorded offences, most committed by boys between the ages of 16 and 17<sup>22</sup>. In the majority of cases, the offences have an economic character<sup>23</sup>. Children represent less than 2% of the prison population. Children and young people accused of committing offences are investigated and prosecuted by the adult system and children often lack appropriate legal representation or support from social workers<sup>24</sup>. Long periods spent in pre-trial detention have serious consequences for their physical and mental health. While there is no specific juvenile justice law or separate system for juvenile justice<sup>25</sup>, the new Criminal Code that came into force in 2003 foresees the use of alternative detention measures for children and young people. Many cases of violence occur within police stations<sup>26</sup>.

According to the International Labor Organization, in 2004, the number of unemployed exceeded 116,000 people with a decrease of 0.3% compared to 2003. Unemployment affects men (60.2%) to a greater extent than women, and urban dwellers (66.2%) more than rural inhabitants<sup>27</sup>. In 2003, there were **28,000 registered unemployed young people** between the ages of 16 and 29, accounting for a remarkable **46% of the total unemployed**. Among the young unemployed, there are no striking differences between males and females or between urban and rural areas. However, young women find it more difficult to gain meaningful employment because they are perceived as 'costly' due to their child-bearing and child-rearing role<sup>28</sup>. Unemployment and poverty often contribute to a range of poor lifestyle choices and behaviours, including abuse of alcohol and drugs, smoking, and un-safe sexual practices. The prevalence of these behaviours was discussed in more detail in section 2.2 which examined young people's rights to a healthy life.

In 2004, there were **146,000 adults with disabilities** and of these only 14% were working. Their poverty status is not known, but many are assumed to number among the poor or extremely poor. Finally, the Moldovan population is ageing (see Annex E). In 2003, there were half a million pensioners, and nearly half of all poor households are headed by a pensioner. In rural areas more of these household heads are women. From 2002 to 2003, there was a 58% increase in the number of elderly entering residential care<sup>29</sup>. There are few and poorly funded nursing homes and palliative care facilities. Migration has either left the elderly without their accustomed social safety net, or in

<sup>21</sup> The number of children institutionalized with severe disabilities has increased by about 7 percent for each of the past 5 years. Ministry of Labor and Social Protection, Social Report – 2003, 2004

<sup>22</sup> UNICEF, the Report on Juvenile Justice in Moldova, 2003 The correct title is: Juvenile Justice in the Republic of Moldova, 2002-2003, Evaluation Report, Government of Moldova and UNICEF

<sup>23</sup> Situation of Children in Places of Detention, Monitoring Report 2003-2004, Institute of Penal Reform and UNICEF, 2004

<sup>24</sup> Of minors in holding areas or preventive detention in Chisinau and Balti, 85 percent did not have access to legal representation. "The observance of minors' rights in places of detention", IRP, UNICEF, 2005 The correct title is: Juvenile Justice in the Republic of Moldova, 2002-2003, Evaluation Report, Government of Moldova and UNICEF

<sup>25</sup> This gap was also noted by the CRC committee which urged the establishment of a specific system of juvenile justice as soon as possible. *Concluding Observations: Republic of Moldova*, Committee on the Rights of the Child, 31 Oct 2002.

<sup>26</sup> UNICEF, the Report on Juvenile Justice in Moldova, 2003. The correct title is: Juvenile Justice in the Republic of Moldova, 2002-2003, Evaluation Report, Government of Moldova and UNICEF

<sup>27</sup> Ministry of Economy and Trade, 2005

<sup>28</sup> Ala Mindicanu, Report on "Mainstreaming gender policies in the Republic of Moldova", 2004

<sup>29</sup> Ministry of Labor and Social Protection, Annual Social Report – 2003, 2004

the unenviable position of raising young children, decades after their own children have left the home<sup>30</sup>. Existing social security systems do not ensure equity and solidarity between and within generations and support to elderly people. Formal and informal support systems and safety nets for elderly people need to be strengthened to avoid and eliminate all forms of violence and discrimination against them.

Women are more affected by the acute problems of family violence and trafficking in human beings. Women are mostly exposed to violence in their homes. More than 80% of trafficked women from Moldova were victims of **violence in the family**.<sup>31</sup>

Moldova has emerged as one of the main countries of origin for trafficking in human beings. This is mainly due to the economic crisis, failure of the social protection system, and breakdown of families following migration. With 10% of the population working abroad and an unknown proportion working illegally, many are falling prey to criminal organizations and become victims<sup>32</sup>. The only reliable and available data on the number of victims of trafficking, including children victims of trafficking, comes from the IOM Rehabilitation Centre for Victims of Trafficking. In the period January 2000 – December 2004 a total of 1,452 victims of trafficking were identified and assisted by the Center. Based on the above statistics, 21% of victims of trafficking were children (under 18 years of age) at the initial stage of trafficking and 11% were still children at the moment of repatriation and initial assistance. The majority of victims are very young, 60% are between 18 and 24 years of age when they are identified and returned to Moldova. 35% of victims are mothers and approximately 80% of them are single mothers (single, separated, divorced, widower). 20% of victims returned to Moldova pregnant. Moldova is the country in the region from which most mothers are trafficked<sup>33</sup>. Estimates from an international NGO – La Strada indicate that, of the victims coming into contact with support organizations across Europe, 35 to 50 percent are from Moldova<sup>34</sup>. The CRC committee noted deep concerns about the scale of trafficking of girls from Moldova<sup>35</sup>. The Centre for minors in Moscow also estimates that more than half of street children in the Russian capital are Moldovan<sup>36</sup>.

The right to protection of migrant workers continues to be insufficient – absence of legal mechanisms to travel and work abroad, lack of labour bi-lateral agreements, non-involvement of Moldovan diplomatic missions from the destination countries, non-observance of the labour contracts are only a few significant issues to be addressed. Lack of such measures generates forced labour and trafficking in human beings for economical exploitation. Only 28.4% of migrants worked in the destination countries on the basis of a labour contract. The remainder of migrant workers working outside a legal labour relationship are especially vulnerable to various forms of coercion, exploitation and violation of essential human and labour rights.

One in four Moldovans is a young person, between the ages of 10 and 24, and young people account for approximately 1 in 2 of the unemployed. Their vulnerabilities to a range of health and education related problems are acute (See sections 2.2 and 2.3).

On the basis of the situation assessment, there are **3 key problems**<sup>37</sup> which prevent Moldovans from enjoying their social protection rights: children at risk, particularly separated children; violence, abuse, neglect and exploitation; and people with disabilities are excluded from society.

<sup>30</sup> Ministry of Labor and Social Protection, Annual Social Report – 2003, 2004

<sup>31</sup> UNICEF, UNOHCHR, OSCE, Report "Trafficking in Human Beings in South Eastern Europe", 2003

<sup>32</sup> Government of the Republic of Moldova "Feasibility Study on Current State in the Area of Human Rights", Republic of Moldova, UNDP, 2003

<sup>33</sup> Of Victims, 60% are between 18 and 24 years of age when they are identified and returned to Moldova; 35% of victims are mothers and approximately 80% of them are single mothers. IOM statistics for 2004

<sup>34</sup> IOM "Trafficking as it is", a statistical profile, 2004

<sup>35</sup> *Concluding Observations: Republic of Moldova*, Committee on the Rights of the Child, 31 Oct 2002.

<sup>36</sup> IOM "Trafficking as it is", a statistical profile, 2004

<sup>37</sup> This analysis was conducted with government and civil society partners to identify the immediate, underlying and root causes of each problem. The causality diagrams ("problem trees") can be obtained at the following URL [http://un.md/un\\_common/docs/CCA\\_CausalityDiagrams.doc](http://un.md/un_common/docs/CCA_CausalityDiagrams.doc)

## Children at risk, particularly separated children

The right of the child to grow and develop within the family is one of the basic rights stipulated in the Convention on the Rights of the Child (CRC). Many in Moldova do not enjoy this right, particularly children without parental care and living without appropriate care and supervision in the community or in institutions. As a result of abuse, neglect and indifference many of these children turn to the streets, come into conflict with the law, and often fall prey to traffickers and other forms of exploitation<sup>38</sup>.

Budget allocations for children are insufficient and the current model promotes the placement of children in residential institutions, where family re-integration is not a primary concern. The system of social services is poorly developed. Most communities do not have community-based and family support services for prevention or reintegration of children in difficulty.

Considerable progress has been made in recent years to develop the policy and legislative framework in child and family protection through the adoption of a number of social policies and laws. These include the National Concept and Strategy on Child and Family Protection (2002 and 2003), the National Human Rights Action Plan (2003), and the National Strategy and Plan of Action on “Education for All” (2003 and 2004). Parliament has also passed a new Social Assistance Law and the Government has approved and presented to the Parliament the draft Law on Children in Difficulty. The new Criminal and Criminal Procedure Codes include improved juvenile justice provisions and a new draft Anti-trafficking Law includes improved child trafficking provisions. However, lack of effective implementation mechanisms, including human and financial resources, hinder their effective application in practice. Government actions in this field remain dispersed among five ministries; the issue of child protection is tackled in a fragmented way by central and local administrations. The lack of a clear policy direction, a protection system that emphasizes long-term institutional care, rather than community-based family support services, and poor parenting practices all conspire to prevent many children from enjoying their rights to grow and develop.

## Violence, abuse, neglect and exploitation

Poverty, unemployment, gender inequality and migration have contributed to a breakdown in family structures, with increased violence and abuse, and reduced personal security. This provides the motivation for many Moldovans, particularly young people, to seek an exit strategy, thereby making themselves easy prey for traffickers, and for illegal employment involving different forms of exploitation. A National Plan of Action to Combat Trafficking in Human Beings was adopted in 2001, but no funds have been allocated to date by the Government to ensure effective implementation of this plan. All activities aimed at preventing trafficking in human beings, by redressing gender inequalities and supporting vulnerable families, and providing assistance to victims of trafficking are currently funded by international donors.

Overall, the capacity of the system to prevent and intervene in cases of violence against children and women remains weak. Victims are not aware of existing complaints procedures<sup>39</sup> and multidisciplinary public services that specialize in the identification, protection, rehabilitation and reintegration of victims of violence, human trafficking and other forms of exploitation remain limited. There are two Centres run by NGOs that provide shelter and rehabilitation to victims of domestic violence. However, their sustainability depends on grants from external donors. There is little cross-sectoral or cross-departmental collaboration between schools, health clinics,

<sup>38</sup> The CRC committee pointed out that the principle of non-discrimination is not fully implemented for children living in institutions, children with disabilities, street children, children with HIV/AIDS, children of Roma origin and other ethnic minorities. Concluding Observations: Republic of Moldova, Committee on the Rights of the Child, Oct 2002.

<sup>39</sup> However, according to the Family Code (2000), Article 53, a child can address by themselves the guardianship authority for the defense of his/her legitimate rights and interests and, beginning with the age of 14, he/she can address the court.

social and legal services, and the police and security forces. Community and family support services to prevent violence and abuse or to provide assistance for victims are in the early stages of development and referral mechanisms are weak. Replication of these services is prevented by a lack of policy and public funding.

Considerable gaps remain in national legislation. For example, the Criminal Code does not provide sufficient punishment for the neglect or sexual abuse and harassment of children and women, or forcing them into harmful labour. Two draft laws are in process of being adopted: the Law on prevention and combating of human trafficking and the Law on prevention and combating of family violence. Adoption alone is not enough. State institutions lack financial resources, as well as viable mechanisms for the implementation of policies and laws. The mechanism for data collection on violence, discrimination and exploitation is not well developed. Official data about violence only include formally recorded cases of murder and serious physical injury. There is no sex desegregation of data related to victims or perpetrators. Most reports on physical and mental abuse are not counted, nor is it known whether victims are male or female, young or old. Most victims do not report cases of abuse and violence because there are no services or for fear of reprisals.

### **People with disabilities are excluded from society**

The rights and needs of 146,000 disabled citizens are not properly addressed, which leads to exclusion of this vulnerable population group from the economic and social life of the country. Despite the adoption of the **National Program for Protection, Rehabilitation and Social Integration of handicapped people for 2000-2005**<sup>40</sup>, there is no coherent social policy regarding the integration of disabled people in the job market, or provision for their orientation and training. Employers are not motivated to provide jobs and special work conditions for people with disabilities. Physical access to public services such as clinics and buses is another concern.

In the last years attempts have been made to integrate children with special education needs into the general educational system. However, directors and teachers in ordinary schools are reluctant to accept children with disabilities and have received no training on how to teach them. Also, parents are hesitant to place children with disabilities in ordinary schools for fear of stigmatization. Lack of early identification of disabilities, poor rehabilitation support and little co-operation between health professionals, social workers and schools contributes to this situation of discrimination, all in contradiction of the Dakar Action Framework. The CRC committee also noted too few efforts to integrate these children into mainstream education and society<sup>41</sup>.

The Law on Social Assistance, adopted in 2003, stipulates the creation of social worker positions in every territorial and administrative unit. To date, none have been hired, due to budget constraints. NGOs render a variety of services for the disabled including: day care centres for children and youth, placement centres, temporary shelters, transportation and home assistance services, on-the-job reintegration services, psycho-social assistance services. However, these services are sporadic, and receive little or no public funding. Most families face tremendous difficulties in caring for their disabled family members in their homes. Therefore disabled children face higher risks of abandonment for financial and social reasons. Many disabled children are committed to residential institutions with little hope of reintegration with their families.

<sup>40</sup> Minutes of the Government sitting nr.1153 of 16.11.2000, Official Monitor, Nr.149-151/1291 of 30.11.2000

<sup>41</sup> Concluding Observations: Republic of Moldova, Committee on the Rights of the Child, Oct 2002.

## 2.6. The right to good governance

Recent public opinion polls reveal that a majority of population is not satisfied by the quality of governance in Moldova, although positive trends are observed. Trust in state bodies is low<sup>1</sup>. Public institutions are seen as isolated from public scrutiny. The change of territorial and administrative units in 2003 from 11 Judets (Counties) to a system of 35 Raions (Districts) did little to change the quality of public services and has not yet improved inter-budgetary fiscal transfers to local levels for policy and programme implementation<sup>2</sup>. Current relationships between the central and local governments are characterized as “complicated, unidirectional, and ineffective” and many are seen as being at odds with the country’s commitments towards the Council of Europe<sup>3</sup>.

### MD: STATUS AND PROSPECTS HUMAN RIGHTS, DEMOCRACY AND GOOD GOVERNANCE

We will spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development.

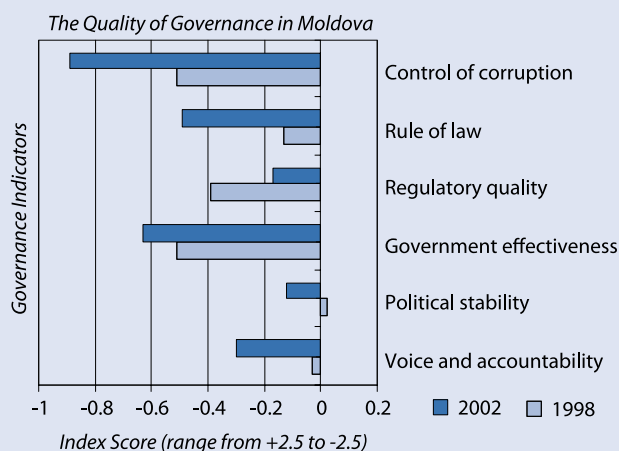
Source: Millennium Declaration, 2000

The lack of sustainable growth is in part caused by imperfect legislation and lack of enforcement capacity. Corruption is seen to be a root cause of these problems. Transparency International-Moldova notes a “tradition and ubiquity of bribery” in public institutions that has become all too accepted as a norm<sup>4</sup>. The diagnosis

contained in the EGPRSP asserts that public administration continues to apply the rules and procedures of the pre-independence political regime to a market economy<sup>5</sup>.

Overall, efforts by government to shift towards stable, reform-minded, effective and transparent governance have not yet had sufficient traction. The Figure 11 shows the change in six qualitative indicators of good governance for Moldova from 1998 to 2002<sup>6</sup>, although recent improvements are visible. After March 2005 elections the Government initiated and started implementation of a set of reforms oriented to the improvement of regulatory framework and public administration. However, these reforms are still to be implemented and their effect to become visible in coming years.

**Figure 11: The quality of governance in Moldova**



Source: Kaufmann et al., *Governance Matters III*, 2002.

<sup>1</sup> Only 9% do trust Government, 8% – do trust Parliament, 5,4% – do trust justice, 2,5% – do trust political parties and 3,8% – do trust police (as compared with 43,9% – do trust church). The IPP Barometer of Public Opinion, Feb 2005.

<sup>2</sup> Monitoring Report on the situation of local autonomy in Moldova, IDIS (2003, 2004), [www.viitorul/moldova.org](http://www.viitorul/moldova.org)

<sup>3</sup> Moldova: Stock-taking of co-operation with the Council of Europe, Report prepared by the Secretariat of the Congress of Local and Regional Authorities of the Council of Europe, November 8, 2004, SG/Inf (2004)29final

<sup>4</sup> Lilia Carasciuc, Efim Obreja, Tudor Popovici, Valeriu Mandru, Corruption and Access to Justice TI, UNDP 2002.

<sup>5</sup> Strategia de Creștere Economică și de Reducere a Sărăciei (2004–2006), Guvernul Republicii Moldova, pp.17-35.

<sup>6</sup> Kaufmann, D., A. Kraay and P. Zoido-Lobaton, 2002. *Governance Matters III: Updated Indicators for 2002*. The World Bank and Stanford University. The index of 6 indicators is based on 25 separate data sources at 18 different organizations, including Gallup International, the Economist Intelligence Unit, Freedom House, and the World Economic Forum. The variation of indicators is reflected between – 2.5 and 2.5, where 1 is the standard deviation from 0, and higher values illustrate higher quality. Note: As with any index of qualitative indicators, drawn from multiple sources, there is a large margin of error. The authors urge extreme caution in the use of this data to rank countries at any one time, or allocate development dollars. In the case of Moldova, for example, the negative change in rule of law between 1998 and 2002 may not have been as large, or may even have been larger. But the margin of error cannot explain away the overall picture that governance was poor in 1998 and appears to be getting worse. For a discussion of other issues related to these governance indicators see: <http://www.worldbank.org/wbi/governance/pubs/govmatters3.html>

There is a **lack of public policy debate** and limited capacity for monitoring and enforcement of laws. The elaboration of new laws is done usually with insufficient public consultation by expert panels. New laws are often not based on proper assessment of their long-term impact. There are few effective mechanisms for implementation and monitoring of legislation, and the Parliament lacks the capability and procedures, such as effective public hearings, to perform oversight functions and monitor enforcement. The EGPRSP does not cover this matter of reform of the legislative process<sup>7</sup>.

The **administration of justice** is also constrained. After independence, Moldova ratified 6 key Human Rights Treaties<sup>8</sup>. A new constitution was adopted in 1994, which reflected these fundamental human rights and freedoms. Moldova made important steps towards the implementation of the rule of law. In 2003, a justice reform was implemented (from 4 tier to 3 tier system); a new Penal Code entered into force on 12 June 2003 that established: rights to a fair trial, the presumption of innocence, the right not to give self-incriminating testimony, and protection from repeated accusations. However, in March 2003, Parliament adopted amendments to the law<sup>9</sup>, decreasing the role of the Supreme Council of Magistrates in appointing judges. This has contributed to the irregular enforcement of the law, from court to court, depending on the competence of court personnel and access to legal documents. Case management in courts is laborious and complex, as is the system of appointments, promotions and dismissals in the judiciary system. The lack of credibility of some judges and public prosecutors erodes the credibility of the entire system<sup>10</sup>.

### Free, but not yet fair

The hardships of economic reform and widespread corruption have reduced people's expectations for a society and economy based on sound governance and the rule of law. A nationally representative survey reveals that, while most Moldovans associate democracy with human rights and a free market, very few associate it with equality before the law<sup>11</sup> (Table 7).

On the basis of the situation assessment, there are **4 key problems**<sup>12</sup> which prevent Moldovans from enjoying their rights to good governance, namely: weak public administration; political and legislative instability; weak rule of law and lack of media freedom and access to information.

**Table 7: With what do you associate the word democracy in Moldova?**

	2002	2003	2004
Free market	15,5	15,9	19,1
Political pluralism (more than one party)	5,2	7,3	8,9
Human rights	<b>25,5</b>	<b>26,0</b>	<b>26,4</b>
Freedom	9,5	10,5	7,7
Right to participate in the decision-making process	<b>8,4</b>	<b>10,3</b>	<b>10,5</b>
Legality and respect towards the law	4,9	9,4	10,1
Welfare	10,7	7,6	5,3
Equal access to justice	<b>6,3</b>	<b>6,8</b>	<b>6,3</b>
Free and independent press	1,3	1,9	0,7
Autonomy, decentralization	0,4	1,0	1,0
NR / Don't know	11,3	3,3	3,7

*Estimates: EXPERT-GRUP, "Business and Economy Review", no.4, April 2005.*

<sup>7</sup> Statistics show that more than 90% of draft laws and decisions of the Moldovan Parliament are prepared by the Government.

<sup>8</sup> In 1993 – The International Covenants on: Civil and Political Rights, Social, Economic and Political Rights, the International Conventions on the Elimination of all Forms of Racial Discrimination, the Rights of the Child; in 1994 – the International Convention on Elimination of all forms of Discrimination against Women, in 1995 – the International Convention against torture and other forms of Inhuman or Degrading Treatment or Punishment.

<sup>9</sup> The Law on the Status of Judges (art. 23)

<sup>10</sup> Trust in the Judiciary (34%) is 3 times lower than the church (78%), local governments (61%) and State TV (46%). Social Monitor, IDIS Viitorul, October 2004

<sup>11</sup> National representative survey (1,100 respondents, stratified sample from 12 geographical regions including a balanced mix of urban and rural localities. IDIS Viitorul, being implemented during 2002 – 2004 by CBS Axa and CIVIS, [www.viitorul/moldova.org](http://www.viitorul/moldova.org), Dec 2004)

<sup>12</sup> This analysis was conducted with government and civil society partners to identify the immediate, underlying and root causes of each problem. The causality diagrams ("problem trees") can be obtained at the following URL [http://un.md/un\\_common/docs/CCA\\_CausalityDiagrams.doc](http://un.md/un_common/docs/CCA_CausalityDiagrams.doc)



## Weak public administration

Assessments looking at the quality of governance refer to the **lack of strategic vision** on functions and obligations of state bodies, and their relationships with local governments, and to the **insufficient quality of human resources** in the public service. While there are individuals and groups with excellent skills within departments and ministries, the civil service overall lacks grounding in evidence-based policy development, and sound methods for policy implementation and monitoring. This is explained in part by the absence of a transparent, reliable and modern process for the recruitment and retention of public servants on the basis of competencies, and on the low salary levels in the civil service. In April 2005, the Government announced its intention to reform the central public administration; even if fully implemented, the reform process will last several years.

Surveys also illustrate that poor participation of citizens in public decision-making processes is motivated by a growing belief that they have little influence<sup>13</sup>. **Women's participation** in the political life of the country is low.

## Political and legislative instability

At the end of 2004, about 500 laws over 15,000 draft regulations awaited legal expertise not available within the Parliament. Many government decrees and policies have been approved without feasibility assessments or analysis of costs. **The too frequent amendment of laws** undermines the stability of the political and economic system, and provides the civil service, judiciary and police with too much room for manipulation<sup>14</sup>. A stable policy also depends on a stable institutional setting for decision-making.

Furthermore, in 2001-2005 the opposition has been sidelined from the decision-making process, further reducing the credibility of the legislative process<sup>15</sup>. The deterioration of the political situation affected the conduct of free and fair local elections in May 2003<sup>16</sup>. The positive dynamic of the situation provided for "...the Parliamentary elections in the Republic of Moldova held on 6 March 2005 were generally in compliance with most OSCE and Council of Europe commitments and international standards for democratic elections"<sup>17</sup>, although "...fell short of meeting some commitments that are central to a genuinely competitive election process"<sup>18</sup>.

Many of the above issues are caused by an incomplete separation of powers whereby interventions by the executive power in legislative and judicial matters are tolerated.

## Weak rule of law

The situation assessment demonstrates that the accessibility and independence of the judicial system are compromised, and that this has contributed to the public's low expectations for the rule of law in Moldova<sup>19</sup>. The key underlying causes are: overloaded dockets of judges<sup>20</sup> and a lack of qualified human resources<sup>21</sup>. Court

<sup>13</sup> Polls show a slight increase in mistrust among citizens to influence decision-making mechanisms of the state (from 36% in March 2002 – to 52% in November 2004).

<sup>14</sup> An audit of the Moldovan Parliament showed that, on the basis of 23 laws adopted between 2001 – 2003, there were 322 of amendments. Among the most frequent changes were: the Law on annual budget – changed 68 times in the past 3 years; Criminal Code – 32 times; Administrative Code – 55 times; Civil code – 13 times; Penal Procedures Code – 27 times. Democratic Audit, 2003-04 in the Parliaments of Moldova, Bulgaria and Georgia (IDIS, IRIS, CIPDD).

<sup>15</sup> Assessment Report on Parliament, 2004, Geoff Dubrow. Director, Eastern Europe, Parliamentary Centre Submitted December 24, 2004, to UNDP Moldova

<sup>16</sup> Report on local election observation, 25 May, 8 June 2003, CLRA of the Council of Europe, July 4, 2003

<sup>17</sup> Republic of Moldova: Parliamentary Elections, 6 March 2005, Final Report of the OSCE/BIDD0 Election Observation Mission, Warsaw, 3 June 2005.

<sup>18</sup> Republic of Moldova: Parliamentary Elections, 6 March 2005, Final Report of the OSCE/BIDD0 Election Observation Mission, Warsaw, 3 June 2005.

<sup>19</sup> Observations made on the basis of the WB Identification Mission on Legal and Judicial Reform, Aide Memoir (P072485), November 2001 and Moldova: Supremăția Legii în 2004, Comisia Internațională de Juriști, Raportul Centrului pentru Independența Judecătorilor și Avocaților, 2004.

<sup>20</sup> In 2004, the judiciary system has processed over 264465 of cases/files, representing an increase of 12% over 2003. The average monthly case volume for judges is 88 files (Buletinul Curții Supreme de Justiție nr. 1/2005)

<sup>21</sup> In 2004, the registered number of 397 judges (as compared with 463 in 2003 and 354 in 2002) have accomplished a volume of work as envisioned for 511 judges, according to the Law on judiciary organization. This situation is reflected in the speech given by the Chairman of the Supreme Justice Court at the Annual Conference of Judges, dated of January 28, 2004, Buletinul Curții Supreme de Justiție nr. 1/2005.

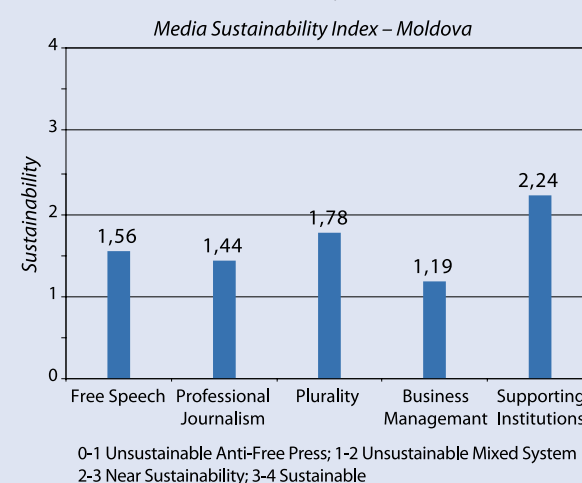
management is inadequate, cases are processed slowly, and procedures are opaque and believed to be corrupt. High legal fees and the lack of some ex-officio bars which could provide services to vulnerable groups, including children in conflict with the law, the poor, and ethnic minorities, only aggravate the unequal access to legal help and due process. The rule of law can only be achieved in a state with a clear functional separation of powers<sup>22</sup>, but in Moldova, the basic structures of the system were affected by the frequent changes in the political framework characteristic to the phenomenon of transition in the Republic of Moldova. Examples of this are the Council of Magistrates, who have a weak and non-autonomous role, and the lack of transparency and procedural independence of state prosecutors<sup>23, 24</sup>.

### Lack of media freedom and access to information

The past few years have seen some positive movement in terms of access to information and media freedom. But members of a discussion panel concerning Media Sustainability in Moldova have criticized the lack of a sustainable, well-managed and independent media<sup>25</sup>. Their scoring of key media sustainability indicators is depicted in figure 12.

Despite efforts to harmonize media-related legislation with international standards and supportive decisions in the Supreme Court, MSI panel members have criticized the absence of editorial independence in media. The media sector is often dependent on external funding and therefore vulnerable to editorial interference from media owners. Contributory reasons include self-censorship, lack of good management, and the absence of a dynamic advertising market to provide independent revenue streams. Another cause of editorial interference is that journalists' associations and coalitions to defend their interests and rights are still simply not strong enough.

**Figure 12: Media Sustainability Index – Moldova**



Source: IREX MSI, 2003

### Emergency preparedness and response

A timely and effective response to national disasters and humanitarian crises is an essential public service. Having the capacity to mount such a response is **a good governance issue**.

Moldova is no stranger to natural and man-made disasters. About 1/5<sup>th</sup> of Moldovan territory is vulnerable to landslides. In the past 30 years, it is estimated that over 350 km of roads and railways have been damaged, as well as water and gas supply, and electricity distribution networks. High risk zones are known but not mapped. With a major fault line running through Romania, earthquakes are another concern<sup>26</sup>. It is estimated

<sup>22</sup> These are mentioned explicitly in EU's Copenhagen criteria (1993) which require stable institutions safeguarding democracy, the rule of law, human rights and respect for protection of minorities. The European Neighbourhood Policy (ENP), launched in 2003 by the European Union, underlines the importance of consolidation of an independent, impartial and efficient judiciary.

<sup>23</sup> The Index of the Judiciary Reform in Moldova (November 2002, ABA/ CEELI and USAID); Monitoring the judiciary independence in Moldova, 2003, Freedom House Moldova and Open Society Justice Initiative.

<sup>24</sup> EGPRSP, p257, 2004-2006, approved through a Decision of the Government NO. 524 of April 24, 2002, at [www.scers.md](http://www.scers.md).

<sup>25</sup> IREX Discussion Panel moderated by Nicolae Negru, Editor-in-Chief, *Mass-Media in Moldova* bulletin, Independent Journalism Center.

<sup>26</sup> Four especially destructive earthquakes were registered in 1940, 1977, 1986, and 1990. Each resulted in the destruction of a large number of buildings destroyed and injuries to hundreds. Regional Study: Managing Natural Disasters in Europe and Central Asia, WB perspective, Country Risk Template (Republic of Moldova), WB, 2003; Seismic Station, Academy of Science of Moldova, data and materials

that about 1/3<sup>rd</sup> of buildings are vulnerable to collapse due to improper building controls and maintenance. The third major risk is flooding<sup>27</sup>, compounded by residential development on floodplains, relatively high population densities near major rivers and poor environmental management. During the last decades the Prut River registered 27 significant floods. Some protection measures such as dams and dikes are in place and help to regulate floodwaters, but some 650 settlements with over 100,000 people are located in flood-prone areas. High water tables increase the risks of landslides, flooding, and it is estimated that 70 percent of human settlements in Moldova experience seasonal problems associated with rising water tables. There are also risks that are not well known or not well documented, that could create disasters or humanitarian crises. These include a number of worrying hazards linked to the improper use or storage of chemical, biological and radioactive materials.

Moldova has a **coherent framework of regulations for disaster preparedness and response**. The Law on Civil Protection establishes the State Department for Exceptional Situations (SDES) as the designated national authority, and it provides clear roles and responsibilities for the office of the President, Parliament, and key Ministries. Other laws<sup>28</sup> include sufficient provisions for safe settlement planning, urban design and building construction, as well as provisions for flood risk assessment and management. Moldova has signed a number of agreements with countries in the region<sup>29</sup> and is a member of several organizations responsible for cross-border emergencies and the prevention of industrial accidents<sup>30</sup>.

The SDES has an annual budget of \$1 to 1.5 million (USD). This covers recurrent costs and allows a modest network of technical institutes and services to monitor the risks and respond to natural disasters. There is an operational seismic monitoring system, a central geophysical laboratory, four regional seismic stations, and a network of volunteer monitors. However, the seismic monitoring system is out-dated and poorly maintained. The flood gauge system is working, but it is operated manually. Reports are transmitted by phone or telegram. The density of hydro-monitoring network is about 1 station per 1000 km<sup>2</sup>, which is 3 ½ times less than in neighbouring countries. Assessments of river bed, bank and water reservoir conditions have not been conducted for over 20 years. The landslide monitoring system is not working effectively. For disaster response, the SDES has 2 army brigades at its disposal, and each administrative district is required to maintain an accident-rescue team, usually comprising 10 to 12 persons with basic emergency response training.

The major problem in Moldova is that **implementation of the regulatory framework is under funded** and its statutes are poorly enforced. A majority of planned activities in risk monitoring and readiness exercises are not carried-out. Accountabilities, while clear on paper, are frequently ignored or fragmented among too many players. In addition there is insufficient engagement with civil society groups and NGOs. The lack of coordination prevents the establishment of an integrated early warning system or the development of a national emergency plan.

A number of root causes conspire to prevent government, civil and community actors from fulfilling their duties in emergency situations:

- The overall framework of laws and rules regulating emergency preparedness needs review and rationalization, particularly regarding coordination roles at national level;

<sup>27</sup> Regional Study: Managing Natural Disasters in Europe and Central Asia, WB perspective, Country Risk Template (Republic of Moldova), WB, 2003

<sup>28</sup> The Law on Quality in Construction and the Law on Principals for Urban Construction and Territorial Development; The Law on Hydro and Meteorological Activities and the Water Code

<sup>29</sup> Agreements have been signed with Romania (1993), The Russian Federation (1995), and Ukraine (1998).

<sup>30</sup> The International Organization for Civil Protection, the International Atomic Energy Agency, the Partially Open Agreement of European Commission for prevention, protection and aids in case of natural and technologic disasters, the World Meteorological Organization, the International Commission for Protection of the Danube River.

- The existing disaster monitoring system needs to be made fully operational and then updated in a gradual manner to ensure that coordinators and decision takers have timely access to information about emerging and actual disaster situations. This will include an agreed workflow process at national, regional and local levels and updated risk maps;
- Much greater efforts are needed to engage the public, particularly local NGOs, in disaster prevention planning and response. This should include programmes for public awareness and education, particularly in schools;
- Additional funding is needed to rehabilitate and upgrade the country's emergency preparedness and response capacities.

## 2.7. Cross-Cutting Concerns

### Young people

Young people between the ages of 10 and 24 account for 1 in 4 Moldovans. As this CCA has demonstrated, young people in Moldova are particularly vulnerable to a range of problems stemming from poverty, unemployment and migration, and under-investments in health, education and social protection services. A summary is provided in Box 3. A key obligation in any society, and one central to political, economic and social development, is to provide a safe nurturing environment for young people.

### Key problems and causes

Sections 2.2 thru 2.5 identify and analyze key problems for young people: poor health, the risk of STIs and HIV/AIDS, poor vocational training, and a social protection system that does not meet their needs. Young people have rights to participate in the decisions that affect their lives, and to develop roles and attitudes compatible with responsible citizenship. But at present in Moldova, young people are traditionally excluded from the decision-making process. There are two underlying causes in this regard:

### Young people lack access to information and services responsive to their needs

#### Box 3: The vulnerabilities of young people in Moldova

**Sexual vulnerability** (according to the recently conducted KAP study),

- Nearly 1 in 4 young people (10-24) are having sex – less than 1 in 10 know how to prevent the transmission of STIs and HIV, with the lowest levels of knowledge among children in residential institutions.
- Only a third of young people reported the use of condoms during sexual intercourse. More importantly, 71% of young people didn't use a condom during their last sex with a new partner.
- Five percent of girls reported rape or coercive sex during their first sexual encounter.
- Over a half of syphilis and ¾ of gonorrhea cases affect people between the ages of 15 and 29.

**Reproductive vulnerability** (According to the National Centre for Reproductive Health, Family Planning and Medical Genetics, 2003)

- More than 2 in 3 girls did not use any kind of contraception during their first sexual intercourse.
- Pregnant teenagers account for 14 percent of the total number of pregnancies, and 1 in 10 of total annual abortions.

**Vulnerability to drugs and alcohol**

- Teenagers are consuming drugs and alcohol and becoming substance abusers in greater numbers: of 7927 registered drug addicts, most are under the age of 23, and 1 in 10 are under 18. (Republican Dispensary of Narcology, 2004)

**Disabilities**

- There are 16 300 people with disabilities between the ages of 16 and 30 – they face a range of physical, attitudinal and financial barriers prevent them from living with dignity as full members of Moldovan society.

**Young people in conflict with the law**

- While the numbers of young people in conflict with the law is stable, their treatment by the law is anything but: 85 percent of interviewed minors in pre-trial detention in Chisinau and Balti did not have access to a legal advisor<sup>1</sup>, and some live in detention for up to 18 months. (Situation of Children in Places of Detention, Monitoring report 2003-2004, IRP – UNICEF, 2004)

**Education**

- About 15 thousand children, who finish their compulsory basic education, do not continue their studies. Once in the job market, most young people discover they don't have the skills and competencies they need. (Ministry of Education)

**Unemployment and migration**

- Nearly half of Moldova's unemployed are young people, and the migration rate among young people is among the highest in Europe at about 130 persons per 1000 population. (IOM Moldova Anti-Trafficking Unit, December 2004).
- Almost 90 percent of young people express a desire to leave Moldova, for at least a short period, making them easy prey for human traffickers. (Department of Youth and Sport's survey)
- Over half of Moldovan victims of trafficking for sexual exploitation are between the ages of 18 and 24, and 1 in 3 were under 18 when they were trafficked (IOM Moldova Anti-Trafficking Unit, December 2004).

A key immediate cause contributing to the increased vulnerability of young people is their insufficient access to information, and to a range of health and social services. Only 1 in 4 young people have access to counseling and family planning. The urban-rural divide is a stark one, as fewer than 1 in 10 young people in rural areas enjoy these services<sup>2</sup>. And according to the recently conducted KAP study, psychological consultations (3.2%), family planning services (3.7%) as well as the services of Youth Centres (17.2%) are the most seldom accessed services.

Young people would like to have greater access to sport and recreational services. A majority

<sup>1</sup> Article 24 of the Convention of the Rights of the Child defines practical steps countries must take when they sign and ratify the Convention.

<sup>2</sup> National baseline evaluation of knowledge, attitudes and practices of young people on their health and development, UNICEF, 2005

expressed the need for greater access to the internet and to communication services. Again, the greatest lack of these was felt in rural areas. Services in general are not seen to be youth-friendly. In the opinion of young people, services offered to young people must be, first of all, friendly (62%), accept them the way they are (56%), cheap (49.5%) and/or free of charge (39.7%) and only after that close to home (30.7%) and confidential (22.7%)<sup>3</sup>.

### Too few opportunities for participation

Participation in the life of their communities gives young people a sense of belonging and responsibility. However, opportunities for young people to participate in public and political spheres are still limited. Less than 5% of young Moldovans are interested in politics, and only 1 in 10 states that they trust figures of authority. This is the lowest among the CIS and Baltic states<sup>4</sup>. Consequently, youth participation in the electoral process is limited. About 2% of Moldovan youth belong to a registered association such as youth or sport clubs or social and charity organizations. There is also no tradition or culture of encouraging the active involvement of young people in decision-making at community or household levels. Young people are widely seen as beneficiaries, and not as participants in the decisions which affect their lives<sup>5</sup>.

Key root causes of this situation include: traditional beliefs about the place of young people in civic and family decision-making. There is a lack of partnership between public institutions and the social organizations and NGOs where young people convene. Another root cause of the situation is that the Law on Public Associations provides a complicated and expensive procedure for registering new organizations. Despite these challenges, there are signs of growing activism among young people. The Moldovan National Council of Youth, as a consortium of 44 NGOs, represents the interests of young to government and is finding a voice in advocacy for the needs and rights of young people. Local Youth Councils have been established so far in every fifth locality of the country.

The Youth Strategy and Plan of Action for 2004-2006 were approved by the Government in 2003. However, implementation of this strategy faced severe constraints. The situation was aggravated by the increase in 2003 of local territorial administrative units from 11 to 33, without allocating much needed funds and human resources. The number of professionals working with youth and youth workers decreased ten times in 2003 alone. While a legal framework exists to provide young people with better access to information, more effective services and greater opportunities for participation and social action, funding and implementation of that framework is limited.

### Gender equality

Equal rights and opportunities for women and men is central to human development in modern economies. The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end in itself. In addition, it is essential for the achievement of sustainable development. Gender relations touch all spheres of national development. The involvement of women on equal terms with men in the process of decision making

<sup>3</sup> National baseline evaluation of knowledge, attitudes and practices of young people on their health and development, UNICEF, 2005

<sup>4</sup> Youth and Mass-Media in Central Eastern Europe, CIS and Baltic States

<sup>5</sup> Ibid, UNICEF 2002.

#### MDG 3: STATUS AND PROSPECTS PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

In 2005, women account for 21 percent of all members of parliament, but trafficking in girls and women appears to be worsening.

It is *probable* that the goal can be reached if more women are promoted into positions of leadership, the legal framework is updated to provide equal opportunities for women, and there is urgent action to address family violence and the trafficking of girls and women.

Source: MDGR, 2004

is essential for gender-sensitive policies in the fields of population, employment, social protection, migration, education and health. Poverty reduction depends on social equity, which in turn depends on equality between women and men. In terms of this obligation, the Government of Moldova has undertaken several concrete steps to promote gender equity:

The constitution of Moldova declares that “All citizens of the Republic of Moldova are equal in front of the law and authorities, regardless of race, nationality, ethnicity, language, religion, gender, political affiliation, and social status”<sup>6</sup>. The CEDAW<sup>7</sup> was ratified in 1994. The status of implementation was reported on in 1998. While recognizing a number of achievements, the report from the CEDAW committee raised a number of critical issues, in particular the need for a definition of discrimination in national legislation, additional efforts to address family violence and trafficking of girls and women, the need to increase the number of women in senior government positions, and adoption of key laws.

As a follow-up to the 4<sup>th</sup> World Conference on Women in Beijing, a series of National mechanisms was established to support and monitor implementation of these provisions. They include: the Governmental Committee on Women’s Issues, The Department of Equal Opportunity and Family Policy, within the Ministry of Labour and Social Protection, and gender focal points in other key ministries and departments. As of March 2005, the MLSP ceased to exist due to restructuring of the Government. The fate of the Department for Equal Opportunity and Family Policy is unknown. Ministry of Health is now called Ministry of Health and Social Protection, and it is expected it will assume a coordination role in gender issues.

As of March 2005, in the current government, women account for just 2 of 15 Ministers, and 9 of 36 Vice-Ministers. Women represent 1 in 5 members of Parliament. At senior civil service levels, results are similar: just 3 of 12 directors of major Bureaus and Services are women. Notably, a woman sits as first- vice-minister of Foreign Affairs, and another as Chair of the Supreme Court. Following local elections in 2003, women account for 15% of all Mayors, an improvement by 10% from elections in 1999<sup>8</sup>.

The legislative framework that protects both women and men from discrimination is not clearly defined. There is data suggesting that women receive lower wages than men for the same work<sup>9</sup>. Women continue to face double loads, being expected to support their families financially as well as undertaking full child-rearing and housekeeping responsibilities. Sexual harassment is another social plague affecting women as employees. The national legislation does not provide for incrimination of actions constituting “sexual harassment”.

Despite the presence of National mechanisms to promote equality too frequent changes in structure and composition of these mechanisms has impeded their effectiveness. For example, a drastic reduction in the number of gender focal points at local levels has certainly slowed the implementation and monitoring of gender policy. There is an absence of well established systems for collecting and reporting sex-disaggregated data, both quantitative and qualitative. There is a weak legislative base regarding the elimination of domestic violence and the trafficking of humans, of which women are the primary victims. This was also noted by the CRC committee that pointed out the absence of a legislative framework, and standardized procedures for the identification, reporting, investigation and prosecution of cases violence and abuse<sup>10</sup>. The first national MDG Report identifies

<sup>6</sup> Constitution of the Republic of Moldova, 1994. Article 16 (2)

<sup>7</sup> Convention on Elimination of All Forms of Discrimination against Women (CEDAW)

<sup>8</sup> Women and men in the Republic of Moldova (Romanian language). Department of Statistics and Sociology of R.of Moldova, Chisinau, 2004

<sup>9</sup> According to Larisa Ungureanu, that cites data received from the National Center for Research and Information in Women's Problems, 71.9% of women receive wages lower by an average of 309 MDL (25 USD) than men. “Women of Moldova – where to?”, [www.azi.md](http://www.azi.md). Same trend is attested in the Report on “Mainstreaming gender policies in the Republic of Moldova”, drafted by Ala Mindicanu in 2004.

<sup>10</sup> *Concluding Observations: Republic of Moldova*, Committee on the Rights of the Child, 31 Oct 2002.



gender inequality in education, health, social assistance systems and in some sectors of the national economy (services, trade, communications, and industry) as barriers in meeting the Targets set for 2005 – 2015 for achieving Goal 3<sup>11</sup>.

About 40% of Moldavian migrants are women. The majority of women migrants work in the informal sector, without a labour contract, and are therefore vulnerable to economic and sexual exploitation. The majority of Moldavian women who work abroad are young, active women of reproductive age. Prevailing differences between men and women migrant workers are due to sex-disaggregated labour markets and existing cultural and traditional values, norms and stereotyping about the roles of women and men, in both countries of origin and destination. The quantity and quality of employment and training opportunities for women, in particular for the most vulnerable groups, is limited. Legal admission systems more frequently offer jobs in sectors such as construction and agriculture that are typically male-selective<sup>12</sup>. Due to gender-selective migration policies and regulations for admission and entry, more women migrants than their male counterparts find themselves undocumented.

Once in the country of destination, men and women follow different migration patterns engaging in gender-specific occupations. While men commonly work in groups, women are often found in individualised work environments, where there is greater isolation and lower likelihood of establishing networks of information and social support<sup>13</sup>.

At root, the persistence of stereotypes continue to promote traditional, often sub-servient roles for women in Moldovan society. These prevent women from personal and professional development outside the home, as much as they prevent men from becoming primary care-givers. And despite clear evidence, summarized in this CCA, of the need for a gender perspective on a range of issues including: unemployment, migration, and social protection policies, there is no overall strategy for dealing with gender equality issues at the state level. Gender equality issues were not sufficiently addressed in the EGPRSP. To date, some of the key un-fulfilled promises of a gender equality agenda include:

- The adoption of a Law to prevent and eliminate of violence in the family; and
- The elaboration and adoption of a Gender Mainstreaming Strategy.

### **The current situation in the Transnistrian region of the Republic of Moldova**

The political conflict in the Transnistrian region of the Republic of Moldova<sup>14</sup> emerged as a consequence of the demise of the Soviet Union. The conflict continues to restrain the social and economic development of the country and the region. Transnistria is a narrow strip of land on the Eastern bank of the Dniester River. The total population is estimated at about 600 thousand people, i.e. around 16 percent of the population of the Republic of Moldova. The first signs of instability appeared in 1989, when the law proclaiming official Romanian language written with Latin script<sup>15</sup> was adopted. Using the fears of the Russian-speaking population, the self-proclaimed leaders of the region, expressing the interests and with the support of the hardliners within the union (USSR), have established structures to oppose the new democratic changes in Chisinau.

<sup>11</sup> "Millennium Development Goals in the Republic of Moldova". First National Report. June 2005

<sup>12</sup> For example, only 50 out of the 1300 employment contracts registered with the State Migration Authority in Moldova for work in Israel in 2002 were for women.

<sup>13</sup> Data provided by ILO-MIGRANT Project Moldova

<sup>14</sup> Transnistria is situated on a narrow piece of land on the Eastern part of the Republic of Moldova, on the left bank of the Dniester River (see the map). This region is often referred in English sources as „Transdnistria” or „Pridnestrovie”.

<sup>15</sup> Russian was to be acknowledged as language of inter-ethnic communication. Gagauz language was to be protected and promoted, acknowledged as official language together with Romanian (Moldovan) and Russian in the regions densely populated by Gagauz. Other languages used on the territory of the country, like Bulgarian and Ukrainian were to be protected as well.

Following the June 1990 Moldova's declaration of sovereignty, in September the same year the Moldovan Transnistrian Republic („Republica Moldovenească Nistreană (RMN<sup>16</sup>)”) was proclaimed in Tiraspol, followed by violent military clashes between the armed forces of the Republic of Moldova and illegal paramilitary units established by Tiraspol authorities. The crisis culminated with the extensive use of military force in May-June 1992<sup>17</sup>. The military operations ended with a ceasefire agreement signed between the Republic of Moldova and the Russian Federation<sup>18</sup>. The direct negotiations between the two parties directly involved in conflict started in 1993, the central authorities providing Transnistria a special status within the Republic of Moldova. In April 2003 the mission of the CSCE was established in Chisinau, with Russian and Ukraine acting as mediators together with the Organisation for Security and Cooperation in Europe (OSCE).

Despite numerous negotiation rounds, no stable political agreement has been achieved yet. In 2003 the Government of the Republic of Moldova invited the Transnistrian authorities to participate in drafting the new Constitution of the Republic of Moldova. At this stage, the Russian Federation<sup>19</sup> put forward a plan according to which Moldova would be transformed into a federal state. Republic of Moldova, the European Union and the USA had a critical attitude towards this plan.

Moldovan authorities consider that Transnistrian problem can be solved only when all the participants to the negotiating process will respect the principle of independence, sovereignty and territorial integrity of the Republic of Moldova, thus the main objective of the negotiation process is the status of the Transnistrian region within the Republic of Moldova. The Transnistrian conflict is a problem affecting the whole region, so the involvement of international actors is important. To revive the negotiation process, the Republic of Moldova argues for the extension of the five-sided negotiation format to include new actors, in particular EU and USA.

On 16 May 2005, during Vinitza consultations, Ukraine put forward a plan for the settlement of the Transnistrian conflict, which focused on the democratisation of the region as main idea behind the settlement of the conflict. This plan is in line with Moldova's vision of the settlement process.

The Ukrainian plan has been extensively discussed during the 10 June 2005 Parliamentary session. Resulting from the debates, the Parliament of the RM issued a set of documents aimed at complementing the framework for the implementation of the plan put forward by Kiev and underlined that the implementation of this plan is possible only after the democratisation and demilitarisation of the region. On 10 June 2005 the Parliament issued an Appeal regarding the Principles of Democratisation of Transnistria, which states the impossibility to hold free and democratic elections in the region if the Constitutional provisions of the RM and the international democratic standards are not respected, in the absence of pluralism and freedom of speech.

On 22 July 2005, the Law on basic principles of special legal status of the localities from the left-bank of the Dniester River (Transnistria) has been adopted. The Law reinforces the exclusive use of peaceful means for the settlement of the conflict.

An additional law will define the status of the region and delimitate the competences between the central and local authorities in the Transnistrian region.

<sup>16</sup> In Russian: Приднестровская Молдавская Республика (ПМР) - Pridnestrovskaja Moldavskaja Respublika (PMR)

<sup>17</sup> According to the official statistics, a few hundred casualties have been registered; over a thousand people fled the region and became internally displaced.

<sup>18</sup> Agreement on the principles of peaceful settlement of the armed conflict in the Transnistrian region of the Republic of Moldova, signed on the 21 July 1992 by the Presidents of the Republic of Moldova and Russian Federation.

<sup>19</sup> The plan was promoted by Dmitri Kozak, member of the staff of the President of Russian Federation, Vladimir Putin.

The Russian troops are still illegally stationed on the territory of the Transnistrian region of the Republic of Moldova. Contrary to the obligations to withdraw the troops taken at the OSCE Summit in Istanbul in 1999, Russia stopped the withdrawal, the last train with ammunitions and armament being removed on 24 March 2004.

The officials in the Republic of Moldova consider that the peacekeeping mission led by Russia in the Transnistrian region does not correspond to the international standards and does not contribute to the settlement of the conflict. Moldova pleads for the establishment of an international mission of military and civilian observers with international mandate. Moldova also asks for an international inspection of ammunition warehouses and a monitoring of the industrial and military enterprises from Transnistria.

### Human Development in Transnistria Region

The Transnistrian conflict impeded the process of transition to a market economy in Moldova. In the 80s Transnistria was one of the largest agricultural and industrial regions of Moldova<sup>20</sup>. The transition debts mainly for Russian natural gas are 2-3 times bigger than the annual GDP<sup>21</sup>. The structure of the labour market also shows a high dependency on Transnistrian structures in control of the non-privatised enterprises, with only 7 percent of the population working in the private sector<sup>22</sup>. Transnistrian leaders launched an illegal privatisation process<sup>23, 24</sup> of enterprises in the region, with the participation of foreign entities, mainly from the Russian Federation.

The situation had a negative impact on the **demographic and health situation of the population** in Transnistria. In 2003 the birth rate was 40% lower compared to the right bank of the river, while the mortality rate was higher<sup>25</sup>. Similar to the right bank, the diseases related to the cardio-vascular system, tumours and wounds are the most frequent causes of death. Similar to Moldova, the infant death rate decreased to 16 out of 1000 infants, but is higher than on the western part of the country. The forms used to register the new-born do not fulfil the standards of the World Health Organisation, which leads to the conclusion that the real infant mortality rate is much higher. The main causes of infantile death are the prenatal conditions. This reflects the inadequate quality of care during pregnancy and delivery. There are 269 officially recorded HIV/AIDS infected persons, which constitutes 13 percent of the total number of HIV/AIDS infected. Similar to Moldova, the means of spreading the disease are changing: fewer people are getting contaminated through blood transfusion (mainly caused by the intravenous use of drugs) and more frequent are cases of disease caused by unprotected sexual contacts.

In public **education**, the number of preschool educational establishments decreased by 1/3 in 1999 – 2003. According to international reports, almost all children of school age go to primary schools, with no obvious registered discrepancies. The Transnistrian authorities insist upon using the Moldovan language with Cyrillic script in schools. The few schools teaching the Latin script in Transnistria function in uncertainty. It is estimated that approximately 35000 Moldovan speaking children are deprived of their right to study in the native language.

<sup>20</sup> There are over 30 medium and big enterprises in Transnistria in the following sectors: energy, metallurgy, car building, the processing of metal, and food processing.

<sup>21</sup> Study on Transnistria, CISR, 2003. Cheap natural gas, „subsidised” the industrial production of Transnistria for many years. Most of Moldova's foreign debt results from the obligations to IMF and WB and represents 80-90% of the GDP.

<sup>22</sup> In 2000, 7% of the population were employed by the private sector, 65% - by state and municipal institutions, and 15% - by kolkhozes and sovkhoses, "Privatisation in Transnistria: risks and profits", Anatol Gudim, Centre for Strategic Studies and Reforms, 2004.

<sup>23</sup> LAW OF THE REPUBLIC OF MOLDOVA on privatisation Nr.627-XII from 04.07.91

<sup>24</sup> LAW OF THE REPUBLIC OF MOLDOVA on the privatisation of enterprises from the in the localities of the left bank of the Dniester River and Bender municipality Nr.338-XV from 14.10.2004

<sup>25</sup> 13 deceased for 1000 persons, compared to 11,6 deceased to 1000 persons in the same period of the right side of the river Dniester.

## **The Shadow Economy, Poverty and Human Rights**

The World Bank reports show a poverty level and a model of poverty aggravation in Transnistria similar to the rest of the country<sup>26</sup>. The shadow economy in Moldova is almost half the value of the official one (see section 2.1). This causes the development of two key phenomena. First is corruption, which has a chronic character and allows the shadow economy to develop and protect itself. The second one is the organised crime with emphasis on illegal trade of cigarettes<sup>27</sup> and alcohol, pharmaceutical products, armament and human beings, in particular women and children<sup>28</sup>.

The studies developed assess systematic violation of human rights on the left side of the Dniester River. Civil society organisations work in unfriendly circumstances created by the local authorities, there is no free media. Moldovan authorities consider that the created situation requires a complex democratisation process of the area monitored by the international community.

The Republic of Moldova supported the idea of an international monitoring of the Transnistrian segment of the Moldovan-Ukrainian border, implemented with the participation of the RM, EU and Ukraine, as well as a common Moldovan-Ukrainian border and customs control. The transparency at the border will contribute to counteracting the smuggling, and will create the premises for a favourable settlement of the Transnistrian conflict.

---

<sup>26</sup> The report shows a higher degree of poverty incidence in Moldova (23,5 in Moldova and 22,6 in Transnistria), but a higher degree of income discrepancy (35% in Transnistria and 32% in Moldova). Thus, there are less poor people, but the difference between the poverty level and level of consumption of poor is higher.

<sup>27</sup> For example, "Tobacco products made in European countries are exported to 'Moldova', kindly marked by the Transnistrian customs authorities and are reintroduced into the circuit of the European market, as if all taxes have been paid, when in reality the importers and the employees of the customs services share the income". Moldova and the impact of Transnistria, Humanitarian Initiatives 2002.

<sup>28</sup> Moldova and the impact of Transnistria, Humanitarian Initiatives 2002.

## CHAPTER 3

# PROPOSED AREAS OF COOPERATION

Recent data indicate growing social inequities and regional disparities. This calls for more strategic interventions at national and local levels based on more effective integration among sectors, improved monitoring systems and solid partnerships between government, civil society and the international community.

Although overall progress has been made in the development of social policies and service delivery within different sectors, their effective implementation and monitoring remains a challenge especially as poor communication and flow of information persists between and within ministries.

Participatory strategies should be clear and well planned with direct involvement of target groups. Efficient communication strategies can facilitate effective policy dialogue. Joint advocacy efforts at the highest level as well as local public administration is imperative for securing political will, and for the sustainability of joint interventions.

Many of the challenges ahead require innovative, decentralized response to social and regional disparities. It is recommended to intensify efforts at the local level to promote effective convergence and networking of services and to strengthen local strategic planning and monitoring capacities.

Significant technical assistance has been provided to strengthen data collection and analysis in poverty reduction and economic growth, health and education. However this assistance was not always adequately coordinated and agencies' efforts were often fragmented. This calls for more strategic and coordinated UN supported interventions to enable national and local levels to establish adequate monitoring systems.

Strengthened joint support to national monitoring systems is required to effectively support more targeted interventions within the framework of the overall EGPRSP implementation.

Increased donor interest to Moldova represents an opportunity for the UN family to contribute enabling the counterparts to achieve required institutional changes needed to fulfil human rights principles. Clear joint UN outcomes and explicit identification of areas of intervention based on each agency's added value and niche will help to improve quality and effectiveness of the UN support in Moldova.

On the basis of the problem and human rights analysis contained in this CCA, as well as the above lessons learnt, a core group of UN staff members and main national counterparts met to select and propose initial areas of cooperation. Consensus around the defined areas of cooperation by UN agencies and their partners will help to ensure that the UN works as one, towards a collective set of priorities to further human development in Moldova.

### Priority area 1: Increasing access to quality social services

**Rationale:** The CCA has demonstrated that in Moldova there is deteriorating access to a range of basic services in health, education and social protection, as well as to clean water and sanitation especially in rural areas. Some services such as those for persons with disabilities or young persons in conflict with law are non-existent or very limited, but are required to fulfill Moldova's human rights obligations. At the same time, services need to be better tailored to the needs of vulnerable groups, but also integrated to maximize their effective outreach.

**Possible lines of action:** Further support of the UN family will involve advocacy and technical assistance to strengthen existing national legal frameworks, improve policy formulation, with a special focus on alleviating disparity, and will re-define financing mechanisms for social services such as primary health care, education and protection, and safe water and sanitation. It is strongly believed that building human capacity within central and local public authorities and among service providers will significantly contribute to an improvement of efficiency and effectiveness in service delivery and thus is considered of crucial importance to the country. Parallel efforts will be made to enable communities, families and citizens to provide and contribute the required care and participation. In supporting these efforts the UN family will be contributing to the strengthening of partnerships between the civil, public and private sectors for an improved delivery of social services.

Ensuring that the rural population – not connected to public drinking water supply system – has access to safe water supply, identification of safe water sources and dissemination of the information is essential. The country's groundwater monitoring scheme should be improved to cover a larger proportion of water sources (currently 7-12%), to process the analysis faster, and to be in line with WHO guidelines and EU directives. Information on safe water sources should be maintained in a database and disseminated to the public. Identification of safe drinking water sources is expected to help the population at large as well as the health sector and local authorities in reducing the water related health risks and waterborne diseases in rural areas.<sup>27</sup>

Further, revision of drinking water quality standards is underway. The aim is to bring about a new set of standards in line with the recommendations and provisions of WHO and the EU. An area of further cooperation will be the development of a national integrated water resource management plan and introduction of principles of the EU Water Framework Directives.

### Priority area 2: Governance reform

**Rationale:** The quality of governance in a country requires special attention as it impacts greatly on the rights of the citizens and the quality of their life. At the same time, achievement of the MDGs, to which Moldova subscribed in 2000, will be only possible with continuous and sustainable reform to governance practices.

**Possible lines of action:** UN support for governance reform will mainly involve advocacy, technical assistance and capacity building. Support should be provided to follow-up on the implementation of international human rights instruments and mechanisms will be piloted for more transparent decision-making processes. Strengthening the national statistical system will provide relevant, reliable and timely data, including functional poverty and vulnerability monitoring systems. Advocacy and capacity building for public consultation and debate on development and implementation of laws and policies should significantly enhance governance and thus will be given a special attention.

The UN will also aim at fostering interaction between the state, private sector, and civil society to generate practical partnerships for good governance. In particular, the UN will provide technical expertise and best practices for ways to combat corruption and increase accountability and transparency in public administration structures. In addition, reinforced commitment will be sought for improved gender participation in the process of decision making. Environmental concerns should be mainstreamed in policies and governance practice; the focus should be on capacity building initiatives addressing different target groups at national and sub-national level.

### Priority area 3: Regional and local development

**Rationale:** Poverty in Moldova is mostly affecting small towns and rural areas. Economic growth is concentrated in Chisinau and there are no growth poles to generate stronger regional markets with concomitant investment in transportation and communication networks. Economic activities that do exist are often single-industry in nature and lack diversification. The low competitiveness of enterprises and their limited exposure to international markets lead to failure to fully enjoy the benefits of trade and international investment, threatening the country's economic development. Supply-side responses, especially for improving the international competitiveness of SMEs are therefore critical to ensure the benefits of increased wealth through trade. Economic activities are also undertaken without due consideration of environmental regulations and impacts, thereby compromising already fragile water and soil resources.

**Possible lines of action:** UN support in this area may involve support for making operational and improving the regulatory framework for business development and functioning, including aligning internal policies to maximize the potential of trade agreements Moldova has in the region and with WTO. UN support for public-private partnerships and for other economic development measures aimed at poverty reduction will translate into concerted activities for

<sup>27</sup> Information source: National Centre for Scientific and Applied Preventive Medicine of the Republic of Moldova. Project proposal, Optimization of the groundwater quality monitoring. This proposal has not yet been funded. Loughborough University developed some training materials on the management of wells and other decentralised sources of water, which might be useful for Moldova. Further information is available from the Water and Sanitation Unit (watsan@ecr.euro.who.int), WHO Regional Office for Europe.

local authorities and the private sector, with emphasis on the development of small and medium enterprises (SMEs), including their ability to successfully participate in international trade, and strengthened micro-finance institutions; support for IT infrastructure and resources. UN will support development projects in different regions of the country to diminish the regional discrepancies and to support the economic performance of the entire country. Young people and women, in particular, need greater access to more relevant vocational skills training and to entrepreneurial opportunities. The UN will advocate the “crowding in” of donors to the poorest areas and those with the greatest potential for diversified economic development.

#### Priority area 4: Enhancing civic participation

**Rationale:** Participation is a concept in open and democratic society and a key component in human development as understood and pursued by the UN family. Development by the people, through increased participation, is not possible unless political, economic, and social power is widely dispersed throughout the community. This dispersal enables people to influence the social, economic, and political functioning of society, a cornerstone of human development. This view of human development implies that people, by right, should have access to a variety of avenues for exercising power.

As this current CCA made clear, a significant part of Moldovans do not believe they can influence government policy and programmes. Invariably, a number of groups such as the poor, women, children, some ethnic minorities, rural populations, and the disabled are disadvantaged in their opportunities to participate. Giving voice to the mass of the people by increasing their levels of participation is therefore a major challenge and vital pre-condition of development. Equality of access and opportunity are key ingredients of this vision of the human condition.

**Possible lines of action:** The UN can help to build the capacity of the civil sector and communities. In designing and implementing governance programs and projects, UN in Moldova will emphasize participation and building strategic national capacities, focused on programs that are centred on people, particularly the disadvantaged. To achieve the widest participation possible, UN family will strongly advocate and support closer contact between government officials and local communities and organisations and will encourage the exchange of information that can be used to formulate development programs that are tailored to local needs and priorities, and thus are more effective and sustainable. A range of NGOs can be helped to become principal advocates for civic engagement and engines for participation. Young people especially are looking for greater belonging and engagement in civil affairs; thus the UN should support the establishment of pilot mechanisms for participatory decision-making for them. Participation of women in these mechanisms and events will be actively encouraged to ensure a more influential stake in society for women.

#### Priority area 5: Promoting and protecting human rights

**Rationale:** The most vulnerable groups in Moldovan society, including the extremely poor, children and young people at risk, victims of violence, abuse and exploitation, and the elderly, lack basic knowledge about their rights and entitlements, including basic services. Those who have an obligation to provide support, including the State and its systems, society and communities at large, families and primary caregivers, too often lack the knowledge, skills, organizational, human and/or material resources as well as the authority and motivation to act.

**Possible lines of action:** The UN working alone cannot solve these structural issues but progress can be made to improve communication with vulnerable groups and provide access to information. The knowledge, attitudes and capacities of service providers and families can also be strengthened, to help them recognize vulnerability and take practical actions to prevent harm. At higher levels, the UN can act more decisively to help government fulfill its extensive human rights obligations, by filling gaps in legal frameworks, identifying and measuring disparities, and finding policy and funding options. The strategic intent and purpose of the assistance will be the improvement of monitoring of the national commitments such as EGPRSP, EU- Moldova Action Plan, National Human Rights Action Plan (including CRC, CEDAW etc.), but also their implementation and the achievement of the results with a special focus on the disadvantaged groups of the population.



# ANNEX A: INDICATOR FRAMEWORK

## A. Millennium Declaration and Conference Indicators

Targets	Indicators	Country data						Sources of data
		Reference years	National	Urban	Rural	Male	Female	
Eradicate extreme poverty								
Halve, between 1997 and 2015, the proportion of people whose income is less than \$2.15 a day (PPP values)	Proportion of population below \$2.15 (PPP) a day	2000	64.5					Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004
		2001	52.4					
		2002	39.8					
		2003	28.9					
	Share of the poorest quintile in national consumption	1999	6.3					Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004
		2000	6.8					
		2001	6.5					
		2002	6.8					
	Poverty headcount ratio (percentage of population below national poverty line)	1999	73.0					Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004
		2000	67.8					
		2001	54.6					
		2002	41.4	32.2	45.1	41.4	41.6	
	Poverty gap ratio (incidence x depth of poverty)	1999	32.3					Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004
		2000	27.0					
		2001	19.3					
		2002	12.4	9.7	14.1			
Eradicate hunger								
Halve, between 1998 and 2015, the proportion of people who suffer from hunger	Proportion of population below minimum level of dietary energy consumption (2,282 Kcal/day)	1999	59.7					Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Chisinau, 2004
		2000	52.2					
		2001	38.0					
		2002	26.2	19.4	30.2	26.9	27.0	
	Proportion of household income spent on food for the poorest quintile	2000	85.6	83.1	87.1			Report on Poverty in Republic of Moldova, 2000, executive summary, Poverty and Policy Monitoring Unit, Ministry of Economy, 2002
		2001	81.7					Poverty in Moldova, Preliminary results, 2001, Poverty and Policy Monitoring Unit, Ministry of Economy, Chisinau, 2002
		2002	77.4	71.7	77.7			Poverty in Moldova 2002, report by Poverty and Policy Monitoring Unit, Ministry of Economy, Chisinau 2003
	Prevalence of underweight children under five years of age <sup>1</sup>							
Achieve universal secondary education								
Ensure universal access for all children to attend the gymnasium	Net enrolment ratio in gymnasium (nr/%)	1997	321,843			162,820	159,023	"Education in Moldova 2002/2003" Department of Statistics and Sociology
		1999	332,395/87			168,319/87.4	164,076/86.6	
		2001	319,331/86.8			161,455/87.0	157,876/85.6	
		2003	308,208			155,840	152,368	
	Literacy rate of 15-24 year-olds <sup>2</sup>							
	Enrolment rate in pre-school institutions (nr/%)	1997	114,168/39.2			59,351/39.8	54,817/38.5	"Education in Moldova 2002/2003" Department of Statistics and Sociology
		1999	88,048/34.3			45,765/34.8	42,283/33.8	
		2001	84,458/42.4			43,944/43.1	40,514/41.7	
		2003	95,461			49,662	45,799	
	Proportion of pupils starting grade 1 who graduate the avmnasium. %	1997	67.4					"Education in Moldova 2002/2003" Department of Statistics and Sociology
		2000	65.8					
		2003	79.7					

<sup>1,2</sup> Data do not exist at present.

Targets	Indicators	Country data						Sources of data
		Reference years	National	Urban	Rural	Male	Female	
Promote gender equality and empower women								
Extend the participation of women in political and social life	Proportion of seats held by women in national parliament	2003	Parliament			82.2%	15.8%	“Men and Women in the Republic of Moldova” Department of Statistics and Sociology of the Republic of Moldova, Chisinau 2004
		2004	Parliament			87.1%	12.9%	Classification of the Council of Europe: % of women in the national parliaments/March 2004 <a href="http://assembly.coe.int/Documents/WorkingDocs/doc04/EDOC10202.htm">http://assembly.coe.int/Documents/WorkingDocs/doc04/EDOC10202.htm</a>
		2005	Parliament			83.2%	16.8%	Calculation of the list of MPs confirmed on 17 of March, 2005 by the Constitutional Court (Decision No.6)
	Leaders and high officials from the public administration, economic and social organizations (female) (Mayors of municipalities, towns and villages)	1999				89.1%	10.9%	“Men and Women in the Republic of Moldova” Department of Statistics and Sociology of the Republic of Moldova, Chisinau 2004
		2003				24.6%	15.4%	
		2004				72.3%	23.7%	
	Ratio of girls to boys in primary, secondary and tertiary education nr/% (number of girls to 100 boys)	1997	655,420/99			263,256	392,104	“Education in Moldova 2002/2003” Department of Statistics and Sociology
		2000	645,245/102			266,051	379,594	
		2001	620,291/102			242,803	377,488	
		2003	605,179			231,434	373,745	
	Ratio of females' wage to males' wage, %	September, 2003	71.9					Women and Men in Republic of Moldova, Department of Statistics and Sociology, Chisinau, 2004
Reduce child mortality and child labour								
Reduce by two-thirds, by 2015, the under-five mortality rate	Under-five mortality rate per 1,000 live birth	1990	25.2					1990 Annual Report on Functioning of Medical Facilities. Ministry of Health of Moldova 1991
		1997	26.2					Health Care in Moldova 1997. National Center of Public Health and Management (NCPHM) 1998
		2000	23.3					Public Health in Moldova 2000. NCPHM 2001
		2003	17.5					Public Health in Moldova 2003. NCPHM 2004
	Infant mortality rate (Female –F; Male – M)	1990	19.2	16.9	20.6			1990 Annual Report on Functioning of Medical Facilities. Ministry of Health of Moldova 1991
		1997	19.8	16.8	19.9	23.7	15.7	Health Care in Moldova 1997. NCPHM 1998
		2000	18.3	F- 15.4 M- 23.2	F- 15.1 M- 20.5	21.4	15.2	Public Health in Moldova 2000. NCPHM 2001
		2003	14.4	F- 12.1 M- 15.6	F- 12.3 M- 16.9	16.4	12.2	Public Health in Moldova 2003. NCPHM 2004
	Proportion of 1-year-old children immunized against measles, %	1990	94					Joint Reporting Form WHO/UNICEF 2003
		1997	94.5					Joint Reporting Form WHO/UNICEF 2003
		2000	89.1	86.3	94.3	91.5	90.8	MICS 2000, Ministry of Health of Moldova /UNICEF
		2003	95.7					Joint Reporting Form WHO/UNICEF 2003
Elimination of child labor	Proportion of children < age 15 who are working <sup>3</sup>							

<sup>3</sup> Data do not exist, but it is important to keep the indicator due to the fact that starting with 2005 these data will be obtained through the soon-to-be-created Child Labour Monitoring Systems (CLMS), piloted with the support of the ILO/IPEC in selected areas of Moldova.

Targets	Indicators	Country data						Sources of data
		Reference years	National	Urban	Rural	Male	Female	
Improved reproductive health; Improved maternal health and reduced maternal mortality								
Universal access to reproductive health services and information by 2015	Contraceptive prevalence rate (%) – proportion of women currently in union aged 15-49 years who are using (or whose partner is using) a contraceptive method (either modern or traditional)	1997	73.7	74.6	72.8			Reproductive Health Survey Moldova 1997. Ministry of Health of Moldova, CDC Atlanta, UNFPA, UNICEF, WHO 1998
	Maternal mortality ratio	1990	53.2	55.9	48.6			1990 Annual Report on Functioning of Medical Facilities. Ministry of Health of Moldova 1991
		1997	48.3	46.3	49.0			Health Care in Moldova 1997. NCPHM. 1998
		2000	27.1	23.6	28.9			Public Health in Moldova 2000. NCPHM 2001
		2003	21.9	15.6	25.3			Public Health in Moldova 2003. NCPHM 2004
		2004	23.5	7.1	33.0			Public Health in Moldova 2003. NCPHM 2004
Reduce by three-quarters, by 2015, the maternal mortality ratio	Births attended by skilled health staff	2000	97.3					Public Health in Moldova 2000. NCPHM 2001
		2004	99.4					

**HIV/AIDS, tuberculosis, and malaria control**

Have halted by 2015 and begun reverse the spread of HIV/AIDS	<i>HIV/AIDS prevalence (15-49 yrs) by 100,000</i>	1990	0.2					National AIDS Center. 1991
		1997	12.7					National AIDS Center 1997
		2000	33.2					National AIDS Center 2001
		2003	44.7					National AIDS Center 2004
	<i>HIV prevalence among 15-24-year-old people<sup>4</sup></i>							
	<i>Condom use rate</i>	1997		9.0	2.9		5.9	Reproductive Health Survey Moldova 1997 (based on interviews with women only). Ministry of Health of Moldova 1998
		2000		5.6	2.0		3.5	MICS 2000 Moldova (based on interviews with women only). Ministry of Health of Moldova/UNICEF 2001
	<i>Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14<sup>5</sup></i>							
Have halted by 2015 and begun reverse the incidence of tuberculosis	<i>New cases of contracting active tuberculosis (per 100 000)</i>	1990	39.6	9.6	13.6			1990 Annual Report on Functioning of Medical Facilities. Ministry of Health of Moldova 1991
		1997	58.9	72.0	53.4			Health Care in Moldova 1997. NCPHM. 1998
		2000	59.9	109.2	49.5			Public Health in Moldova 2000. NCPHM 2001
		2003	87.0	104.4	72.2	127.4*	50.8*	Public Health in Moldova 2003. NCPHM 2004
		2004	91.5	111.9	77.1			Public Health in Moldova 2003. NCPHM 2005
	<i>Mortality rate associated with tuberculosis (per 100 000)</i>	1990	4.6	4.8	4.5			1990 Annual Report on Functioning of Medical Facilities. Ministry of Health of Moldova 1991
		1997	11.5	6.0	9.6			Health Care in Moldova 1997. NCPHM. 1998
		2000	17.2	16.7	19.8			Public Health in Moldova 2000. NCPHM 2001
		2003	16.5	19.7	15.3			Public Health in Moldova 2000. NCPHM 2004
		2004	18.6	17.6	17.5			Public Health in Moldova 2003. NCPHM 2005
	<i>Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)</i>	2000	31.8%					Public Health in Moldova 2000. NCPHM 2001
		2003	37.4%					Public Health in Moldova 2000. NCPHM 2004
		2004	100%					Public Health in Moldova 2003. NCPHM 2005

<sup>4, 5</sup> Data do not exist at present.

Targets	Indicators	Country data						Sources of data
		Reference years	National	Urban	Rural	Male	Female	
Creation of full employment								
Universal access to paid employment	Employment to population of working age employment (>15 yrs)	2001	1,498,980	574,464	924,515	736,509	762,471	Labor Force Survey
		2002	1,505,117	590,373	914,744	730,883	774,234	
		2003	1,356,479	581,949	774,529	661,267	695,212	
		2004	1,316,042	568,712	747,330	631,456	684,586	
	Unemployment rate, %	2001	7.3	13.8	2.7	8.4	5.9	
		2002	6.8	12.1	3.0	8.1	5.5	
		2003	7.9	12.2	4.5	9.6	6.4	
		2004	8.1	11.9	5.0	10.0	6.3	
	Informal sector employment as percentage of total employment (<15 yrs), %	2004	34.6	26.3	40.9	34.2	35.0	
	Working age (16-62 yrs for men, 16-57 yrs for women) population in economy, thousand people	2001	1,365	556	809	688	677	
		2002	1,368	568	800	682	687	
		2003	1,257	562	695	625	633	
2004		1,218	549	669	595	623		
Insure environmental sustainability								
Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Proportion of land covered by forest, ha thousand (%)	2000	354.4 (9.6)					MOLDSILVA, Department of Statistics and Sociology (% according to the Ministry of Environment and Natural Resources)
		2001	354.6 (9.6)					
		2002	356.2 (10.3)					
		2003	388.3 (no data)					
	Ratio of area protected to maintain biological diversity to surface area, ha thousand (%)	2000	66,5 (1.96)					Ministry of Environment and Natural Resources
		2001	66,5 (1.96)					
		2002	66,5 (1.96)					Biological Diversity Conservation Report, 2002, Ministry of Environment and Natural Resources
		2003	66,5 (1.96)					Ministry of Environment and Natural Resources
	Water use per hectare of irrigated land, m³	2000	123					Department of Statistics and Sociology
		2001	107					
		2002	121					
	Air pollution by transport, tons thousand of gas and liquid detrimental substances	2000	118.8					Ministry of Environment and Natural Resources
		2001	122.9					
		2002	130.9					
	Waste generation, tons thousand	2000	2226.4					Department of Statistics and Sociology
		2001	2039.8					
		2002	2753.4					
	Waste use, tons thousand	2000	1117.4					Department of Statistics and Sociology
2001		836.9						
2002		1746.0						
Halve by 2015 the proportion of people without sustainable access to safe drinking water	Proportion of population with sustainable access to an improved water source	2000	37.8					Ministry of Environment and Natural Resources
		2001	38.1					
		2002	38.5					
	Drinking water samples corresponding to physico-chemical standards, boreholes and springs (%)	2000	50.6					Ministry of Health and Social Protection
		2001	52					
	Drinking water samples corresponding to microbiological standards, boreholes and springs (%)	2000	90.8					Ministry of Health and Social Protection
		2001	86					
	Drinking water samples corresponding to physico-chemical standards, shallow wells (%)	2000	17					Ministry of Health and Social Protection
		2001	18					
	Drinking water samples corresponding to microbiological standards, shallow wells (%)	2000	68.8					Ministry of Health and Social Protection
2001		67.8						
Halve, by 2015, the proportion of people without access to improved sanitation	Proportion of urban population with access to improved sanitation	2001	40					Ministry of Environment and Natural Resources

## B. Conference and Convention Indicators on Governance, Democracy, Justice Administration and Security of Person.

Targets	Indicators	Country data			Sources of data	
		Reference years	National	Local (rural, urban)		
Strengthened democratic institutions and popular participation						
Free and fair elections, and democratic government	Periodicity of free and fair elections	1994	79.31%		Election turnout estimated according to the confirmed results of all kinds of elections in Moldova: source CEC, Data on gender estimates of participation is missing.	
		1995		60.02%		
		1998	69.12%			
		1999		58.45%		
		2001	67.52%			
		2003		58.55%		
		2005	63.71%			
	Number of independent NGOs/CSOs and employers' and workers' organizations (Trade Unions) operating in the country	2001	2,600 NGOs		Ruxanda Nedera, Study 'Civil Society and Accountable Governance' Sample of 500 NGOs surveyed	
		2002	2,800 NGOs	62-67% out of them are rural NGOs and CBOs	NGO Sustainability Index on Moldova	
		2003	3,600 NGOs			
	Existence of independent broadcasting and print media	2001	3.75		Nations in Transit, Global Study, Freedom House <a href="http://www.freedomhouse.org/research/nitransit/2004/moldova2004.pdf">http://www.freedomhouse.org/research/nitransit/2004/moldova2004.pdf</a>	
		2002	4.00			
		2003	3.75			
		2004	4.25			
Fair administration of justice and improved framework of remedies						
Effective legislative framework, law enforcement, prosecutions, legal profession, and fair trials in conformity with international standards	Legal guarantees for independent judiciary	2001	4.00		Nations in Transit, Global Study, Freedom House <a href="http://www.freedomhouse.org/research/nitransit/2004/moldova2004.pdf">http://www.freedomhouse.org/research/nitransit/2004/moldova2004.pdf</a>	
		2002	4.00 Judicial decisions and inappropriate influence-negative Code of ethics – neutral Public and media access to proceedings – neutral Publication of judicial decisions – negative Maintenance of trial records – negative Structural safeguards – maintaining tenure – negative Objective Judicial Advancement criteria – negative Judicial Immunity for Official actions – positive Removal and discipline of judget – positive Case filing and tracking systems – negative Court support staff – negative, etc.		Judicial Reform Index for Moldova, ABA/CEELI, American Bar Association, November 2002	
		2003	4.50			
		2004	4.50			
	Availability of free legal assistance for the criminal defence of poor people throughout the country	2002	288 are employed in the first instance general jurisdiction courts, leaving 53 posts vacant		Data provided by the Ministry of Justice. Legal and Judicial System Assessment. 2004. World Bank	
		2003	ADR mechanisms are in their infancy; pre-trial mediation, although compulsory, is not used; in many cases court involvement is required by law (bankruptcies/insolvencies)		Doing Business Indicators, World Bank, 2003. The indicator on the court's involvement in closing a business is almost twice as high in Moldova, compared to the OECD average. This indicator is an impediment to resolving insolvencies.	
		2004	53 conventions of the CoE were ratified		ICM Report of the Center for the Independence of Judges and Lawyers, The Rule of Law in 2004, November 2004	
	Existence of legal remedies in conformity with international standards	Recognition in law of the right to seek judicial remedies against state agencies/officials (Public confidence in justice)	2001	29%		Public Opinion Barometer, IPP <a href="http://www.ipp.md">www.ipp.md</a>
			2002	30%		
			2003	30%		
2004			31%			

Targets	Indicators	Country data			Sources of data
		Reference years	National	Local (rural, urban)	
Liberty and security of person. Provide protection for displaced persons					
Upholding the right to seek asylum and refugee status, and the return and reintegration of refugees.	Number of persons granted asylum/refugee status	2003	688 cases (951 persons) registered, out of which 123 cases (266 persons) were recognized as refugees, 126 cases (136 persons) were rejected in the first instance and 52 cases (56 persons) were rejected in appeal;		UNHCR Monitoring reports: <a href="http://www.unhcr.md/statistics">www.unhcr.md/statistics</a>
		2005	From 01.01.2003 – 01.01.2005, there were opened 142 cases (165 persons) and reopened 33 cases (33 persons); there were issued 73 decisions on 73 cases (79 persons), 66 of them being negative and 8 positive (11 persons received the refugee status).  Out of the total number of registered cases, 643 cases (875 persons) were closed, meaning that 181 cases (241 persons) remain active.  As of 01.01.2005 there are active 30 cases (57 persons) of recognized refugees or other people of concern to UNHCR who are staying on the territory of the Republic of Moldova. Currently, 151 cases (184 persons) are pending, meaning that they are awaiting a decision in first instance or appeal instance.		
	Number of displaced persons that have returned and been integrated	2003	563 IDP	Evaluation of the Real Number of Internally displaced Persons in the Republic of Moldova, UNHCR, <a href="http://www.unhcr.md/article/evaluation">www.unhcr.md/article/evaluation</a>	



## C. Contextual Indicators.

Indicators	Country data						Sources of data
	Reference years	National	Urban	Rural	Male	Female	
Economy							
GNP per capita (US\$, PPP)	2003	76.6			2,031	2,860	Computed based on Statistical Yearbook 2003, Department of Statistics and Sociology, Moldova 2004
	2004	79.3					
	1998	5.6			1,895	2,733	
	1999	19.4			2,031	2,860	
External public debt (US\$) as percentage of GDP	2000	60.4					Computed based on “Dynamics of Macroeconomic Indicators”, National Bank of Moldova, March 2005
	2001	48.1					
	2002	44.4					
	2003	36.0					
	2004	25.7					
Decadal growth rate of GDP per capita (US\$)	2003	140.7					Computed based on “Evolution of Macroeconomic Indicators”, National Bank of Moldova, March 2005 and “Quarterly Report”, quarter 4, 2004, National Bank of Moldova
	2004	128.9					
	2001	10.9					
Gross domestic savings as percentage of GDP	2002	6.1					“Evolution of Macroeconomic Indicators”, National Bank of Moldova, March 2005
	2003	3.9					
	2004	4.8					
	2001	0.0					
Ratio of total trade (exports plus imports) over GDP, %	2002	-0.5					Republic of Moldova: Statistical Appendix, IMF, February 2005
	2003	1.6					
	2004	0.6					
	2000	9.8					
Share of foreign direct investment inflows in GDP	2001	9.4					Statistical Yearbook 2003, Department of Statistics and Sociology, Moldova 2004 Republic of Moldova: Statistical Appendix, IMF, February 2005
	2002	11.3					
	2003	12.8					
	2001	15.8					
Budget deficit as percentage of GDP	2000	-1%					“Quarterly Report”, quarter 4, 2004, National Bank of Moldova
	2001	0					
	2002	-0.5					
	2003	1.6					
	2004	0.4					
Ethnic composition of the population	1989		Out of total urban population:	Out of total rural population:			Population census 1989 Matei Matcu, Vitalie Sochirca, “Geografia umana a Republicii Moldova” [Moldova’s Human Geography], Chisinau 2003 US Library of Congress, World Facts Index
	Moldovan 64.5%	279,5000	46%	80%			
	Ukrainian 13.8 %	600,000	19%	9.6%			
	Russian 13 %	562,000	24%	3.4%			
	Gagauz 3.5%	153,000	3%	4%			
	Bulgarian 2 %	88,000	2%	2%			
	Jews 1.5 %	66,000	3%				
	Other (Belarus, Poles, Roma and German) 1.7%		3%	1%			
	2004						Preliminary data, Population census 2004
	Moldovan 76.1%						

## ANNEX B: LINKING TABLE

Human development problems, the EGPRSP,  
MDGs, and ratified human rights instruments

PROBLEM	Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) and National Programmes	Millennium Development Goals	Main Human Rights Instruments
1. Unfavourable business environment.	<ol style="list-style-type: none"> <li>1. Reform of the regulatory framework (Objective, para 287);</li> <li>2. Support and development of Small and Medium Enterprises (Objective, para 287);</li> <li>3. Development and protection of competition (Objective, para 287);</li> <li>4. Promotion of external trade (Objective, para 287);</li> <li>5. To reduce inflation in order to provide favourable conditions for business and investment, and to protect the real incomes of the population (Objective, para 167).</li> </ol>	<ol style="list-style-type: none"> <li>1. Halve, between 1998 and 2015, the proportion of people whose income is less than \$2.15 a day (PPP values) (Objective 1, Target 1);</li> <li>2. Further development of financially transparent and non-discriminatory commercial system, in accordance with rules, through exports promotion and investment attraction (Objective 8, target 12).</li> </ol>	
2. Stark regional development disparities	<ol style="list-style-type: none"> <li>1. Balanced and sustainable socio-economic development throughout the country's territory through the reduction of differences in socio-economic development amongst regions and, especially, between centre and periphery (Objective, para 458);</li> <li>2. Provision of support to local administration bodies in socio-economic development of territories and coordination with national, sector and territorial development programmes (Objective, para 458).</li> </ol>		
3. Public expenditure policy not supporting sustainable growth and poverty reduction	<ol style="list-style-type: none"> <li>1. Ensuring stability and predictability of public revenues, especially tax collections for full coverage of budgetary obligations (Objective, para 187);</li> <li>2. Rationalization of education system for enhancing the efficiency of resource use by directing additional allowances for the increase of alimentary norms in pre-school and boarding-school institutions, as well as for increasing the stipends by circa 20% (Medium-term measures, para 208);</li> <li>3. Ensuring a more efficient directing of expenditures for social protection (Medium-term measures, para 208);</li> <li>4. Improve the efficiency of the social benefit system by targeting them at the poorest and focusing on the social groups at risk (Objective, para 552).</li> </ol>	Restructuring and complex approach to the external debt problem (Objective 8, target 14).	The International Covenant on Economic, Social and Cultural Rights (ICESCR)
4. Child health and mortality.	<ol style="list-style-type: none"> <li>1. To increase access of the population and, especially, of the poor to basic health services through the development of primary medical care (Objective, para 523);</li> <li>2. Programmes of medical assistance for pregnant women and sick children (EGPRSP, para 530);</li> <li>3. Provision of compensated drugs in to babies and pregnant women ambulatory conditions (EGPRSP, para 530);</li> <li>4. Programme of quality perinatal services (EGPRSP, para 529);</li> <li>5. National Immunization Programme for 2001-2005 (EGPRSP, para 529);</li> <li>6. 2004 Law on food products;</li> <li>7. National Programme "Child Nutrition for 1998-2003".</li> </ol>	<ol style="list-style-type: none"> <li>1. Reduce by two-thirds by 2015 the under-five mortality rate (Objective 4, target 5);</li> <li>2. Halve, between 1998 and 2015, the proportion of people who suffer from hunger (Objective 1, target 2, indicator „Prevalence of underweight children under five years of age“);</li> <li>3. Halve by 2015 the proportion of people without sustainable access to safe drinking water and adequate sanitation (Goal 7, target 10).</li> </ol>	<ol style="list-style-type: none"> <li>1. The Convention on the Rights of the Child (CRC);</li> <li>2. ICPD Programme of Actions;</li> <li>3. National Human Rights Action Plan.</li> </ol>
5. Maternal health and mortality.	<ol style="list-style-type: none"> <li>1. To increase access of the population and, especially, of the poor to basic health services through the development of primary medical care (Objective, para 523);</li> <li>2. Programmes of medical assistance for pregnant women and sick children (EGPRSP, para 530);</li> <li>3. Provision of compensated drugs in to babies and pregnant women ambulatory conditions (EGPRSP, para 530);</li> <li>4. Programme of quality perinatal services (EGPRSP, para 529);</li> <li>5. National Programme of Assistance in Family Planning and Protection of Reproductive Health, 1999-2003;</li> <li>6. 2004 Law on food products;</li> <li>7. Draft National Reproductive Health Strategy 2005 – 2015;</li> <li>8. Draft Law on equal opportunities for women and men;</li> <li>9. Draft Law on prevention and combating of family violence.</li> </ol>	Reduce by three-quarters by 2015 the maternal mortality ratio (Objective 5, target 6)	<ol style="list-style-type: none"> <li>1. National Human Rights Action Plan;</li> <li>2. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);</li> <li>3. ICPD Programme of Actions.</li> </ol>

PROBLEM	Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) and National Programmes	Millennium Development Goals	Main Human Rights Instruments
7. HIV/AIDS, STIs and Tuberculosis.	<ol style="list-style-type: none"> <li>1. Improve measures for the prevention and treatment of socially conditioned diseases (Objective, para 523);</li> <li>2. National Programme for TB Control, 2001-2005 (EGPRSP, para 529);</li> <li>3. National Programme for the Prevention and Treatment of HIV/AIDS and Sexually Transmitted Infections (STIs), 2001-2005 (EGPRSP, para 529).</li> <li>4. Draft National Reproductive Health Strategy 2005 – 2015</li> <li>5. Draft National Programme for Prevention and Control of HIV/AIDS and STIs 2006-2010</li> </ol>	<ol style="list-style-type: none"> <li>1. Have halted by 2015 and begun reverse the spread of HIV/AIDS (Objective 6, target 7);</li> <li>2. Have halted by 2015 and begun reverse the incidence of tuberculosis and malaria (Objective 6, target 8).</li> </ol>	<ol style="list-style-type: none"> <li>1. ICPD Programme of Actions</li> </ol>
8. Poor access to quality education.	<ol style="list-style-type: none"> <li>1. Increase access to educational services, especially for children from vulnerable families (Objective, para 503);</li> <li>2. Systemic improvement in the quality of educational services rendered (Objective, para 503);</li> <li>3. Updating the system of social integration of children with special educational needs (SEN) and of vulnerable children (Objective, para 503);</li> <li>4. "Education for All" National Strategy.</li> </ol>	Ensure universal access for all children to attend the gymnasium (Objective 2, target 3).	<ol style="list-style-type: none"> <li>1. The International Covenant on Economic, Social and Cultural Rights (ICESCR);</li> <li>2. The Convention on the Rights of the Child (CRC);</li> <li>3. ICPD Programme of Actions.</li> </ol>
9. Poor vocational training.	Reconsidering the place and role of secondary professional education and adjusting it to community requirements, while updating the range of professions offered in consultation with social partners (Mid-term objective, para 507);		<ol style="list-style-type: none"> <li>1. The International Covenant on Economic, Social and Cultural Rights (ICESCR);</li> <li>2. ICPD Programme of Actions.</li> </ol>
10. Pollution of surface and ground waters.	Reduction of the pollution of water resources (Objective, para 489).	Halve by 2015 the proportion of people without sustainable access to safe drinking water	The International Covenant on Economic, Social and Cultural Rights (ICESCR).
11. Soil degradation.	Reduction in speed of soil degradation (Objective, para 489).	Integrate principles of sustainable development into country policies and programmes and reverse the loss of environmental resources (Objective 7, target 9).	The International Covenant on Economic, Social and Cultural Rights (ICESCR).
12. Loss of bio-diversity.	<ol style="list-style-type: none"> <li>1. Protection and increase of forestry fund (Objective, para 489);</li> <li>2. Protection and extension of areas of natural reserves protected by the state (Objective, para 489).</li> </ol>	Integrate principles of sustainable development into country policies and programmes and reverse the loss of environmental resources (Objective 7, target 9).	The International Covenant on Economic, Social and Cultural Rights (ICESCR).
13. Children at risk, particularly separated children.	<ol style="list-style-type: none"> <li>1. Develop and implement some specific programmes, such as: protection of family and child and protection of people with disabilities (Objective, para 552);</li> <li>2. Improve the efficiency of the social benefit system by targeting them at the poorest, and focusing on the social groups at risk (Objective, para 552);</li> <li>3. Develop the system of social services by diversifying and improving their quality and facilitating a more active involvement of civil society (Objective, para 552);</li> <li>4. Updating the system of social integration of children with special education needs and of vulnerable children (Objective, para 503).</li> </ol>	<ol style="list-style-type: none"> <li>1. Halve, between 1998 and 2015, the proportion of people who suffer from hunger (Objective 1, target 2, indicator „Prevalence of underweight children under five years of age“);</li> <li>2. Reduce by two-thirds by 2015 the under-five mortality rate (Objective 4).</li> </ol>	<ol style="list-style-type: none"> <li>1. National Human Rights Action Plan;</li> <li>2. The Convention on the Rights of the Child (CRC).</li> </ol>
14. Violence, neglect, and exploitation.	<ol style="list-style-type: none"> <li>1. Develop the system of social services by diversifying and improving their quality and facilitating a more active involvement of civil society (Objective, para 552);</li> <li>2. Draft Law on prevention and combating of human trafficking</li> <li>3. Draft Law on equal opportunities for women and men</li> <li>4. Draft Law on prevention and combating of family violence</li> </ol>	<ol style="list-style-type: none"> <li>1. Reduce by two-thirds by 2015 the under-five mortality rate (Objective 4);</li> <li>2. Reduce by three-quarters by 2015 the maternal mortality ratio (Objective 5);</li> <li>3. Have halted by 2015 and begun reverse the spread of HIV/AIDS (Objective 6, target 7);</li> <li>4. Develop and implement strategies for youth (Objective 8, target 15).</li> </ol>	<ol style="list-style-type: none"> <li>1. The Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT);</li> <li>2. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);</li> <li>3. ICPD Programme of Actions.</li> </ol>

PROBLEM	Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) and National Programmes	Millennium Development Goals	Main Human Rights Instruments
15. Young people are falling through the cracks.	<ol style="list-style-type: none"> <li>1. Improve employment and self-employment prospects for young people (Objective, para 587);</li> <li>2. Increase the accessibility to educational and health services, as well as to those regarding healthy life style and personal development (Objective, para 587);</li> <li>3. Stimulate the involvement of young people in decision-making process in the areas of social, economic, cultural and political development of the country, by creating local youth councils and other forms of participation (Objective, para 587);</li> <li>4. Preventing unemployment of youth and assisting the young people in finding employment (Medium-term policy objectives, para 578);</li> <li>5. National Youth Strategy.</li> <li>6. Draft Law on equal opportunities for women and men</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop and implement strategies for youth (Objective 8, target 15);</li> <li>2. Ensure universal access for all children to attend the gymnasium (Objective 2, target 3, indicator „Literacy rate of 15-24 year-olds“).</li> </ol>	<ol style="list-style-type: none"> <li>1. The International Covenant on Economic, Social and Cultural Rights (ICESCR);</li> <li>2. ICPD Programme of Actions.</li> </ol>
16. People with disabilities are excluded from society.	<ol style="list-style-type: none"> <li>1. Assisting the disabled people in finding employment (Medium-term policy objectives, para 578);</li> <li>2. Diversifying and improving the quality of employment services (Medium-term policy objectives, para 578);</li> <li>3. Develop and implement some specific programmes: protection of family and child and protection of people with disabilities (Obj, para 552).</li> </ol>	<ol style="list-style-type: none"> <li>1. Halve, between 1998 and 2015, the proportion of people whose income is less than \$2.15 a day (PPP values) (Objective 1, Target 1).</li> </ol>	The International Covenant on Economic, Social and Cultural Rights (ICESCR).
17. Weak public administration.	<ol style="list-style-type: none"> <li>1. Increasing the efficiency of public sector at the central level (Objective, para 221);</li> <li>2. Improving the decision-making process and its strategic approach (Objective, para 221);</li> <li>3. Improving the interaction between public administration and civil society (Objective, para 221);</li> <li>4. Increasing efficiency by developing capacity of the institutional and human resource development system (Objective, para 221);</li> <li>5. Improvement of legislation for local autonomy and self-governance (Objective, para 222);</li> <li>6. Clear delineation of functions and responsibilities between central and local public administrations (Objective, para 222);</li> <li>7. Increase of the fiscal and economic independence of local public administration bodies (Objective, para 222).</li> </ol>		
18. Political and legislative instability.	<ol style="list-style-type: none"> <li>1. Improvement of the quality of drafting the legislative and support acts in general and, especially, those regarding economic development (Objective, para 261);</li> <li>2. Development of the legal education system (Objective, para 261);</li> <li>3. Improving the interaction between public administration and civil society (Objective, para 221).</li> </ol>		<ol style="list-style-type: none"> <li>1. The International Covenant on Economic, Social and Cultural Rights (ICESCR);</li> <li>2. The International Covenant on Civil and Political Rights (ICCPR).</li> </ol>
19. Weak rule of law.	<ol style="list-style-type: none"> <li>1. Development of the legal services market and respecting rights of legal services consumers (implementing quality services) (Objective, para 261);</li> <li>2. Development of the legal education system (Objective, para 261);</li> <li>3. Execution of courts decisions (Objective, para 261).</li> </ol>		<ol style="list-style-type: none"> <li>1. The International Covenant on Civil and Political Rights (ICCPR);</li> <li>2. The International Covenant on Economic, Social and Cultural Rights (ICESCR).</li> </ol>
20. Lack of media freedom and access to information		Millennium Declaration	

# ANNEX C:

## MOLDOVA'S INTERNATIONAL HUMAN RIGHTS OBLIGATIONS

Instrument	Ratification date	Status of reporting obligation
International Covenant on Civil and Political Rights (ICCPR), 1966	26-April-93	Report 1: 1994 (due); 2001 (submitted) Report 2: 2004 (due); will be submitted in 2005
ICCPR Optional Protocol	No action	No obligation
International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966	26-April-93	Report 1: 1995 (due); 2001 (submitted) Report 2: 2008 (due)
International Convention on the Elimination of all Form of Racial Discrimination, 1965	25-Feb-93	Reports 1-4: 1994 (due); 2001 (submitted) Reports 5&6: 2004 (due); will be submitted in 2005
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), 1979	31-Jul-94	Report 1: 1995 (due); 1998 (submitted) Report 2: 1999 (due) Report 3: 2003 (due); 2004 (submitted)
CEDAW Optional Protocol, 1999	No action	No obligation
Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984	28-Dec-95	Report 1: 1996 (due); 2001 (submitted) Report 2: 2004 (due); will be submitted in 2005
Convention on the Rights of the Child (CRC), 1989	25-Feb-93	Report 1: 1995 (due); 2001 (submitted) Report 2&3: 2005 (due)
CRC Optional Protocols on children in armed conflict and sexual crimes against children	7-May-2004 (AC) 8-Feb-2002 (SC)	Report 1: 2006 (due)
Convention relating to the status of refugees, 1951, and refugee protocol, 1967	1-May-2002	Report 1: 2002 Report 2: 2004
ILO Convention on the Worst Forms of Child Labour, 1999	14-Jun-2002	Report 1: 2004 (submitted)

# ANNEX D: INTERNATIONAL ENVIRONMENTAL CONVENTIONS

Convention	Ratification date
Convention on the Conservation of European Wildlife and Natural Habitats, 1979	23-Jun-93
Convention on Transboundary Effects of Industrial Accidents, 1992	23-Jun-93
Convention on Environmental Impact Assessment in Transboundary Context, 1991	26-Mar-93
Conventions on the Protection of Transboundary Watercourses and International Lakes, 1992	23-Jun-93
Convention on Long-Range Transboundary Air Pollution, 1979	9-Jul-96
UN Framework Convention on Climate Change, 1992	12-Jun-95
Convention on Biological Diversity, 1992	16-Mar-95
Convention for the Protection of the Ozone Layer, 1995	27-Jul-96
Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989	10-Mar-98
Convention on Wetlands of International Importance, especially as Waterfowl Habitat, 1971	14-Jul-99
Convention on Cooperation for the Protection and Sustainable Development of the Danube River, 1994	17-Mar-99
UN Convention to Combat Desertification in those Countries Experiencing Serious Droughts and/or Desertification, particularly in Africa, 1994	24-Dec-98
Convention on Access to Information, Public Participation in Decision-Making Process and Access to Justice in Environment, 1998	7-Apr-99
Convention on Migratory Species of Wild Animals, 1979	28-Sep-00
Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1973	28-Sep-00
European Landscape Convention, 2000	12-Nov-01
Convention on Plant Protection Service, 1998	25-Nov-04
Convention on Persistent Organic Pollutants, 2001	19-Feb-04



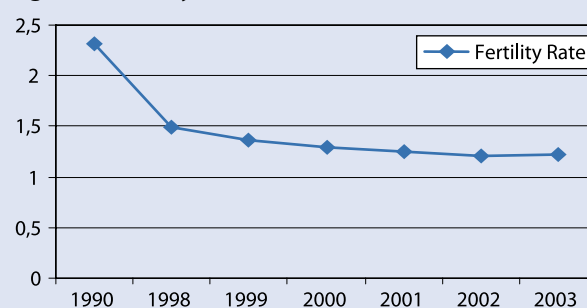
# ANNEX E: DEMOGRAPHIC SITUATION

As of 2004, the population of Moldova is estimated to be 3,607,435<sup>1</sup>. At present, life expectancy at birth is 65 for men and 72 for women<sup>2</sup>. In rural areas, life expectancy is approximately 3 years less for both sexes. The overall demographic trends in Moldova suggest a situation of depopulation, fuelled mainly by poverty, insecurity and worsening health status of the population. There is no unit within the Government primarily responsible for developing and implementing policies in population and demographics aimed at addressing the factors described below.

## Fertility, births and deaths

Birth rates per 1,000 people dropped from 18 to 10 between 1990 and 2003<sup>3</sup>. Birth rates are lower in the Northern part of the Republic and in urban areas. The female fertility rate is decreasing for all age groups: In 1990 the fertility rate was 2.4 children per woman of reproductive age compared with 1.2 in 2003<sup>4</sup> (Figure 1). During the same period, the mortality rate increased from 10 deaths per 1,000 people to nearly 12. Mortality rates are higher in rural areas at 14 deaths per 1,000 people than urban ones at 9 deaths. These trends were accompanied by mass migration abroad, mainly motivated by poverty and the need for employment<sup>5</sup>.

**Figure 1: Fertility Rates**



Source: Second Periodical Report on CEDAW, 2004

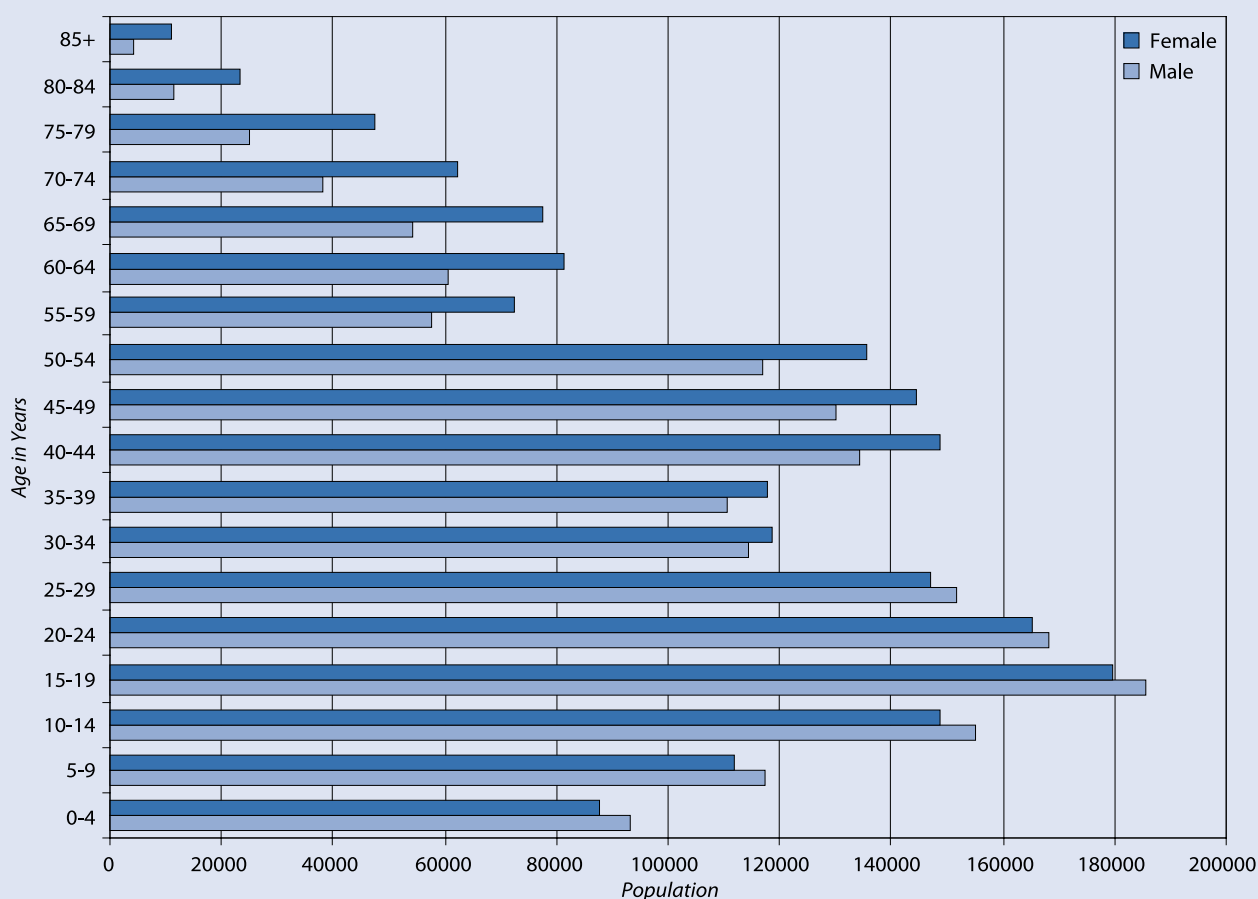
<sup>1</sup> According to the preliminary data of the census, 52% of the population (1,756,000) are women, while 48% (1,632,000) are men. The median age is 35, being 36 for women and 33 for men. The census covered an estimated 93% of the population. The Transnistria was not included in the census. A separate census has been performed in the Transnistria region. The offer of generalizing all data in a centralized manner has been rejected by the Transnistrian authorities, however the generalized data will be presented to the Department of Statistics and Sociology of Moldova. *Preliminary results of the national population census*, DSS, Information Note, January, 2005, [www.statistica.md](http://www.statistica.md)

<sup>2</sup> Statistic Annuary of the Republic of Moldova, 1991-2004.

<sup>3</sup> There were 77,000 live births in 1990 compared with 37,000 in 2003. Birth rates are 1.3 higher in the rural region.

<sup>4</sup> Constantin Matei, Ana Matei, "Current trends in the evolution of the population of Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 11

<sup>5</sup> Constantin Matei, Ana Matei, "Current trends in the evolution of the population of Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 10

**Figure 2: Population of Moldova by Age and Sex, 2004**

Source: Second Periodical Report on CEDAW, 2004

## Changes in population structure

Lower birth rates have reduced the proportion of children in the total population. Children between the ages of 0 and 17 account for 26% of the population compared with 33% in 1990. The number of children under five years of age has declined by half over the same period. Meanwhile, the number of adolescents and young people is increasing. People between the ages of 10 and 24 account for 28% of the population compared with about 15% in 1990. The overall population is also ageing. People 60 or older represent 14% of the population, or 1 in 7, up from 12.8% in 1990 (Figure 2)<sup>6</sup>. According to the Beajeau-Garnier scale, values over 12% indicate the demographic ageing of the population.

## Rural and Urban Trends

The population in Moldova is mostly rural and appears to be rural-ising. The urban share of the population peaked at about half in 1990 but has declined to 39% in 2003<sup>7</sup>. One of the main reasons is the status of certain localities changed as the result of successive administrative-territorial reforms<sup>8</sup>. Between 1990 and 2003, 171,000

<sup>6</sup> Demographic situation in the Republic of Moldova for 2003, DSS

<sup>7</sup> Constantin Matei, Ana Matei, "Current trends in the evolution of the population of Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 10

<sup>8</sup> Law No. 191-XIV on the administrative-territorial organization, adopted on 12.11.1998, and Law No 764/XV on the administrative-territorial organization, adopted on 27.12.2001

people left their urban homes and returned to the countryside. As a general rule, these are older people retired or underemployed<sup>9</sup>. Rural areas, already the poorest, have to absorb more city dwellers fleeing unemployment and poverty. Young people from rural areas take the opposite route – they leave for larger cities where they can continue their education and have more opportunities, or they migrate abroad in search for work. The young rural population decreased from 36.3% in 1959 to 26% in 2000<sup>10</sup>. Out of the total number of people migrating from the rural area, the age group 16 – 29 represents 47%, followed by the age group 20 – 29, representing 30% of the rural migrants. The population in the rural areas is ageing faster and more dramatically than the population in urban areas<sup>11</sup>. This puts greater strains on rural livelihoods and extended family networks, as well as on overstretched health and education services<sup>12</sup>. Due to changes in the population structure, a feminization of the rural population is attested<sup>13</sup>. Women are in a position to play an increased role in agriculture as well as answer to increased demands from their families, the migration of a larger number of men leaving them as heads of households.

### Migration and Human Trafficking

Using a GDP per capita measure, Moldova is the poorest country in the wider European neighbourhood<sup>14</sup>. This drives an estimated 367,000 Moldovan citizens, or nearly 10% of the population, to leave the country in search of employment<sup>15</sup> (See Table 4 for numbers by municipality or district). However, these estimates are not accurate because they do not account for most illegal migrants. Unemployment and poverty among young people also make them easy prey for human traffickers. Specific figures concerning those who were trafficked out of the large number of migrants are lacking, but Moldova's nationals constituted the majority of trafficking victims intercepted in the Balkans<sup>16</sup>.

The average age of migrants is 35. Around 60% of migrants are men. The migration of such a large number of people of reproductive age has direct consequences over declining birth rates in Moldova. Migration, especially illegal migration frequently fringed by labour or sexual exploitation, has severe consequences on the physical and mental wellbeing of migrants and their families upon return, due to limited access to social and health services. However, there are few data to this regard, an assessment of the migrants' living conditions being important for the development of subsequent regulatory policies in both countries of origin and countries of destination.

<sup>9</sup> Aurica Susu, "Impact of structural demographic population changes over rural development", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 54

<sup>10</sup> Aurica Turcan, "An analysis of demographic and demo-economic ageing in Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p.100

<sup>11</sup> Gh. Paladi, Academy of Science, "Demogra[hic aspects of ageing in the Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 19

<sup>12</sup> Aurica Susu, "Impactul transformarii demografice structurale a populatiei asupra dezvoltarii rurale" [Impact of structural demographic population changes over rural development], International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p. 54

<sup>13</sup> Aurica Turcan, "An analysis of demographic and demo-economic ageing in Republic of Moldova", International Symposium Population Demographic Problems in the Context of European Integration, organized by the Academy of Economic Studies with the support of UNFPA, Chisinau 2005, p.102

<sup>14</sup> Communication from the Commission to the Council and the European Parliament. 2003 "Wider Europe- Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbors", 11 March, COM(2003) 104 [http://www.europa.eu.int/comm/external\\_relations/we/doc/com03\\_104\\_en.pdf](http://www.europa.eu.int/comm/external_relations/we/doc/com03_104_en.pdf)

<sup>15</sup> According to the census, 89% of those residing abroad have left in search for work, while 11% have left for study or other reasons. Preliminary results of the national population census, DSS, Information Note, January, 2005

<sup>16</sup> Victims of Trafficking in the Balkans, IOM 2001

## Reference Tables

**Table 1: Life expectancy at birth**

Years	Total population		Urban population		Rural population	
	women	men	women	men	Women	men
1958-59	69,8	65,6	70,6	65,1	69,8	65,9
1978-79	68,8	62,4	70,9	63,9	67,5	61,4
1989	72,3	65,5	73,9	66,8	70,9	63,9
1999	71,0	63,7	72,2	64,6	70,3	63,1
2000	71,2	63,9	72,6	65,0	70,4	63,1
2003	71,6	64,5	73,4	66,3	70,8	63,3

Source: Second Periodical Report on CEDAW, 2004

**Table 2: Population by gender and age (2003)**

Age	Urban population			Rural population		
	male	female	total	male	female	Total
0-4	32429	30137	<b>62566</b>	60912	57417	<b>118329</b>
5-9	39460	36929	<b>76389</b>	77730	74547	<b>152277</b>
10-14	57571	54731	<b>112302</b>	97499	93878	<b>191377</b>
15-19	71333	68979	<b>140312</b>	114032	110877	<b>224909</b>
20-24	67125	63083	<b>130208</b>	100801	101981	<b>202782</b>
25-29	60732	60999	<b>121731</b>	90710	85909	<b>176619</b>
30-34	61653	58932	<b>120585</b>	52815	59518	<b>112333</b>
35-39	51725	54935	<b>106660</b>	58693	62921	<b>121614</b>
40-44	60879	69155	<b>130034</b>	73350	79198	<b>152548</b>
45-49	58546	68068	<b>126614</b>	71459	76437	<b>147896</b>
50-54	53822	61870	<b>115692</b>	63225	73365	<b>136590</b>
55-59	27988	32450	<b>60438</b>	29660	39932	<b>69592</b>
60-64	24653	29516	<b>54169</b>	35865	51616	<b>87481</b>
65-69	20623	27649	<b>48272</b>	33599	49840	<b>83439</b>
70-74	12158	19167	<b>31325</b>	26289	43354	<b>69643</b>
75-79	8065	15809	<b>23874</b>	17263	31374	<b>48637</b>
80-84	3186	7644	<b>10830</b>	8376	15729	<b>24105</b>
85+	1561	4365	<b>5926</b>	2627	6710	<b>9337</b>
<b>Total</b>	<b>713509</b>	<b>764418</b>	<b>1477927</b>	<b>1014905</b>	<b>1114603</b>	<b>2129508</b>

Source: Statistics Annual of the Republic of Moldova, 2004

**Table 3: Population by gender and place of residence**

Name of municipality / raion		Total population covered by the census	Including					
			Urban population			Rural population		
			Total	Male	Female	Total	Male	Female
1.	Chisinau municipality	716530	647513	302064	345449	69017	33776	35241
2.	Balti municipality	127673	122778	56282	66496	4895	2395	2500
3.	Anenii-Noi	81719	8354	3841	4513	73365	35982	37383
4.	Basarabasca	28978	11184	5347	5837	17794	8802	8992
5.	Briceni	77978	14205	6790	7415	63773	30191	33582
6.	Cahul	119201	35481	16452	19029	83720	41121	42599
7.	Cantemir	60008	3889	1878	2011	56119	28188	27931
8.	Calarasi	75167	14510	6963	7547	60657	29975	30682
9.	Causeni	90616	21960	10659	11301	68656	33805	34851
10.	Cimislia	60936	12866	6163	6703	48070	23681	24389
11.	Criuleni	72259	7138	3419	3719	65121	31901	33220
12.	Donduseni	46437	9802	4535	5267	36635	17125	19510
13.	Drochia	87083	16600	7896	8704	70483	33527	36956
14.	Dubasari	34004	0	0	0	34004	16780	17224
15.	Edinet	81384	23065	10839	12226	58319	27664	30655
16.	Falesti	89915	14848	7058	7790	75067	36268	38799
17.	Floresti	89406	17093	8122	8971	72313	34859	37454
18.	Glodeni	60968	10464	4959	5505	50504	24279	26225
19.	Hincesti	119765	15260	7162	8098	104505	51784	52721
20.	Ialoveni	97759	15041	7295	7746	82718	40812	41906
21.	Leova	51161	14404	7172	7232	36757	18333	18424
22.	Nisporeni	64945	12113	5881	6232	52832	26210	26622
23.	Ocnita	56706	19287	9128	10159	37419	17478	19941
24.	Orhei	116296	25680	11950	13730	90616	45086	45530
25.	Rezina	48112	10179	5090	5089	37933	18601	19332
26.	Riscani	69415	13345	6386	6959	56070	26878	29192
27.	Singerei	87158	15759	7532	8227	71399	34943	36456
28.	Soroca	95015	28407	13823	14584	66608	32090	34518
29.	Straseni	88937	19648	9517	10131	69289	34060	35229
30.	Soldanesti	42216	6294	2982	3312	35922	17484	18438
31.	Stefan-Voda	70620	7781	3765	4016	62839	31091	31748
32.	Taraclia	43151	13758	6659	7099	29393	14397	14996
33.	Telenesti	70022	6765	3218	3547	63257	31589	31668
34.	Ungheni	110750	35157	16924	18233	75593	37515	38078
35.	UTA Gagauzia	155781	58283	27636	30647	97498	48462	49036
	<b>Total</b>	<b>3388071</b>	<b>1308911</b>	<b>615387</b>	<b>693524</b>	<b>2079160</b>	<b>1017132</b>	<b>1062028</b>

Source: Preliminary Census Data, DSS, 2004.

**Table 4: Population temporarily residing abroad by place of residence and reason for leaving the country**

Name of municipality / raion		Number of persons declared to be abroad	Including:		Out of the total number of persons temporarily residing abroad:		
			Men	Women	Working	studying	other reason
1.	Chisinau municipality	23886	11963	11923	18313	2987	2586
2.	Balti municipality	8274	4547	3727	7044	688	542
3.	Anenii-Noi	7843	4335	3508	7157	484	202
4.	Basarabeasca	2973	1508	1465	2678	201	94
5.	Briceni	4101	2286	1815	3741	260	100
6.	Cahul	10523	5924	4599	9217	847	459
7.	Cantemir	6581	3766	2815	6129	347	105
8.	Calarasi	6977	2580	4397	6733	175	69
9.	Causeni	9235	5494	3741	8608	405	222
10.	Cimislia	7582	3836	3746	7093	275	214
11.	Criuleni	4028	2264	1764	3671	264	93
12.	Donduseni	2802	1515	1287	2492	167	143
13.	Drochia	7951	4685	3266	7488	304	159
14.	Dubasari	2759	966	1793	2207	450	102
15.	Edinet	5570	3304	2266	5046	276	248
16.	Falesti	8819	5285	3534	7849	335	635
17.	Floresti	8572	4893	3679	7884	428	260
18.	Glodeni	6446	3844	2602	5994	269	183
19.	Hincesti	10803	5590	5213	9991	538	274
20.	Ialoveni	7342	4250	3092	6671	427	244
21.	Leova	5214	3036	2178	4793	326	95
22.	Nisporeni	6855	3538	3317	6281	387	187
23.	Ocnita	6538	3538	3000	5553	431	554
24.	Orhei	8704	5085	3619	7864	578	262
25.	Rezina	3759	2281	1478	3510	187	62
26.	Riscani	5735	3658	2077	5269	262	204
27.	Singerei	9305	5991	3314	8517	312	476
28.	Soroca	7443	4410	3033	7048	197	198
29.	Straseni	7298	3989	3309	6603	446	249
30.	Soldanesti	2874	1694	1180	2719	105	50
31.	Stefan-Voda	5443	3414	2029	5213	135	95
32.	Taraclia	3825	2266	1559	3177	532	116
33.	Telenesti	5832	3601	2231	4678	269	885
34.	Ungheni	11104	6915	4189	10271	519	314
35.	UTA Gagauzia	16558	8571	7987	14543	1452	563
<b>Total throughout the Republic*</b>		<b>259554</b>	<b>144822</b>	<b>114732</b>	<b>232045</b>	<b>16265</b>	<b>11244</b>

\* 7,7% from the population covered by the census have been declared to be abroad

# ANNEX F: PUBLIC FINANCIAL MANAGEMENT SYSTEM

## REVIEW OF MOLDOVA'S PUBLIC FINANCIAL MANAGEMENT SYSTEM

This note compiles relevant background information from the World Bank diagnostic work on Moldova Public Financial Management (PFM) which is taken as a basis for determining risks related to country's PFM.

### Objective:

The objective of the Assessment is two-fold:

- Support identification of strengths and weaknesses in Moldova's PFM and possible areas for capacity building by Government and others;
- Contribute to the establishment of appropriate cash transfer modalities, procedures, and assurance activities to be applied by the UN Agencies.

### Summary of findings and key risks:

The overall conclusion of the World Bank's 2003 Country Financial Accountability Assessment (CFAA) remains valid. CFAA found that "despite some progress in improving public financial management, the financial accountability framework in Moldova is weak and requires substantial strengthening". The World Bank's CFAA also states that "this has important implications for both the Government and the World Bank: the Government will need to make a significant effort over a long period of time to attend to the issues identified within this report; and the Bank cannot rely on the Moldovan financial accountability framework to ensure that funds are spent for intended purposes, but rather the Bank will need to review and assess each operation's financial management risks and arrangements on its own merit". The UN Agencies in Moldova fully rely on the conclusions of the World Bank, given its highly-qualified expertise and long-lasting experience, and will make decisions on the establishment of the appropriate cash transfer modalities based on the below findings, as well as on the assessment of each implementing partner.

**A. Budget formulation.** Fragmentation of the budget formulation process was raised as an issue by both the Public Economic Management Review (PEMR) and CFAA, prepared by the World Bank. In particular, insufficient integration of investment expenditures, extra-budgetary funds and donor funding into the budget were identified as factors contributing to such fragmentation. Since then, the Ministry of Finance has undertaken serious efforts to improve the situation in this area. In particular, extra-budgetary funds and resources were integrated into the 2005 annual state budget presentation. Donor financing of investment projects has also been incorporated into the annual state budget law. There remain outstanding methodology issues about the integration of donor funding for technical assistance, in kind / humanitarian aid, etc.



Existing budget formulation methodology is largely input-oriented and it has weak links to policy objectives, especially at the sector level. The Government is addressing these weaknesses through developing a medium-term approach to budget framework formulation with technical support from Department for International Development (DFID).

At present, review of the previous year budget execution is part of the budget formulation process, but this process is not sufficiently focused on assessing the performance. Efforts have been invested in developing performance indicators for several pilot sectors (including health, education, social protection), but no comprehensive system of performance indicators exists. Development of such system is complicated by the absence of an integrated program classification for the budget.

Public Financial Management project supported by the World Bank in partnership with the Dutch Government and Swedish International Development Agency (SIDA) is expected to support strengthening of budget formulation methodology in coordination with DFID support for Mid-Term Expenditure Framework (MTEF).

**B. Budget execution, accounting and reporting<sup>1</sup>.** Although budget execution and cash management have improved with the establishment of the cash management unit in the Treasury Department (2001), line ministries and central agencies still lack timely and accurate forecasts of cash availability and budget execution reports, which undermines their financial stability and management effectiveness. Under persisting cash deficit conditions, the Minister of Finance is engaged in cash rationing to budget entities on a daily basis.

Public accounting in Moldova is not compatible with the International Public Sector Accounting Standards. The rules and regulations related to accounting and treasury operations are cumbersome, overly detailed and prescriptive, and impose high compliance costs. Ministries maintain their accounts on a modified cash basis. Spending units maintain their own accounting records in prescribed formats using a double entry system of accounting. The Treasury follows a cash basis accounting and records all revenues and payments purely from a budget accounting perspective.

Budget reporting has improved but requires further strengthening. Comprehensive reports for the national public budget can be produced only manually and with significant delays. Automated monthly reports do not include data for the social insurance and health insurance budgets, and foreign-financed projects. The Treasury and spending units prepare a variety of financial reports, most of which appear not to be used for management purposes. As of 2005, Ministry of Finance started preparing consolidated general government statements which are still not compatible with international standards. While different accounting systems are used by the central government, the social and health insurance agencies, and local governments, integration of financial information presents technical difficulties. The timing of consolidated government financial statements is lagging behind. Hence the system fails to provide a key and timely input to the cash management system and ensure budget transparency.

The Ministry of Finance has made attempts to computerize expenditure management through the use of custom-developed software. The problem with these numerous single-purpose applications is that they are not well integrated and fail to provide relevant and accurate consolidated financial statements. Besides, the inadequate security and stability of the IT system has lead to incidental losses of expenditure information. Although this information reportedly was later retrieved, the Ministry of Finance considers it unacceptable to subject the management of public finances to such risks in the future. Effectiveness of public debt management is diminished without its integration with the budget planning and cash management information.

<sup>1</sup> This section directly corresponds with Annex 2 of the final version of the PFM Project Appraisal Document, May 2005.

**C. Public Procurement.** The 2003 Country Procurement Assessment Report (CPAR) found that the environment for conducting public procurement in Moldova is one of high risk. While Moldova's procurement law was assessed as basically sound, the practice of public procurement was found to fall some way short of the relatively high standard which the law sets. Single Source Procurement, where competition is completely absent, was used far too often, often in contravention of the procurement law. The National Agency for Government Procurement (NAGP), whose primary function is to prevent such departures from the procurement law, is frequently subject to political pressure and is not held accountable for the way in which it performs its regulatory and oversight functions.

### **Assessment of Supreme Audit Institution's capacity to undertake required audits:**

**A. Internal Audit.** The World Bank PFM team view is that internal control environment in budget organizations needs substantial improvement. As evidenced by reports of the Court of Account and Financial Control Department of the Ministry of Finance, financial discipline in spending units is weak. Internal audit, conducted by the Financial Control Department (FCD), focuses on ex-post inspections revealing irregularities of budget transactions. As recommended by the CFAA, the FCD needs to re-orient its mandate toward evaluating internal control systems and to encourage public managers to undertake more responsibilities for establishing reliable control environment in their managed public entities.

**B. External audit.** CFAA recommended that the Law of Court of Audit (CoA) should be revisited; the Court's excessive powers should be reduced; and its activities should focus exclusively on the audits of public sector organizations. The CFAA made several proposals to improve the situation, that remain still valid, including: (i) the twinning of the CoA with a more developed Supreme Audit Institution; (ii) the development and provision of learning events for the staff of the CoA, and (iii) the development of a revised audit methodology in accordance with international norms.

Based on the CFAA findings, the Bank has informed the Government that it would continue to require an independent external audit based on international auditing standards for the bank funded projects. In 2004, the Bank completed an assessment of the local auditing market and compiled a list of auditing companies eligible for the audit of Bank projects.

### **Bibliography:**

1. Moldova Country Financial Accountability Assessment, September 12, 2003. The World Bank.
2. Moldova Public Economic Management review, March 24, 2003. The World Bank.
3. PFM Project Appraisal Document, May 2005. The World Bank.
4. Republic of Moldova. Country Procurement Assessment Report. June 2003. The World Bank.

# ANNEX G:

## LIST OF KEY REFERENCES

These documents constitute a key set of reference materials that were consulted for the preparation of the Common Country Assessment (CCA). However, this list is not exhaustive. Complete references are provided in footnotes throughout the CCA report.

Ala Mindicanu, *Mainstreaming Gender Policies in the Republic of Moldova, Analysis of current situation and suggestions for the National policy*, Chisinau, 2004.

*Constitution of the Republic of Moldova*, 1998

Department of Statistics and Sociology (DSS), *Demographic situation of the population of the Republic of Moldova*, DSS, 2004.

DSS, *Preliminary results of the national population census*, DSS Information Note, January, 2005.

DSS, *Public Health in Moldova*, Chisinau, 2004.

European Union and the Government of Moldova, *European Union – Republic of Moldova Action Plan*, 2004

Giovanni Andrea Cornea, et al., *Economic Policies for Growth, Employment and Poverty Reduction: Moldova in Transition*, 2005.

Government of the Republic of Moldova, *Economic Growth and Poverty Reduction Strategy Paper (2004-2006)*, Chisinau, May 2004.

Government of the Republic of Moldova and UNDP, *National Human Development Report – Good Governance and Human Development*, 2003.

Government of the Republic of Moldova, *The Millennium Development Goals in the Republic of Moldova*, 23 March, 2005.

Government of the Republic of Moldova and UNICEF, *The Situation of Children and Family in the Republic of Moldova*, 2000-2001.

Humanitarian Initiatives, *Moldova and the Impact of Transnistria*, 2002.

Kaufmann, D., A. Kraay and P. Zoido-Lobaton, *Governance Matters III: Updated Indicators for 2002*. World Bank, 2002.

Ministry of Health, UNICEF, *Multiple Indicator Cluster Survey*, Chisinau, 2000.

World Bank, *Recession, Recovery and Poverty in Moldova*, March 2004.

## Notes

[illegible]



**Contact:**

UNDP Moldova  
131, 31 August str.,  
Chisinau 2012, Moldova  
Tel.: (373 22) 22 00 45  
Fax: (373 22) 22 00 41  
E-mail: [registru.md@undp.org](mailto:registru.md@undp.org)  
Internet: <http://www.un.md>

Design: Ion Axenti, Vlad Cutureanu  
Tipar: Trigraf-Tipar, tel./fax: 210-963