

Cash-Based Social Protection for Children in the Republic of Moldova

UNICEF Moldova

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ACRONYMS AND ABBREVIATIONS

UN	United Nations
CRC	Convention on the Rights of the Child
UDHR	Universal Declaration of Human Rights
UNICEF	United Nations Children's Fund
MLSPF	Ministry of Labour, Social Protection and Family
MHLSP	Ministry of Health, Labour and Social Protection
SPSF	Social Protection Strategic Framework
CBAM	Cash Benefits Assessment Matrix
CODI	Core Diagnostic Instrument
SADI	Small Areas Deprivation Index
PIP	Program Improvement Plan
NEET	Youth, who are Not in Education, Employment, Training
KPI	Key Performance Indicators
SAAIS	Social Assistance Automated Information System
SAFPDs	Social Assistance and Family Protection Departments
NHSI	National House of Social Insurance
LPAs	Local Public Authorities
NBS	National Bureau of Statistics
EU	European Union
EC	European Commission
CEE/CIS	Central and Eastern Europe and the Commonwealth of Independent States
WB	World Bank
IMF	International Monetary Fund
ILO	International Labour Organization
OECD	Organisation for Economic Co-operation and Development
FGD	Focus Group Discussions
KII	Key Informant Interviews
HBS	Household Budget Survey
CBTM	Medium Term Budgeting Framework
MDL	Moldovan Leu

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1. EXECUTIVE SUMMARY

It is a well-accepted fact that children growing up in poverty and/or affected by social exclusion are less likely than their better-off peers to do well in school, enjoy a healthy lifestyle, and realize their full potential later in life.¹² The international community has increasingly recognized the importance of establishing effective and comprehensive social protection systems in order to address poverty.³ Since 2004, the concept of “social protection floor” has evolved from a “*notion*” intended to lay out a set of basic social rights, services and facilities⁴ into “*an UN joint initiative*” adopted in April 2009 to coordinate development efforts in the area of social protection, and then into “*a fundamental element of the national social security systems*” (2012)⁵ as an expression of the international community and governments’ commitment to reduce poverty and social exclusion, and ensure at a minimum, that all people have access to social protection and adequate supports, to live their life with dignity. This commitment was renewed in 2015 with the adoption of the 2030 Agenda for Sustainable Development.⁶

Convention on the Rights of the Child (CRC)

• *Article 26 - States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law.*

Universal Declaration of Human Rights (UDHR)

• *Article 22 – Everyone as a member of society, has the right to social security, and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.*

Background and Purpose

While the poverty rate in the Republic of Moldova (hereafter "Moldova") has been constantly decreasing over the past decade, it continues to be disproportionately higher among children than in the general population. According to the most recent data on child poverty, about 100,000 children (13% of the population) were affected by poverty in 2014. Moreover, child poverty incidence was three times higher in rural areas than in urban areas, demonstrating a striking

¹Griggs, J., Walker, R. 2008. The costs of child poverty for individuals and society: A literature review. Available at: <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/2301-child-poverty-costs.pdf>

² UNICEF Social Inclusion, Policy and Budgeting. Child Poverty Insights. Stewart, K., Cooper, K. 2013. Does Money affect children's outcomes? A review of evidence on causal links. Available at https://www.unicef.org/socialpolicy/index_69227.html

³ International Labour Office (ILO). 2003. Social Protection – A Life Cycle Continuum Investment, Available at: <http://www.ilo.org/public/english/protection/download/lifecycl/lifecycle.pdf>

⁴ International Labour Office (ILO) and World Health Organization (WHO). 2009. The Social Protection Floor. A Joint Crisis Initiative of the UN Chief Executives Board for Co-ordination on the Social Protection Floor.

⁵ ILO, R202 - Social Protection Floors Recommendation, 2012 (No. 202). *Recommendation concerning National Floors of Social Protection Adoption: Geneva, 101st ILC session (14 Jun 2012)*. Available at http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R202

⁶ United Nations General Assembly, Seventieth session, A/RES/70/1.2015. Transforming our world: The 2030 Agenda for Sustainable Development. Available at http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

inequality.⁷ The children that are most likely to be poor in Moldova are those living in households with three or more children, and those whose parents did not finish high school.⁸ Their risk of poverty increases as the family size increases (Appendix 1).⁹ Additionally, changes to the traditional family structure, the rise of multi-generational households where young families and the elderly are living together sharing resources, and increasing economic migration pose new challenges to social protection policy-making.¹⁰ While some young families and their children and youth live voluntarily with their elderly family members, others do so because they cannot afford their own housing. Further, it is not uncommon for children and youth living with members of their extended family to suffer from trauma and mental health issues after dealing with grief from the loss of their parents (i.e. death, abandonment, parents leaving the country to pursue better job opportunities). These challenges call for innovation in policy-making and greater focus on finding the necessary connections between different policy domains in order to better address the unique and complex vulnerabilities facing children and their families.

Moldova ratified the CRC in 1990. Since then, the government carried out several reforms to address child poverty and align its social protection policy framework with European and international standards. These reforms were designed to achieve positive changes in children's lives through several initiatives: the continuous improvement of the residential child care system; the development and expansion of alternative family-type childcare services; early identification of child risk situations; prevention of child abandonment and child separation from their families; prevention of child mortality; and a poverty-focused social protection system. Despite positive results in many of these areas, much work is still to be done because *“the existing social benefits do not adequately support families with children”* and *“identifying solutions for making cash benefits more effective is still an important priority”*.¹¹

This study was commissioned by UNICEF Moldova in order to provide a better understanding of the current state of Moldova's cash-based social protection system and its ability to address the needs of the most disadvantaged children in Moldova. Its primary objective is to assess and synthesize existing evidence on the extent to which cash benefits support vulnerable children and their families, and identify factors that hinder and/or facilitate programme implementation. The secondary objective was to identify key policy recommendations that can assist the Government of Moldova in tailoring the existing cash-based programmes so as to maximize their impact on child poverty reduction.

Given the complexity of the social protection system in Moldova, this study reviews cash-based social protection programmes (Appendix 2) that are directly linked to children. These include: Childcare Allowances, Allowances for Children without Parental Care, Allowances for Disabled

⁷Ministry of Labour, Social Protection and Family (MLSPF). 2016. The 2015 Annual Social Report. Available at <http://msmps.gov.md/sites/default/files/document/attachments/rsa2015.pdf>

⁸ MLSPF. 2015. Briefing Note on 2015 Poverty Trends in Moldova including data reported by the NBS based on the 2015 Household Budget Survey

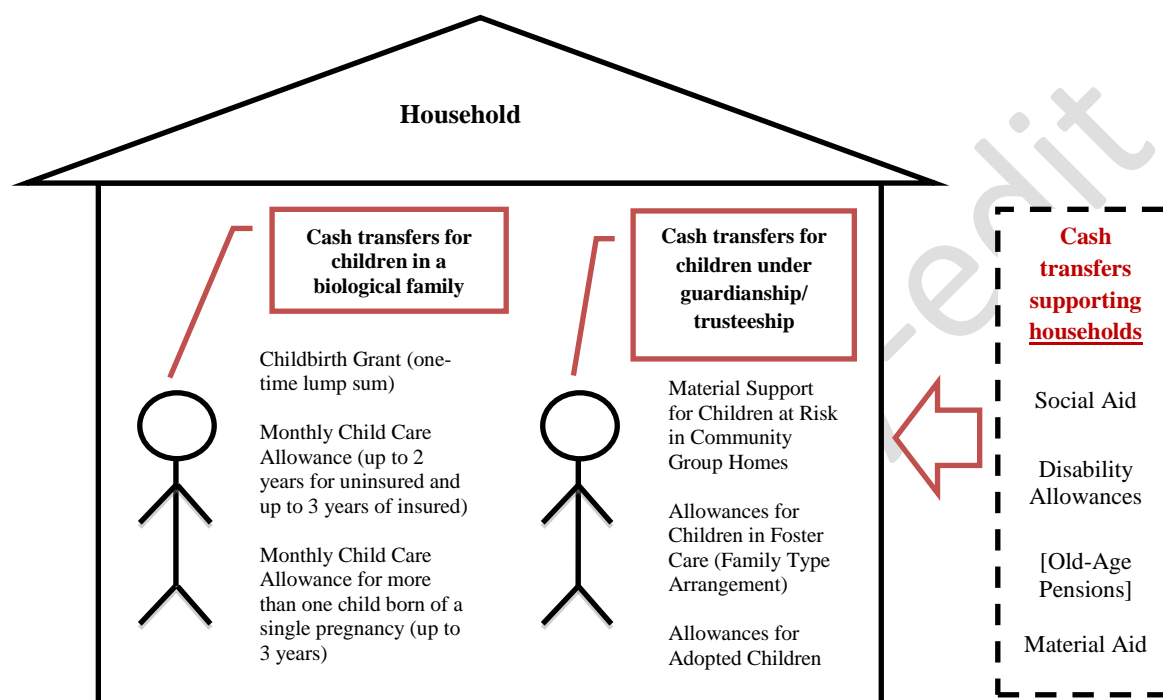
⁹ Ibidem 8

¹⁰ UNICEF and HelpAge International. 2016. National Study: Staying behind: The effects of migration on older people and children in Moldova, National study produced Available at: https://www.unicef.org/moldova/The_impact_of_migration_on_older_people_and_children_in_Moldova.pdf

¹¹ Government Decision No. 434/ 10.06.2014 on the approval of the 2014-2020 National Child Protection Strategy. SWOT Analysis Findings.

Children, the Social Aid programme, and the Material Aid programme. A depiction of the how these different programmes support households and children is provided in Figure 1.

Figure 1: Cash-Based Social Protection Programmes



Although this study focuses on cash benefits for families with children, it also attempts to capture, to some extent, the contribution of the pension system to reducing child poverty. This analysis is critically important due to the ubiquity of multigenerational households, increasingly stringent eligibility criteria for social benefits, and a constrained fiscal environment.

Methodology

The study used a mixed-methods design guided by UNICEF's Social Protection Strategic Framework (SPSF)¹² to inform the development of the lines of inquiry and the focus group and interview guidelines. To support an inclusive data collection process and a systematic analysis, a Cash Benefits Assessment Matrix (CBAM) was developed based on several elements of the Core Diagnostic Instrument (CODI)¹³ – particularly those that were considered to be especially

¹² UNICEF. 2012. Integrated Social Protection Systems: Enhancing Equity for Children. Retrieved July 5, 2017 from the <https://www.unicef.org/socialprotection/framework/>. The UNICEF conceptualizes social protection as “a set of public and private policies and programmes aimed at preventing, reducing and eliminating economic and social vulnerabilities to poverty and deprivation” to emphasize the importance of designing an integrated national child-sensitive social protection systems.

¹³ The Core Diagnostic Instrument, Assessment Matrix (CODI) is part of the World Bank's Social Protection Assessment of Results and Country Systems (SPARCS) – a multi-year, programmatic platform for global collaboration on social protection and labour. For further details, see Inter Agency Social Protection Assessments retrieved on July 5, 2017 from the <http://ispatools.org/wp-content/uploads/2016/02/CODI-Assessment-Matrix.pdf> (Retrieved).

relevant to a middle-income country context, where social protection institutions have been in existence for decades.

Socio-economic information was obtained through a review of legislation and publications available from international bodies and included government reports, briefing notes, relevant scholarly work, and data sets. Following consultations between UNICEF and the Ministry of Health, Labour and Social Protection's (MHLSP) specialists, it was proposed that the selection of study sites should be guided by objective of having a variety of Small Areas Deprivation Index (SADI)¹⁴ scores combined with representation from each region (North, South and Centre).

Field visits to collect empirical data were undertaken in July-August 2017 in five selected districts: Causeni, Criuleni, Drochia, Ialoveni and Telenesti. The generalizability of the findings of this study is subject to certain limitations including use of convenience sampling, limited availability of raw data, reliance on secondary data and respondent bias.

Key Findings and Recommendations

Children and families in Moldova experience significant challenges that are complex and chronic, and which often require government intervention. The country has a number of cash-based social protection programmes designed to assist families with children and children without parental care to overcome their vulnerabilities and improve their living and social conditions. The social protection system in Moldova has made significant progress but it still has significant room for improvement in terms of its efficiency and sustainability.¹⁵

While the strategic and legal framework for social protection may be in place – though it lacks coordination and an overall long-term vision for the sector, as will shown in this study – implementation has been more challenging. A key obstacle voiced by most professionals and beneficiaries is a legacy of passively waiting for a highly centralized State to intervene in local matters, which still dominates the mentality of the society. This study identified additional challenges impacting the social protection system in Moldova, including but not limited to those included in Table 1.

The findings are grouped in five categories - *Governance and Institutional Capacity, Coherence and Integration, Targeting and Coverage, and Adequacy and Financial and Fiscal Sustainability*, as informed by the CBAM matrix.

Table 1: Summary of Findings

¹⁴ UNDP Moldova. 2014. Deprivation index of rural communities adjusted to policy framework in Moldova. Small Areas Deprivation Index (SADI) is a composite indicator which shows the development level of a local community at the lowest territorial disaggregation, covering all rural communities in Moldova. Besides economic deprivation data, this index also aggregates social indicators such as demographic housing deprivation; access to health care, education and infrastructure facilities; and the extent which local public budgets can afford community development and support to vulnerable groups of population. The primary use of SADI is to map out poverty and target anti-poverty initiatives or allocating resources for poverty alleviation. Based on the domain score, all local communities are assigned a rank from most deprived (rank 1) to least deprived Primaria (rank 843). As of 2003, SADI is annually calculated by the Ministry of Economy using locally collected data.

¹⁵ World Bank, 2017, Report Number - ICRR12806

Area of Focus	Key Findings
1. Governance and Institutional Capacity	<p>Legal Framework: The social protection of vulnerable children and families from socio-economic risks has not been clearly articulated as a national priority; the legislative framework is updated to reflect new international context but lacks alignment with the goal of reducing child poverty.</p> <p>Implementation: Institutional challenges include cultural tensions, workload issues, high staff turnover, lack of clarity around roles & responsibilities and non-participatory/collaborative decision-making processes, insufficient public-private partnerships.</p> <p>Information Systems: The efficiency of automated tools and decision-making decrease as the complexity of cases increases. The collection of data through different methods and formats by ministries and departments impedes the maximum use of information for research and reporting</p> <p>Accountability and Oversight: Monitoring and evaluation activities take place on a sporadic basis for the system as a whole, while continuous verifications are done for the Social Aid programme using the Social Assistance Automated Information System (SAAIS). Grievance mechanisms do not lead to a complete feedback loop between beneficiaries and the improvement of programme design and implementation.</p>
2. Coherence and Integration	<p>Strategic Programming: Existing programmes are designed to address socio-economic vulnerabilities post-fact as opposed to preventing them or their recurrence.</p> <p>Linkages with Other Policy Areas: Policies and programmes lack clear goals and objectives to foster integration and coordination among the social protection, health, and education sectors as well as with the labour market.</p> <p>Coordination: Weak coordination of implementation can create inequalities in access to programmes services, especially for children between 1-3 years of age.</p>
3. Targeting and Coverage	<p>Coverage: Cash-benefits do not reach a majority of the poorest income quintile; a reliable calculation of coverage was not done for most programmes reviewed due to limited data availability; children's needs are not met in a manner sufficient to help them surpass the poverty line</p> <p>Targeting: The country's main poverty-targeted programme - Social Aid - uses national-level data to design its targeting strategies, leading to a lack of flexibility in adapting to regional needs</p>
4. Adequacy	<p>Sufficiency: Benefit size is not sufficiently high to have a sizeable impact on children's lives, except in the case of Social Aid and the Childbirth Grant</p> <p>Use of Benefits as Part of Family Income: While the money received is, for the most part, used as intended by the law (toward children's welfare in households with children), some funds are also used to repay debts and cover medical costs.</p> <p>Appropriateness to support deinstitutionalization: The programmes available support deinstitutionalization and encourage a family-based approach to raising children.</p> <p>Efficiency: It was found that Material Aid and allowances for adopted children would benefit most from programme re-evaluations and revamping.</p> <p>Empowerment: The existing programmes are a good start towards independence but beneficiaries do not receive enough empowering, non-financial support to help them plan their budget, manage risk and build resilience.</p> <p>Social Norms and Misconceptions: In the case of the poverty-targeted cash transfer, there are widespread misperceptions, such as: “welfare dependency”, “people are not interested in finding a job”, “beneficiaries take advantage of the welfare system” deter some of those eligible to apply</p>
5. Financial and Fiscal Sustainability	<p>Reliability of Financing: The budgeting process is not linked to the population's needs; there is limited stakeholder consultations on budgeting issues.</p> <p>Cost of Social Protection: The lack of clarity regarding budget forecasting techniques, budget performance indicators, etc.</p> <p>Sustainability: Legal provisions are not backed up by the necessary funding.</p>

These findings are the result of the following pressing issues currently affecting the social protection system in Moldova:

- Competing social protection priorities;
- Lack of a strategic vision for the social protection of children in Moldova;
- Inconsistencies in practices and performing core duties;
- Differing interpretations of the laws, policies, procedures, and requirements;
- Equity issues in cash-based social protection programmes - especially low coverage of poverty-focused programmes;
- Insufficient use of innovation to ensure policy linkages, consistent practices, and proper funding to support a strategic system transformation;
- Difficult recruitment and low retention of qualified child and social protection staff;
- Slow progress in building a culture of individual responsibility, shared accountability, continuous improvement, and fiscal and financial sustainability;
- Transparency of decision-making; and,
- Misconceptions and limited understanding of cash-based social protection programmes.

This study has identified a series of recommendations aimed at strengthening each of the five categories researched. These can be used both to develop a holistic and intersectoral social protection strategy that addresses the needs and rights of children, and to design a set of more specific actions, subject to national priorities and available resources. Progress should be monitored on an on-going basis and reported regularly in a transparent and accessible manner.

A holistic social protection system for children and families would offer programmes that cover the full range of children and families' needs representing multiple dimensions of poverty and deprivation.¹⁶ The main recommendations stemming from this study reflect the most pressing issues experienced by the participants in the study as well as key findings derived from the analysis of quantitative data. They are divided into the following five pillars:

1. Revamping, Consolidation and Integration
2. Improvement of Targeting, Coverage, and Adequacy
3. Social Protection System Modernization
4. Improvement of Fiscal and Financial Sustainability
5. Strengthened Accountability and Continuous Improvement

Table 2: Summary of Recommendations

Pillar 1 - Revamping, Consolidation and Integration			
Area of Action	Short Term Measures 2018-2020	Medium-Term Measures 2020-2023	Long-Term Measures 2023-2025

¹⁶ECA, ILO, UNCTAD, UNDESA, UNICEF. 2012. UN s+System Task Team on the Post-2015 UN Development Agenda. [Http://www.un.org/millenniumgoals/pdf/Think%20Pieces/16_social_protection.pdf](http://www.un.org/millenniumgoals/pdf/Think%20Pieces/16_social_protection.pdf)

<i>1.1. Revamp the existing benefit programmes</i>	<p>Harmonize relevant legislation e.g. Include Code 9006 - Social Protection of Families and Children - under the portfolio of additional ministries (i.e. Ministry of Youth and Sport, Ministry of Justice, Ministry of Technology and Information, Inter-ethnic Relations Office, Agency of Tourism, Ministry of Economy).</p> <p>Consolidate the Social Aid and Material Aid programmes.</p>	<p>Grant vulnerable people the status of temporary eligibility based on the results of a preliminary investigation in order to allow them to finalize official paperwork (e.g. rental contracts, obtaining identification and residency paperwork, health status certificates, etc.).</p>	<p>Develop manuals and operating procedures for policy implementation to ensure consistent practices, and update them regularly.</p>
<i>1.2. Develop social protection packages</i>	<p>Meal programmes, school supplies, and clothing allowances through schools</p> <p>Education support programmes (afterschool programmes, homework and tutoring support, career planning, skill development)</p>	<p>Early Child Development initiatives - free childcare options (daycare)</p> <p>Free or subsidized access to clubs (music, dance, sports, camp)</p> <p>Create respite services for disabled children and their families</p>	<p>Activation of women in vulnerable households (e.g. micro-loan programmes)</p> <p>Develop new cash benefits to address the special circumstances of particular vulnerable groups (e.g. NEET Cash Benefit Program designed for youth, who are not in education, employment, training)</p>
Pillar 2 - Improvement of Targeting, Coverage, and Adequacy			
Area of Action	Short Term Measures 2018-2020	Medium-Term Measures 2020-2023	Long-Term Measures 2023-2025

<i>2.1. Earlier identification of children and youth in need, and faster access to benefits</i>	Develop a referral mechanism that relies on a network of different educational professionals, local service providers (non-governmental organizations), Social Assistance and Family Protection Departments (SAFPDs), local police, local authorities, health professionals, priests, unions, etc.	Eliminate evidentiary requirements that include information that can already be generated through SAAIS (a database that is linked to the databases of the National Social Insurance House, National Agency for Employment, Population Registry, and Border Security)	
<i>2.2. Conduct studies and comprehensive reviews</i>	Examine if asset-based wealth indices correlate with other indicators of poverty (e.g. household consumption) and indicators specific to child poverty (e.g. multidimensional child poverty index)	Improve the methodology used to calculate the poverty rate and subsistence minimum; bring thresholds in line with international standards and regional realities (i.e. EU, CEE/CIS)	Assess the impact and links between cash-benefits and child outcomes Examine the relationship between poverty rates and regional characteristics such as remoteness, issues affecting child population (i.e. children left behind, homelessness, runaway, etc.), socio-economic indicators, etc.
<i>2.3. Promote community ownership and sustained engagement regarding cash benefits</i>	Conduct public awareness campaigns aimed at informing public Ensure that all districts organize community meetings on a rotational basis in order to provide community members with the opportunity to share and discuss their concerns and problems with representatives of local authorities and specialists	Conduct public awareness campaigns aimed at changing public attitudes and behaviours towards recipients of social assistance Combine strategies via integrated programmes that integrate multiple strategies (e.g. public campaigns, mass-media information, and community outreach)	Conduct public awareness campaigns aimed at maintaining a good understanding of issues and a positive attitude and behaviours towards recipients of social assistance
Pillar 2 - Improvement of Targeting, Coverage, and Adequacy (Continued)			
Area of Action	Short Term Measures 2018-2020	Medium-Term Measures 2020-2023	Long-Term Measures 2023-2025

2.4. Harmonize and address inequities	<i>Uninsured children</i> a) Raise Childcare Allowance benefit level for uninsured children b) Raise the age of eligibility for childcare allowances for uninsured children from 0-2 to 0-3-years of age	<i>Uninsured children</i> a) Provide homogenous benefits to children in all types of alternative care b) Ensure all children without parental care (under guardianship/trusteeship) receive the same benefits regardless of the form of care they are in (e.g. group homes, foster care)	
	<i>Most Vulnerable</i> a) Make Social Aid universal for all households with 4+ children b) Retain the category of low-income families with children as the main criterion for qualifying for Material Aid c) Institute an income-disregard for families with children participating in Social Aid d) Provide homogenous benefits to all vulnerable children (in biological family or in care) <ul style="list-style-type: none">○ Funds received at 18, upon graduation of post- secondary education○ Funds for ID documents and licenses	<i>Most Vulnerable</i> a) Unify and review the poverty thresholds (both absolute and extreme) and the subsistence minimum to reflect actual costs of living. b) Develop a phased approach to bringing the benefit level of different cash benefits closer to or in line with the new level(s)	
Pillar 3 - Social Protection System Modernization			
Area of Action	Short Term Measures 2018-2020	Medium-Term Measures 2020-2023	Long-Term Measures 2023-2025

<p><i>3.1. Enhance organizational capacity to facilitate consistency in implementation</i></p>	<p>Develop a vision and a phased approach to system transformation (strategy) to align social protection and child protection functions, financial resources (cash-benefits and in-kind) and services across key milestones in the life of children and youth (i.e. early child development, elementary school age, secondary school age, vocational, higher education, career)</p> <p>Consolidate human resource capacity by hiring additional frontline staff (social assistants), ensuring competitive salaries, and providing staff with a wide range of learning opportunities (e.g. mentoring, job shadowing, peer support, etc.)</p> <p>Access to professional supervision and peers support to ensure operational guidance and consistency in practice (i.e. approach to complex cases management, available assistance with contentious issues and problem solving, information dissemination).</p>	<p>Implement the system transformation strategy</p> <p>Evaluate progress of the implementation of system reconfiguration</p> <p>Continue staff development (e.g. training delivered through classroom setting, online, or a blended solution) Training topics: Stress Management, Mental Health, Problem Solving, Conflict Resolution, Managing Expectations, Fostering Positive Attitude and Relations, Effective Communication, Telephone Interactions (e.g. empathy, compassion, active listening), Crisis Intervention, Trauma Management, Financial Planning</p>	<p>Revise the system transformation strategy and consolidate outcomes</p> <p>Establish an online platform (i.e. Knowledge, Information and Expertise Hubs) to provide professional guidance and help navigating through legal or procedural changes and difficult decisions; stimulate innovation, and develop expertise.</p>
<p>Pillar 3 - Social Protection System Modernization (continued)</p>			
<p>Area of Action</p>	<p>Short Term Measures 2018-2020</p>	<p>Medium-Term Measures 2020-2023</p>	<p>Long-Term Measures 2023-2025</p>

3.2. <i>Improve coordination and collaboration</i>	<p>Create a national working group including relevant stakeholders from both local and central levels tasked to develop and implement a plan to improve intra- and cross-sector collaboration</p> <p>Expand the membership of local governing bodies to include beneficiaries</p> <p>Enhance SAAIS to allow for better tracking - to track which cash benefits children/families have received anywhere in Moldova.</p>	Implementation of the Partnering Initiative	<p>Evaluate the initiative</p> <p>Create Regional Expertise Hubs (i.e. North, South, and Centre) to support effective programming, monitoring and evaluation; provide logistic support and expertise for ongoing staff development programs, provide help navigating through legislative and policy changes; develop expertise in funding mobilization (e.g. accessing EU funding).</p>
Pillar 4 - Improvement of Fiscal and Financial Sustainability			
4.1. <i>Continue to promote expenditure reforms</i>	<p>Undertake viability and costing studies</p> <p>a) Assessment of the current funding model</p> <p>b) Review budgetary process and budget allocations to determine if they reflect 1) equitable distribution of resources relative to regional levels of poverty, and 2) accurate projections</p> <p>c) Ascertain the current levels of expenditure on cash benefits for children and families</p>	<p>Increase prioritization of social protection of children in national budgetary processes</p> <p>a) Develop a costed action plan focused on the reduction of child poverty, which will be led by the MHLSP and include different sectors involved (health, education, economy)</p> <p>b) Develop a bottom-up and evidence-based budgeting model that considers demographic profile, socio-economic landscape, and volume-based factors</p>	<p>Initiate reform of the current funding model of the social protection system in Moldova</p> <p>a) Shift from funding based primarily on historical expenditures towards allocating funds based on the unique needs of each local district county/local community</p> <p>b) Maximise fiscal opportunities and identify new sources of funding for social protection</p> <p>c) Consider programme-based budgeting linked to performance measures</p>
Pillar 5 Strengthened Accountability and Continuous Improvement			
Area of Action	Short Term Measures 2018-2020	Medium-Term Measures	Long-Term Measures 2023-2025

2020-2023			
<i>5.1. Eliminate duplication and enhance complementarity</i>	<p>Review roles and lines of accountability of the ministries with responsibilities for social protection: MHLSP; Ministry of Education, Culture and Research; Ministry of Internal Affairs, Ministry of Justice, Ministry of Finance</p> <p>Allow for some degree of local decision-making (i.e. local professionals must have the ability to override computer generated decisions whenever deemed necessary based on evidence)</p>		
<i>5.2. Strengthen Monitoring, Evaluation and Reporting (MER) capacity</i>	Conduct regular programme evaluations and operational reviews of all SAFPDs on a rotational basis	<p>Identify customized key performance indicators (KPI), both system wide, and local</p> <p>Ensure staff access to specialized training</p>	Develop and implement programme improvement plans, and document progress.
<i>5.3. Enhance the structure and organization of the Information Management System to improve monitoring, transparency and accountability</i>	Fully capacitate the current system (SAAIS) and establish it as single point for data entry and access to data on beneficiaries of most other social protection programmes.	Incorporate into the Household Budget Survey a comprehensive social protection module with proper sampling of cash-benefits programmes' beneficiaries to support robust data collection and reporting by quintiles.	Enhance the current information systems with the development of business intelligence tools to inform investments decisions and policy-making.

2. METHODOLOGICAL CONSIDERATIONS

This study examines the functionality and the performance of the social protection system in providing cash-based social protection programmes for families with children.

2.6 Research Questions

The study examines the existent legislative and policy framework, specific programme design features, and the capacity of the system as a whole to effectively serve vulnerable children and their families. The work undertaken attempted to answer the following research questions:

System Capacity: What is the capacity of central and local governments for policy-making and implementation of a coherent and comprehensive social protection system? What are the main challenges? How efficient in meeting the needs of children and families is the implementation model used, and how sustainable is it?

Coherence and Integration: How do various cash transfer programmes interact with each other, overlap or build on each other? What are the main challenges?

Targeting and Coverage: Are social protection programmes reaching the most vulnerable? What are the main challenges? Are families with children appropriately represented in the existing programme mix?

Adequacy: Are benefit levels adequate to meet needs? Are benefits used to the benefit of children? What is the impact of cash transfers on children and families? Are current cash transfers helpful in preventing the separation of children from their families? Do they include sufficient incentives to support sustainable de-institutionalization? Do these programs create dependency?

Financial and Fiscal Sustainability: How much is being spent on cash benefits for families with children as a proportion of the national budget? Are expenditures efficient and sustainable?

Opportunities for Improvement: What other types of benefits might be appropriate to support children and families? What further research is needed to make the social protection system more child-sensitive?

2.6 Focus of the Study

Scholars argue that social protection systems should be transformative, not only focusing on reducing poverty but also enhancing social equity and the rights of vulnerable populations.¹⁷ Indeed, social protection systems as a whole – including cash transfers, services, and legislation – are best at addressing the multiple risks and vulnerabilities many children face, and, wherever possible, these different instruments should be linked for maximum impact. Nonetheless, cash

¹⁷ Devereux and Sabates-Wheeler, 2004. Institute of Development Studies. Working Paper 232, Transformative social protection https://www.unicef.org/socialpolicy/files/Transformative_Social_Protection.pdf

transfers represent a growing part of social protection programming in many countries and merit special attention in Moldova, where, despite the near universal access to services like health and education, economic emigration is prevalent. Furthermore, in many analyses, the links between social protection and children often stop at specialized services for children in alternative care or children victims of violence, abuse and exploitation.

This study aims to provide an in-depth analysis of how cash transfers for families with children, specifically, function and affect children in Moldova. It takes a particular focus on cash transfers' ability to combat child poverty in the national context.¹⁸ While a high level of economic migration has left an important number of children living in multigenerational households where pensions are often shared among family members,¹⁹ a review of the pension system is out of scope; its impact on child poverty will nonetheless be considered where appropriate.

In order for cash benefits to achieve maximum impact and reduce poverty sustainably, the following core factors must be taken into consideration:²⁰

- *Timeliness* (whether cash benefits are made available early enough following a crisis to help vulnerable people cope with challenges in their life);
- *Size* (whether the amount received, or “benefit level”, is sufficient to make an impact);
- *Duration* (whether cash benefits are provided for a period long enough to allow people to move out of poverty);
- *Responsiveness* (the extent to which cash benefits are contextually appropriate and sensitive to people's changing needs, and socio-economic trends);
- *Integration and coordination* (whether cash benefits complement each other and add value in conjunction with other policies and programmes).

This study reviews the following cash-based social protection programmes that are directly linked to children (also presented in Appendix 2):

Child Care Allowances²¹ are awarded to families with children and include the following:

- ***Childbirth Grant***: A universal benefit in form of a lump-sum granted at the birth of a child to assist families to buy clothes, a bed, a blanket, and bottle and hygiene products.
- ***Monthly Child Care Allowance*** (up to 2 years of age for uninsured and up to 3 years of age for insured²²): A monthly benefit available to biological and adoptive families, for childcare expenses and amount varies due to income previous to child birth or adoption.

¹⁸ Slater, R. © 2011 United Nations Research Institute for Social Development (UNRISD). Cash Transfers, Social Protection and Poverty Reduction. International Journal of Social Welfare: 20: 250–259, Blackwell Publishing Ltd

¹⁹ Staying behind: The effects of migration on older people and children in Moldova, National study produced by HelpAge International and UNICEF, 2010.

²⁰ Among others: United Nations Children's Fund (UNICEF), Social Policy Making Cash Transfers Work for Children and Families. 2017. Child Poverty and Social Protection: New York

²¹ Law 489/08.07.1999 on the public social insurance system adjusted by Law 295/21.12.2017 stipulates that in the public system, the policyholders may not simultaneously benefit from two or more social security benefits for the same insured risk with the exception of sickness prevention and rehabilitation benefits.

- *Monthly Childcare Allowance* to support the upbringing of twin or more children born of a single pregnancy (up to 3 years of age): A monthly allowance granted at the request of the insured and uninsured persons.

Allowances for Children without Parental Care (children under guardianship and trusteeship) consist of:

- *Monthly allowances*: A monthly benefit awarded until children turn 18 which is intended to cover the cost of clothing, school supplies, health care items, education, and monthly rent for children not in boarding schools.
- *Daily allowances*: Benefits intended to cover the cost of food, obtaining identity papers after 14 years of age, etc.
- *Education fund*: A benefit that is provided for children without parental care who continue their studies (e.g. vocational and/or higher education)
- *Onetime lump sum*: The allowance is received at the time of placement

Social Aid Program: This is a monthly payment in cash provided to disadvantaged families as determined by a means and proxy-means test.

Disability Allowances: These are funds for special mobility devices, transportation, and other special needs for disabled children.

The Republican Fund and local funds for social support of the population: These funds are collected both nationally and locally for providing financial support to socially vulnerable individuals or families upon their request.

2.6 Study Design

The study design used a mixed-methods approach implemented in the following stages: *Desk Review*; *Sample Design*, including the selection of study sites and participants; *Data Collection*; and, *Data Analysis*. The mixed methods approach helps identify practical ways of solving issues that occur both at the systemic and programmatic levels, as well as at the level of beneficiaries in their day-to-day experience. A triangulation of quantitative and qualitative data sets recognizes the importance and value of local knowledge and expertise. It helps provide a complete understanding of how successful cash-based social protection in Moldova is in helping those most vulnerable overcome their socio-economic difficulties.

²² Law 489/08.07.1999 on the public social insurance system adjusted by Law 295/21.12.2017

According to the law on the public social insurance system insured persons include any person who carries out an activity based on an individual labour contract, the soldiers and other state security people, elected and appointed people during the term of office, and any person who earns an annual income equivalent to at least 4 average wages and is in one of the following situations: is a sole shareholder or manager in a company with which he has not concluded an individual labour contract, is a manager with a management contract, is a member of a family association, is authorized to carry out independent activity, is a craft cooperative member, carries out activities in a recognized cult unit, reaches the age of 16 and does not any restrictions on compulsory insurance under this law.

Desk Review: The purpose of the desk review is to provide the following: a synopsis of the current social protection policy, legislative and social context in Moldova; a map of key pieces of legislation regarding cash benefits; an overview of the key program design elements (e.g. implementation mechanisms, application processes, forms, financing, impact etc.); a synthesis of key issues and challenges; and any evidence of promising practices. The review of the available documents and analysis of secondary data sets created the foundation for the empirical phase of this study. The findings of this analysis support a better understanding of coverage, adequacy, benefit incidence and beneficiary incidence.²³

Secondary sources of data include legislation, reports, policy documents, briefing notes, evaluation reports, and additional materials and publications issued by the World Bank, International Monetary Fund (IMF), International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), European Commission (EC) and UNICEF. Local sources include national statistics, budgetary data, and programme volume information – provided by the National Bureau of Statistics, the Ministry of Health, Labour and Social Protection (MHLSP), the Ministry of Finance, and the National House of Social Insurance (NHSI). Where data was available, a series of basic budgetary analyses of each of the cash-based programmes under review were conducted to better understand financing, expenditure, and sustainability. Additional publicly accessible databases were also used (European Statistics - Eurostat, TransMONEE, World Bank DataBank), as well as academic/peer-reviewed literature, and research studies and evaluations conducted by international organizations.

Data Collection: A series of semi-structured interviews were held both at central and local levels with social protection specialists from the MHLSP and from NSIH. Five focus groups were conducted. In total, the author interviewed or spoke to over 100 subject matter experts, policy-makers, administrators and frontline staff working in central and local public authorities (LPAs), and non-governmental organizations. In addition, about 80 beneficiaries (36 parents and legal guardians, and 44 vulnerable or at-risk children aged 9 to 18 years old) participated in focus groups discussions.

Data Collection Tools Development: To support data collection and guide the systematic analysis of information gathered through this study, a Cash Benefits Assessment Matrix (CBAM), illustrated in Table 3, was designed considering elements of the Core Diagnostic Instrument (CODI) that are particularly relevant to a middle-income country context. Key informant interviews (KIIs) were carried out with stakeholders at the national level and in selected local government areas (LPAs) including relevant government and donor institutions. Primary data collection involving focus group discussions (FGDs) took place with beneficiaries (adults and children) who received various types of cash benefits as well as with policy makers, programme administrators, and frontline social assistants. A deliberate exploration of children's views and their experiences provided a distinct perspective in understanding equity gaps and identifying the most pressing issues and struggles for children.

²³ UNICEF. 2012. Integrated Social Protection Systems: Enhancing Equity for Children. Retrieved July 5, 2017 from the <https://www.unicef.org/socialprotection/framework/>. The UNICEF conceptualizes social protection as “a set of public and private policies and programmes aimed at preventing, reducing and eliminating economic and social vulnerabilities to poverty and deprivation” to emphasize the importance of designing an integrated national child-sensitive social protection systems.

Table 3: Cash Benefits Assessment Matrix (CBAM)

Area of Focus	Indicators	Description
1. Governance and Institutional Capacity	<i>Legal Framework</i>	Social protection entitlements are prescribed by laws that a) provide details regarding eligibility, duration, application processes, levels of benefits and other requirements; b) adapt to changing conditions.
	<i>Implementation</i>	Mechanisms and resources exist and are used to implement the cash benefit programmes (e.g. structures, roles and responsibilities, delivery models, processes and procedures, staffing).
	<i>Information Systems</i>	Management Information Systems including data collection and reporting mechanisms are in place and provide information regarding results, the system's performance, and impact.
	<i>Accountability and Oversight</i>	The government has established processes and mechanisms to ensure consistent practices (e.g. program description, operational guidelines, monitoring and evaluation requirements, reporting tools, etc.)
2. Coherence and Integration	<i>Strategic Programming</i>	The extent to which specific program solutions are integrated into country's overall social protection system considering the level of overlap, complementarity and/or gaps in policies.
	<i>Linkages with Other Policy Areas</i>	There is evidence that programmes within the social protection sphere are interconnected.
	<i>Coordination</i>	Coordination refers to formal processes (e.g. agreements, working groups, committees) that are in place to ensure timely interventions.
3. Targeting and Coverage	<i>Coverage</i>	The proportion of people in the poorest quintile who receive benefits.
	<i>Beneficiary Incidence or Distribution of Beneficiaries</i>	Beneficiary incidence is the proportion of beneficiaries in a group with respect to total beneficiaries.
	<i>Benefit Incidence or Distribution of Benefits</i>	The percentage of total cash benefits received by the lowest income quintile relative to the total benefits.
	<i>Accessibility of Benefits</i>	Information is easily available and diverse means of contact (phone, e-mail, letter, etc.) are available to accommodate for various needs of vulnerable people. Eligibility criteria, processes and forms required for claiming cash benefits are simple and easy to understand by beneficiaries.
4. Adequacy	<i>Sufficiency</i>	The benefit size is sufficient to support social inclusion and poverty reduction.
	<i>Use of Benefits</i>	Evidence that cash benefits are properly used by beneficiaries to increase their ability to better fulfil the needs and rights of their children.
	<i>Appropriateness</i>	The extent to which cash-based programmes can prevent the separation of children from their families and support de-institutionalization.
	<i>Empowerment /Dependency</i>	Evidence that governmental programmes help people become self-dependent (help build families' resilience) versus the tendency to create dependency on governmental financial support for those at risk.
6. Financial and Fiscal Sustainability	<i>Reliability of Financing</i>	The government demonstrates commitment to sustain its current spending in the long run without compromising the national budget. Social protection financing is stable, reliable, and progressive.
	<i>Cost of Social Protection</i>	Expenditures with the social protection programs for families with children measured as a proportion of the national budget. Spending with various cash-based programs represented as a percentage of the total social protection budget.
	<i>Sustainability</i>	The government engages in multi-year financial planning and understands what is needed to sustain social protection expenditures.

In addition to inspiring the assessment matrix above, CODI also informed the development of various tools used to support interviews and focus group discussions with subject matter experts and community stakeholders, parents/legal guardians and children: the Stakeholder Focus Group Guide, the Parents/Legal Guardians Focus Group Guide, the Children Focus Group Guide, and the Adult Beneficiaries Short Survey (all available in Appendix 3).

The interview and focus groups guides followed a semi-structured design, including open-ended questions with associated prompts and relatively closed-ended questions. Questions correspond to specific key indicators identified in CBAM and focused on what went well, what the challenges were, and recommendations for improvement. Each guide was tailored to reflect the different perspectives and capacities of the participants, their level of comprehension (e.g. adult beneficiaries vs. children beneficiaries), or to reflect topics that emerged during prior discussions and needed further exploration. The interviews were about 45 minutes in length while the focus groups discussions were up to 90 minutes. The sessions with parents/legal guardians and children took place concurrently because parents travelled together with their children.

The Sample Design: The study adopted a combination of stratified, purposive, convenience and random sampling design. This mixed approach to sampling allowed for gathering information from individuals who were willing to participate, available, and conveniently located in the proximity of the selected research sites.

Selection of Study Sites: Following consultations between the UNICEF and the MHLSP, it was proposed that the selection of study sites would involve a systematic process guided by SADI score²⁴ and representation of districts from each development region (North, South and Centre). The five districts selected to be included in this study are Causeni, Drochia, Criuleni, Ialoveni and Telenesti.

Table 4: Field Work Communities

District	Development Region	SADI Score Total	Population (2011)	Area (km2)	Number of Towns and Villages	Demographic deprivation (remoteness)	Economic deprivation, total	Indicating agricultural activity	Financial deprivation	Deprivation of education services, total	Index on access to school education	Index on access to preschool	Deprivation of medical services	Social deprivation
CAUSENI	South	625	92300	1163	48	450	351	389	483	371	524	270	488	720
DROCHIA	North	541	90100	1000	40	210	508	386	665	351	254	520	509	575
CRIULENI	Centre	560	73100	688	43	622	349	206	339	249	402	211	558	593
IALOVENI	Centre	670	99100	783	34	736	346	136	348	230	412	172	535	707
TELENESTI	Centre	340	74200	849	54	564	481	535	337	527	491	477	460	226

²⁴ UNDP Moldova. 2014. Deprivation index of rural communities adjusted to policy framework in Moldova. Small Areas Deprivation Index (SADI) is a composite indicator, which shows the development level of a local community at the lowest territorial disaggregation, covering all rural communities in Moldova.

This selection is intended to ensure a regional balance across the country after excluding districts that score very high or very low on the SADI, as well as a representative range of deprivation scores for specific domains as illustrated in Table 4. The most deprived districts were rated 166-341 (orange) and the least deprived districts were rated 555-660 (green). A rating of 342-430 and 431-554 will classify as a middle score (yellow).

Selection of Study Participants: The convenience sampling technique was used to sample all participants in the focus group discussions. Convenience sampling techniques are generally disputed by quantitative researchers but are regarded as acceptable and practical when using a mixed research design involving a qualitative component. It is recognized that interpretation of qualitative data gathered using convenience sampling is likely to be biased and challenged by the problem of outliers.²⁵ This, in order to counterbalance these disadvantages and reduces subjectivity; this study reached out to a wide range of participants and collected information from multiple perspectives. The selection of participants was guided by input provided by the MHLSP and local Social Assistance Departments, UNICEF Moldova, and a partner NGO. The selection of beneficiaries (adults and children) required careful consideration of the following aspects:

- Parent(s)/legal guardian(s) were willing to provide written consent for their own and their child(ren)'s participation in the study;
- Children were willing to participate in discussions;
- Children demonstrated a satisfactory level of development that will allow him/her to express personal views and opinions; and,
- Participants were provided with assurance that if at any point they did not feel comfortable with participating/or engaging in the discussions, they should feel free to refrain from contributing or withdraw without any consequence for their relationship with their service provider (i.e., social assistant and NGO).

Data Analysis: Data collection yielded a rich set of information from several perspectives about various experiences with cash benefits in terms of program design, implementation, impact and suggestions about areas needing improvement or specific recommendations. Quantitative data were analysed using descriptive statistics (frequencies and percentages, incidence, cross-tabulations) and presented in the form of Tables and Figures. Qualitative data gathered from interviews were analysed and organized by key themes. The findings from analysis of the desk review and stakeholder and beneficiary interview data were triangulated and synthesized to highlight trends, and identify good practices, challenges and gaps. The triangulated data was used to determine the key recommendations.

²⁵ Neuman, W. L., & Robson, K. (2016). *Basics of social research: qualitative and quantitative approaches*. Toronto: Pearson Canada Inc.

3. CONTEXT OF SOCIAL PROTECTION IN MOLDOVA

Consideration of contextual realities is critical in identifying challenges and constraints for effective cash-based programming and implementation. This section briefly describes key economic, social and demographic trends in order to help deepen the understanding of multidimensional poverty and child poverty in Moldova. This analysis is particularly important in informing the development of relevant and responsive policy recommendations.

3.6 Macroeconomic Environment

The macroeconomic environment is fragile and lacks sustainability, thus impacting the well-being of people. Moldova, a small-sized country in the eastern part of Europe with a population of 3,550,852,²⁶ is one of the poorest country in Europe. According to the World Bank data, in 2016, the national gross domestic income (GNI) was 20.13 billion USD PPP (2016), an increase by 5% from the 19.23 billion USD PPP in 2015.²⁷ At the same time, the gross national income (GNI) per capita, PPP (current international \$) was US\$5,670 and GNI per capita, Atlas method (current, US\$), was US\$2,120. The World Bank projects that “real growth in public transfers and ongoing rebound in remittances will help support growth in the medium term”, while “the declining financial support from the international community, is expected to widen fiscal deficit, but to remain below 2.5 percent of GDP (World Bank, 2017).”²⁸

A less balanced economic structure can generate social needs. Moldova’s economy has a relatively narrow productive base. In 2016, it was highly dominated by the service sector (71% of GDP), while both agricultural and industrial sectors had a modest share of GDP of 14% each. As the agriculture sector employs the greatest share of people (~34%),²⁹ with higher incidence in the rural areas, the sustainability issues related to agricultural growth can limit the rural population’s capacity to augment their incomes above subsistence level.

Economic growth overly dependent on remittances poses different scenarios that deserve careful consideration in social policy making. Remittances have become an important source of income not only for the country’s economy – representing 21.7% of GDP (2016) – but also for individual households, representing 17.1% of their disposable income (2016).³⁰ Despite a declining trend over the past five years (Figure 2), remittances are an important source of income, especially for families with children. The monthly average disposable income analysis (Appendix 4) shows that the source of income families most rely on differs depending on the

²⁶ The National Bureau of Statistics. Statistical Data Bank. Resident Population as of January 1, 2017.

²⁷ The World Bank Group. 2017. DataBank, available at <<https://data.worldbank.org/country/moldova>>, Retrieved December 3, 2017

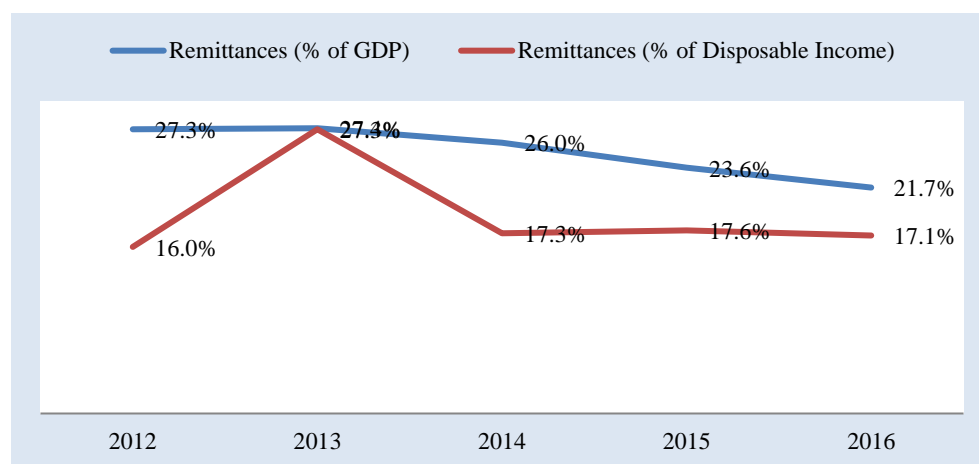
²⁸ World Bank. 2017. MOLDOVA Economic Update. Retrieved on November 25, 2017 from the <<http://pubdocs.worldbank.org/en/503241506936993065/Moldova-Economic-Update-2017-October-2-ENG-FINAL.pdf>>.

²⁹ The National Bureau of Statistics, Social statistics/Labour force and earnings/Employment and unemployment (Labour Force Survey)/Employment/Employed population by forms of ownership of the unit, occupations, economic activities, sex and area, during 2000-2016 Retrieved on December 3, 2017.

³⁰ Source: World Bank Open Data, DataBank available at <<https://data.worldbank.org/>> and NBS, HBS data available at Social statistics/Living standard of the population/ Household incomes Disposable Incomes of Population

number of children they have. Income from employment is the most important source of income for families with one child, while income from self-employment (agriculture and non-agricultural activities) and social protection payments are the primary source of income for families with three or more children.³¹

Figure 2: Remittances (% of GDP) vs. Remittances (% of Disposable Income)



Source: World Bank Open Data, DataBank available at <https://data.worldbank.org/> and NBS, HBS data available at Social statistics/Living standard of the population/ Household incomes Disposable Incomes of Population

Moreover, according to several studies conducted in the past decade examining the relationship between remittances and social protection, “*the extremely poor or vulnerable are more likely to receive remittances than social protection transfers*”.³²

The analysis resulted in a set of findings that can help inform social policy options sensitive to macro-economic realities: remittances constitute a very important source of income for recipient households, representing more than 50% of total income in the lowest quintile; people from middle-income households receive, on average, higher amounts of remittances; social assistance and remittances have different impacts on expenditure patterns; and social assistance and remittances are complements rather than substitutes.³³ In the context of supporting economic growth, the challenge for the government is to develop a social protection framework that allows people to benefit from growth, provides protection for the vulnerable, and supports and stimulates people to be active in the labour market.

³¹ According to the National Bureau of Statistics of Moldova, the monthly average disposable income of household is defined as “the totality of monetary and in kind incomes from a remunerated activity, agricultural or individual, social payments as well as other income sources”. 2016 Statistical Yearbook of Moldova Population Incomes and Expenditures. Report retrieved on September 9, 2017 from

http://www.statistica.md/public/files/publicatii_electronice/Anuar_Statistic/2016/4_Venituri%20si%20cheltuieli.pdf

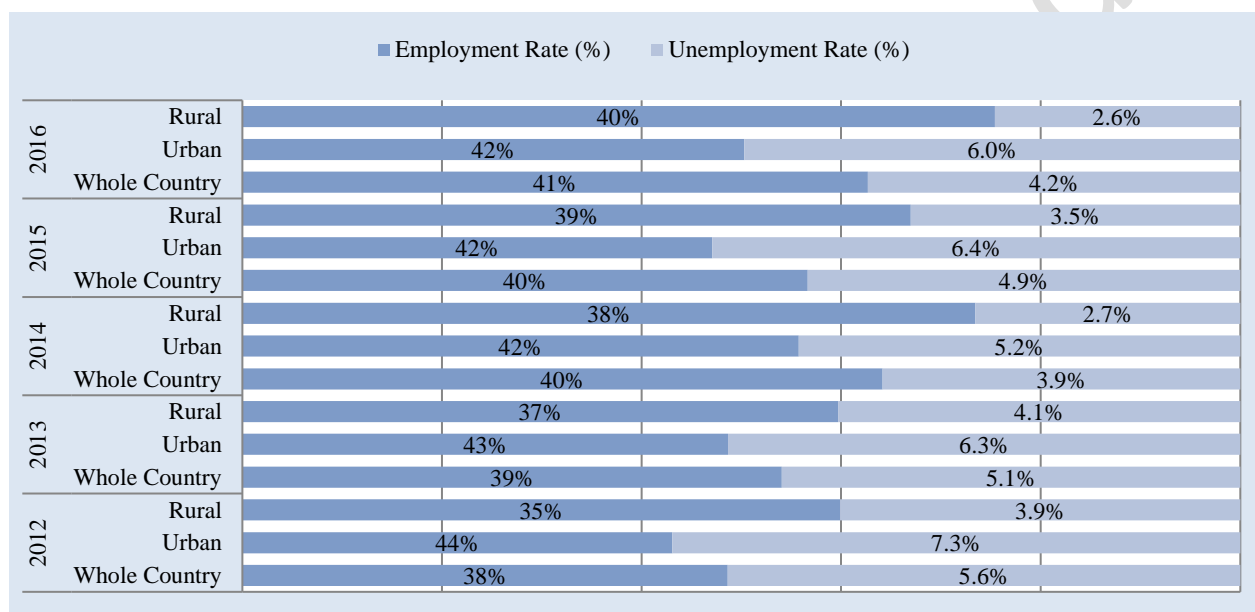
³² Waidler, J., Hagen-Zanker J., Gassmann F., and Siegel M. 2016. Do remittances and social assistance have different impacts on expenditure patterns of recipient households? The Moldovan Case. Migration and Development Journal, Vol 6, 2017, Issue 3. Retrieved on September 21, 2017 from <http://www.tandfonline.com/doi/full/10.1080/21632324.2016.1159887>

³³ Staying behind: The effects of migration on older people and children in Moldova, National study produced by HelpAge International and UNICEF, 2010.

3.6 Labour Market Challenges

The number of economically active individuals in Moldova varied only slightly, with about 1,219,500 employed persons and 711,700 pensioners in 2016. The rate of employment was 40.8% and the unemployment rate showed a slight decline, from 4.9% in 2015 to 4.2% in 2016, with higher incidence in urban areas (Figure 3). A higher rate of unemployment, 11.2%, was reported among young people under 25 years of age.³⁴ The challenge, therefore, is how to absorb a growing number of young people into the labour market.

Figure 3: Labour Market Trends



Source: National Bureau of Statistics (NBS) of the Republic of Moldova, Labour Force Survey; Data available at <http://statbank.statistica.md>, Social Statistics/ Employment and Unemployment

Poverty is rooted in the labour market. Poor people are concentrated in rural areas and most of them depend on agriculture. In 2016, 49.3% percent of poor people earned their income from agriculture: both employment (27.1%) and self-employment/farming (21.2%).³⁵ Unfortunately, unemployment, poorly paid jobs, irregular employment, and lack of job opportunities are issues that are highly affected by downturns in the labour markets of Russia and the European Union, as widespread migration, along with commercial ties, link Moldova's labour markets to markets in these nations.³⁶

³⁴ National Bureau of Statistics of the Republic of Moldova, Labour Force Survey, Employment Statistics Section available at Social statistics/Labour force and earnings/Employment and unemployment/Employment/Employed population by status in employment, level of education, age groups, sex and area, 2000-2016

³⁵ National Bureau of Statistics (NBS) of the Republic of Moldova, Labour Force Survey; Data available at <http://statbank.statistica.md>, Social Statistics/ Employment and Unemployment

³⁶ Staying behind: The effects of migration on older people and children in Moldova, National study produced by HelpAge International and UNICEF, 2010.

Educational level in the household is an important determinant of poverty.³⁷ It is widely accepted that education and training are key factors in ensuring people are equipped with knowledge and skills to be successful in finding and keeping well-paid jobs. Unpacking the connection between education and poverty is an important exercise in informing policy priorities. One way to do this is to compare how the distribution of people in poverty by their level of education, compares to that of the population as a whole. As shown in Table 5, the poverty risk decreases as the education level increases, from 18.4% where the household head has an elementary level of education or no education, to 2.9% where the household head has been through higher education. Poverty risk increases with the aging of the household head. Thus, the most vulnerable families are households headed by the elderly, with a poverty rate that is twice the rate of 5.1% poverty rate among households headed by young people under 30.³⁸

Table 5: Poverty Rate by Education and Economic Sector

	2010	2011	2012	2013	2014	2015
Education						
University	4,8	3,1	2,2	0,7	1,7	2,9
College, vocational and trades	17,5	12,5	13,6	10,7	9,7	8,1
High School	23,1	19,6	16,3	14,1	12,0	8,4
Elementary or no education	39,7	33,8	30,3	24,5	21,2	18,4
Socio-economic status						
Agriculture Employment	44,9	32,4	37,1	31,3	25,5	27,1
Non-agriculture employment	10,1	7,6	6,9	5,9	6,8	4,7
Own-account worker in agriculture sector	36,5	33,6	27,8	21,7	19,8	21,2
Pensioners	28,1	22,3	22,6	14,7	14,6	10,1
Other	12,7	14,5	12,7	11,7	7,3	7,5
Net Enrolment Rate Lower Secondary	n/a	83%	82%	83%	82%	82%
Poverty Rate (%)	22%	18%	17%	13%	11%	10%
Employment Rate (%)	39%	39%	38%	39%	40%	40%
Unemployment Rate (%)	7%	7%	6%	5%	4%	5%

Source: NBS, Labour Force Survey; Data available at <http://statbank.statistica.md>, Social Statistics/Employment and Unemployment; and, MLSPF 2015 Briefing Note: Poverty Trends in Moldova

Workers in the informal economy are likely to be individuals without social protection coverage. Access to social protection programmes is limited for individuals who are paid in the informal labour market. According to the law,³⁹ all social insurance benefits with the exception of Childcare Allowances are granted only to insured persons. They take the form of pensions, and other allowances provided by the law as a replacement for the total or partial loss of income due to age, disability, illness, maternity, paternity, job loss, or death.

The informal workforce in Moldova is comprised as follows: 60% are workers in the agriculture, forestry, and fishery sectors; about 20% are construction workers; and the remaining 20% are workers in other sectors (trade, hotels and restaurants [about 9%], transportation and

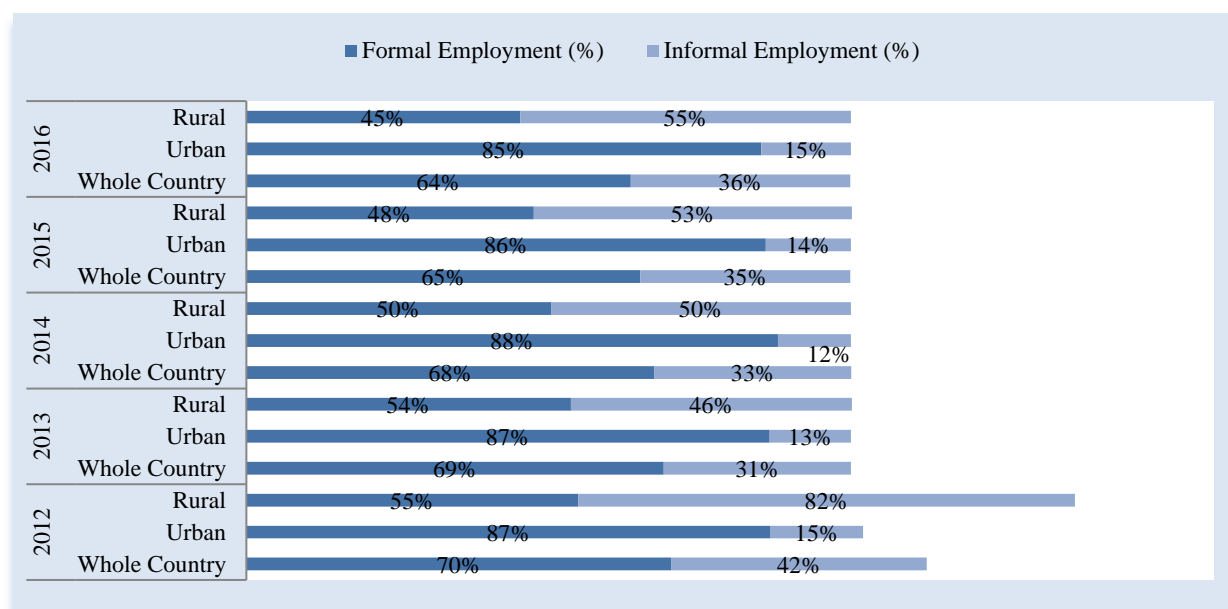
³⁷ MLSPF 2015 Briefing Note: Poverty Trends in Moldova

³⁸ MLSPF 2015 Briefing Note: Poverty Trends in Moldova

³⁹ Law 489/08.07.1999 on the Public Social Insurance System

communication [4%], industry [2%] and others [5%]). At 36% of employment, informal work is widespread, especially in rural areas, and throws many people into precarious situations; it can deprive them of secure and stable work, access to a minimum wage, and/or access to social protection rights and benefits (Figure 4).⁴⁰

Figure 4: Employment Trends according to Formal or Informal Sector



Source: NBS, Labour Force Survey available at <http://statbank.statistica.md>, Social Statistics/ Labour force and earning/Employment and unemployment/Informal sector/Employed population by economic activities, type of the unit, job, gender and area

Reducing the magnitude of the informal economy and eliminating the inequities of access to social insurance coverage and the risk of poverty and/or social inclusion are critical as they can have a significant impact on the financial sustainability of social protection budget.

3.6 Poverty

Moldova remains one of the poorest countries in Europe. Over the past decade, the national poverty rate decreased from 30.2% in 2006 to 9.6% in 2015. Currently 341,295 people live below the income poverty threshold, as shown in Table 6. The national poverty line was set at MDL 1,379 in 2015,⁴¹ which amounts to about US\$ 78 per month and US\$ 2.5 per day – a level that is far below the US\$ 4.30 per day (PPP) line often used by UNDP, the World Bank and other actors to measure poverty in the region.⁴²

⁴⁰ National Bureau of Statistics of the Republic of Moldova, Labour Force Survey. Employment Statistics Section. Data available at Social statistics/Labour force and earnings / Employment and unemployment (Labour Force Survey)/Informal sector/Employed population by economic activities, 2003-2016

⁴¹ International Monetary Fund. May 2017. Republic of Moldova Economic Development Document. IMF Country Report No. 17/103

⁴² UNDP Regional Bureau for Europe and CIS, and UNDP Bureau for Policy and Programme Support. October 2014. Poverty, Inequality, and Vulnerability in the Transition and Developing Economies of Europe and Central Asia

Data in Table 6 show that, while poverty incidence has dropped over the past decade, the depth of poverty remained constant for 2014 and 2015, at 1.5% - meaning that each poor person would need, on average, an additional MDL 21 (USD 1.2) to surpass the poverty threshold of MDL 1,379 (USD 78). 341,295 people live below the poverty line as of 2015.⁴³

Table 6: Poverty Trends 2006 - 2015

Key Indicators	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Population	3,589,936	3,581,110	3,572,703	3,567,512	3,563,695	3,560,430	3,559,541	3,559,497	3,557,634	3,555,159
Absolute Poverty Rate (%)	30.2	25.8	26.4	26.3	21.9	17.5	16.6	12.7	11.4	9.6
Depth of Poverty (%)	7.9	5.9	6.4	5.9	4.5	3.2	2.9	2.0	1.5	1.5
Severity of Poverty (%)	4.5	2.8	3.2	2.1	1.4	0.9	0.6	0.3	0.1	0.4
National Poverty Line (MDL)	747	839	946	946	1,016	1,093	1,143	1,196	1,257	1,379
# of people living in poverty	1,084,161	923,926	943,194	938,256	780,449	623,075	590,884	452,056	405,570	341,295
# of people living in extreme poverty	161,547	100,271	114,326	74,918	49,892	32,044	21,357	10,678	3,558	14,221

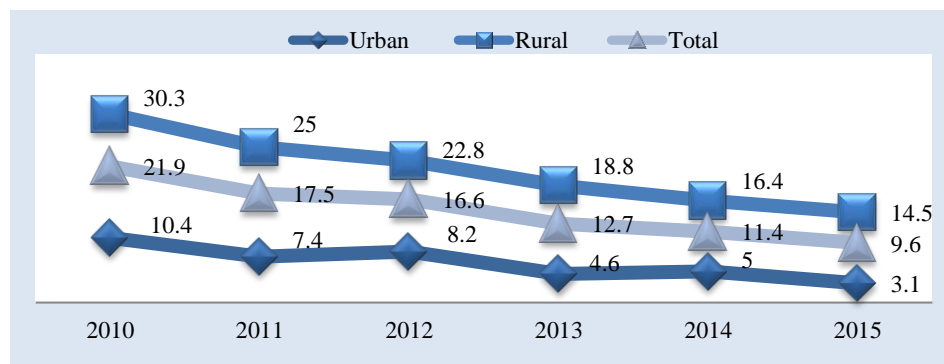
Source: NBS, Millennium Development Goals. Social Statistics based on information from Ministry of Economy, National Agency for Employment, Ministry of Health, Ministry of Environment, Ministry of Education, Ministry of Labour and Social Protection
<http://statbank.statistica.md/>

Poverty disproportionately affects people living in rural areas. According to NBS data (Figure 5), despite a constant decline, in 2015, the poverty level was much higher (14.5%) in rural than in urban areas (3.1%). conversely, 86% of poor people in Moldova resided in rural areas. However, the NBS recognizes the need to revise the largely outdated poverty calculation methodology, which is believed to significantly underestimate poverty.⁴⁴

Figure 5: Poverty Rate - Urban vs. Rural

⁴³ NBS, Millennium Development Goals. Social Statistics based on information from Ministry of Economy, National Agency for Employment, Ministry of Health, Ministry of Environment, Ministry of Education, Ministry of Labour and Social Protection
<http://statbank.statistica.md/>

⁴⁴ Ministry of Labour, Social Protection and Family. 2016. Briefing Note on 2015 Poverty Trends



Source: NBS, 2015 Household Budget Survey; <http://statbank.statistica.md>

Poverty is a serious threat to children's wellbeing. Children in Moldova are disproportionately disadvantaged vis-à-vis the general population.⁴⁵ Poverty can result in: an increased number of abandoned children; children with behavioural issues; children left behind by migrant working parents; and children with poor cognitive, socio-emotional, and physical health outcomes. Children in Moldova are often unable to live a decent life, as they struggle with poor housing conditions, lack of access to adequate education and social assistance programmes, etc. The NBS reported that households with three or more children registered the highest poverty rate 23% (2015), while households with only one child registered the much lower rate of 8%, showing that poverty among children continues to be a real challenge for the country (Table 7).⁴⁶

Table 7: Poverty and Household Composition

Indicator	Poverty Rate						Population Structure					
	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
<i>Household Composition</i> (with children with age below 16)												
1 child	20.0	13.5	14.8	10.4	9.3	7.5	23.8	19.5	21.8	20.2	18.9	18.1
2 children	24.6	21.4	18.5	12.7	13.7	10.2	20.1	21.0	19.9	15.1	19.9	18.9
3+ children	39.1	36.9	34.6	34.6	27.1	23.2	11.9	12.4	12.4	16.3	12.0	13.6
no child	19.7	16.0	14.7	11.3	10.2	8.9	44.3	47.1	45.9	48.5	49.2	49.5
Total	21.9	17.5	16.6	12.7	11.4	9.6	100.0	100.0	100.0	100.0	100.0	100.0

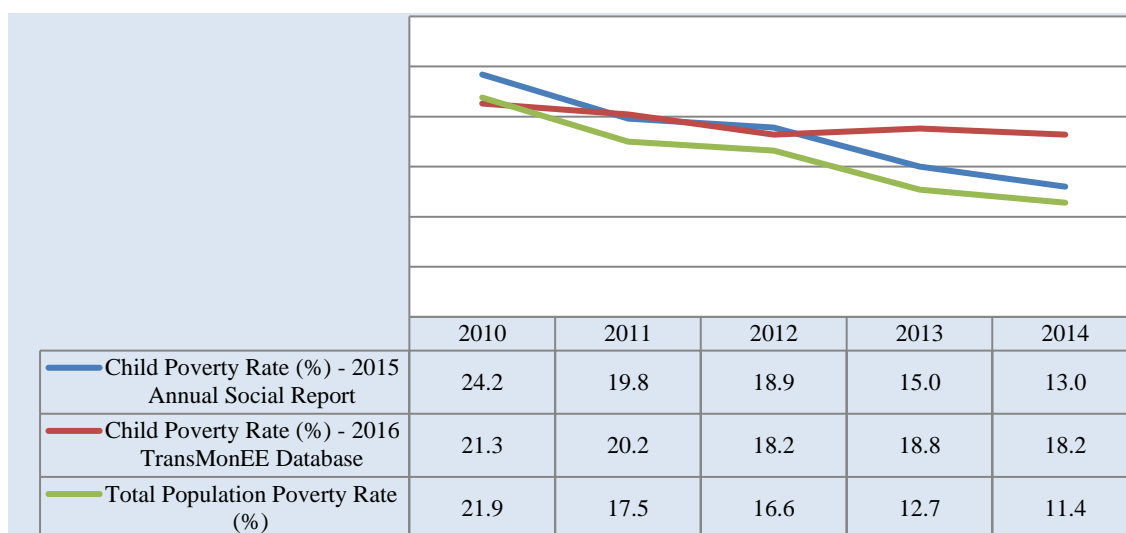
Source: NBS, 2015 Household Budget Survey; <http://statbank.statistica.md>

When the unit of measurement becomes children, as opposed to households with children, the trend is the same: poverty has been consistently higher among children than the general population.

Figure 6: Child Poverty Rate (%) vs. Total Population Poverty Rate (%)

⁴⁵Ministry of Labour, Social Protection and Family. 2016. The 2015 Annual Social Report. Available at <http://msmps.gov.md/sites/default/files/document/attachments/rsa2015.pdf>

⁴⁶ Briefing Note on 2015 Poverty Trends in Moldova. Data reported by the National Bureau of Statistics (NBS) based on the 2015 Household Budget Survey



Source: MHLSP, 2015 Annual Social Report; NBS, 2015 Household Budget Survey; 2016 TransMonEE database

3.6 Demographic Profile

The demographic situation of the country has major implications for the social protection system, investment in social services, fiscal policies, the regulation of the labour market, etc. Key demographic indicators affecting the social protection system include the proportion of the population in rural versus urban areas; population aging; and the proportion of families with children and elderly.

According to NBS data,⁴⁷ more than half of the country's population (57.3%) are inhabitants of rural areas, while 42.7% are living in urban areas. The age pyramid reflects a decrease in the number of young people. As compared to 2013, the average life expectancy for males decreased by 0.5 years, to 67.5 years, and remained unchanged for women, at 75.4 years. About 50.5% of the households are families with children and the age of the main household income earner is 60+ in over 34% of cases. Additional data⁴⁸ reveal that in 2016 about 17% of the population was under the working age (0-15), 65% was of working age (16-56/61), and 18% was over working age.

Table 8: Distribution of Population by Working Age, and Residence				
Age Category	2015		2016	
	Urban	Rural	Urban	Rural
Under working age (0-15)	6.2%	10.9%	6.2%	10.8%
Of working age (16-56/61)	28.8%	36.6%	28.6%	36.2%
Over working age (57/62+)	7.5%	10.1%	7.8%	10.3%

Source: NBS, HBS Data: Demography Statistics Section. Average Population by Years, Age, and Working Status

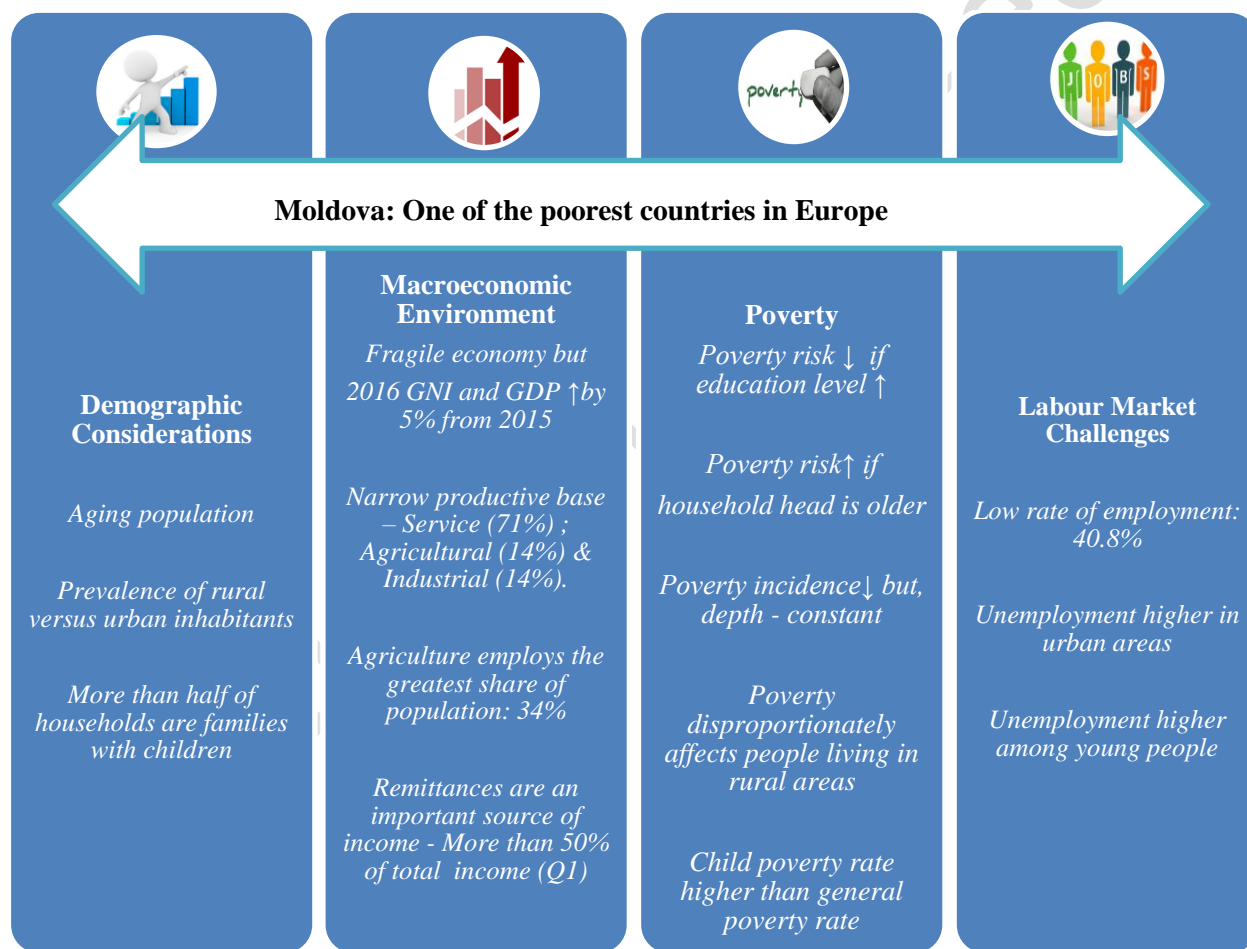
⁴⁷ NBS. 2017. Statistical pocket-book

⁴⁸ NBS, HBS Data: Demography statistics Section : Average Population by Years, Age groups, Area and Sex

A snapshot of the main socio-economic and demographic vulnerabilities (Figure 7), within which social protection responses can be understood, highlights several facts. One of these is the that, together, the aging of the population, the prevalence of families with children, and the incidence of poverty, put a great strain on the Moldovan budget. Conversely, in 2016 social payments represented the second most important sources of income for the population (22.1% of household income), an increase of 1.2 percentage points (p.p.) from 2015 (20.9%).

Within social payments, income from pensions remains an important source of income for households as of 2016, representing 18.8% of average per capita disposable income. Here too, an increase by 1.4 p.p. can be observed when compared to the 2015 value (17.4%).⁴⁹ Pensions have a very significant poverty reducing impact, lowering child poverty by 6 p.p.⁵⁰

Figure 7: A Snapshot of Key Vulnerabilities



Given the reliance on pensions both on the part of the elderly and of multigenerational households, a child-sensitive social protection system should include overarching initiatives designed to address the needs of vulnerable families as well as custom-designed actions

⁴⁹ NBS, HSB Data: Social Services and Living Conditions Statistics Division : Disposable Incomes Average Monthly Per capita, by Years, Sources of Income, Areas and Unit.

⁵⁰ MHLSP, 2015 Annual Social Report.

envisioned to address specific poverty risks and issues challenging vulnerable children specifically.

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4. SUMMARY OF FINDINGS

Several challenges, issues, gaps and areas of good practice regarding policy making and implementation of cash-based social protection programmes emerged. While there were many similarities as to how policies and programmes are experienced by various stakeholders (i.e. specialists, administrators, parents and children), there were also differences.

4.1 Governance and Institutional Capacity

This area refers to the governance model and implementation capacity of governmental entities as stewards of public funds to ensure that the needs of the most vulnerable individuals are met. Assessing the strength and effectiveness of governance and institutional capacity is essential to supporting the successful implementation of cash-benefits programmes.

4.1.1 Legal Framework

Overall, this study's findings confirm that the country has made significant progress towards incorporating international laws, regulations and standards into the national legal and policy frameworks for social protection of children and families (see Appendix 2). Evidence suggests that these frameworks are regularly updated (e.g. amendments and new laws) to reflect international standards; however, the updates are not always fully translated into operational plans due to a lack of resources (staff, finances, capacity building programmes). Key challenges outlined by policy-makers and frontline staff alike (and echoed by the findings of the desk review) include priority setting and slow progress on the alignment of relevant laws.

Legislation plays a critical role in translating policy initiatives into practice. In Moldova, the existence of multiple pieces of legislation designed to guide a single area of social policy presents several challenges in practice. Participants in this study commented that they perceive legislation to be complex and difficult to navigate because of the vast number of laws and regulations that are heavily amended in short periods of time. The implementers are unsure how to interpret these laws and regulations because they find them to be poorly integrated with other laws (i.e. "fragmented" and "redundant"). Others indicated that problems often derive from inefficient communication about legislation and lack of staff preparedness/expertise to keep track of multiple amendments and to comply with the new legal requirements. Some policy implementers who participated in this study commented that oftentimes, even when the legislation sets out specific targets, it is implementation that is problematic because enforcement mechanisms are not updated. In this context, finding solutions requires a collaborative approach based on ongoing interactions and consultation between policy-makers, implementers and beneficiaries to fill the gaps between legislation and practice.

"The laws can be interpreted; the law can also not prescribe what to do in all situations and special cases, and there are situations where the social assistant does not know how to make the best decision."

*Professionals' Focus Group,
Telenesti*

Priority Setting Agenda

The social protection of vulnerable children and families – namely the reduction of social and economic vulnerabilities to poverty and discrimination – has not been clearly articulated as a national priority in the existing strategic documents (e.g. the National Development Strategy, Moldova 2020, Child Protection Strategy, the Association Agreement with the EU, and Agenda for Sustainable Development 2030, Social Inclusion Strategy). Given the dimension of emigration, which has left many children in the care of their grandparents, pension reform will have indirect effects on children. In many countries, as in Moldova, pension reform is characterized by higher benefits and higher retirement ages. To this, can be added working incentives for pensioners, and new retirement eligibility requirements that assess the availability/role of grandparents in childcare, as is the case in Italy.⁵¹ Targeting the elderly for support beyond pensions should be designed in a child-sensitive manner because the existence of multi-generational households means that programmes benefit extended families and child outcomes (i.e. child care, health, nutrition, and schooling).

Alignment

While the existing framework is comprehensive, covering different age groups and situations, there is a need to consolidate laws addressing similar issues. This is particularly true in the case of the social protection and child protection frameworks, which are not synchronized with each other, despite the fact that both contribute to child wellbeing and that the former (social protection) serves a preventative role that can often avoid resorting to the latter (child protection).⁵²

4.1.2 Programme Implementation

This analysis focuses on examining the mechanisms and resources used to implement cash benefit programmes (e.g. structures, program delivery model, processes and procedures, staffing arrangements, etc.). At both central and local level, there are institutional challenges that impact the effectiveness and efficiency of existing social protection programs.

Institutional Design

In Moldova, social protection policies are made by the MHLSP at the central level and implemented, in large part, by Social Assistance and Family Protection Departments (SAFPDs) present in each of the country's 35 districts.⁵³ The MHLSP's roles and responsibilities are mandated by the legislative framework⁵⁴ but vary depending on the policy area and service delivery model (state agencies or contracting out). SAFPDs often lack the human resources to implement programmes in full compliance with standards, procedures and rules.

⁵¹ Bratti M. et al. 2016. Grandparental Availability for Child Care and Maternal Employment: Pension Reform Evidence from Italy. IZA Discussion Paper No. 9979. Retrieved on January 6, 2018 from <http://ftp.iza.org/dp9979.pdf>

⁵² Examples include Law 140/2013 for special protection of children at risk and Law 315/2016 on social benefits for children (for vulnerable children); and, Law 547/2003 on social assistance in combination with GD 189/2013 on social services, reviewed in comparison with Social Aid program (Law 133/2008) and Law 315/2016 on social benefits for children.

⁵³ GD 828/20.11.2015

⁵⁴ Law No. 123/18.06.2010

The governing structure includes several committees (Protection of Children in Difficulty, Protection of Vulnerable and At-risk Children, Disability Assessment, District and Local Committees for Financial Support of Socially Vulnerable Families). The study participants noted that the same representatives sit on various committees and beneficiaries are not directly represented. In view of the evolving complexity of social cases and growing responsibilities of committee members, the participants commented that a more diverse membership can contribute to objective decision-making, better representation, enhanced community engagement, and avoidance of burnout among the currently rotating staff.

At the same time, current mindsets and administrative processes are characterized by: a static conception of organization; bureaucratic processes; authoritarian management styles; tasks-oriented management; central decision-making; government (as opposed to individual) responsibility for problem-solving; controlling and corrective actions; silo mentality; etc. These characteristics, which, according to professionals and beneficiaries participating in the focus groups, are "reminiscent of Soviet times", pose obstacles to effective social policy design and implementation.

Practices and communication processes are reflective of a timid participatory approach; initiatives at district and local levels attempt to keep community members informed and to give them an opportunity to express their needs and ideas but the system struggles to incorporate this feedback into policy and decision-making.

The Parliament of the Republic of Moldova on July 21, 2017, approved a reduced structure of the Cabinet from 16 to 9 ministers, where the Ministry of Health and the Ministry of Labor, Social Protection and Family were consolidated under the same leadership and renamed "Ministry of Health, Labor and Social Protection". Given the magnitude of this reform, a prolonged reorganization is expected to lead to dysfunction in local agencies and confusion among various units of the Ministry and the SAFPDs. One participant commented: *"a failure to establish simplified institutional arrangements that modify systems slowly can lead to delays in programme implementation over time"*.

One of the key areas identified by participants as calling for immediate attention is the need to coordinate the functioning of existing committees, both at central and local levels (i.e. Commission for Protection of the Children in Difficulty, Commission to Protect Vulnerable and At-Risk Children, Council for Determining Disability and Labour Capacity). Roles and responsibilities need to be clarified so as to ensure equitable access to cash-based programmes including Social Aid, Material Aid and Disability Benefits.

Financing and Payments

The financing for most cash-based social protection programmes, including administration costs and payments to the population, is assured from the central level (the State Budget). National Social Insurance House (NSIH), through its decentralized structures in each district (Territorial Insurance Houses), is the disbursement agency for cash benefits.⁵⁵ Recipients can choose to collect cash at pay points or can request that it be deposited directly into their bank account. Both

⁵⁵ Law No. 315/23.12.2016

beneficiaries and professionals commented that cash payments are timely and free of errors, suggesting that the system is largely efficient.

Human Resource Challenges

Adequate, dedicated and well-trained social protection professionals play a critical role in the implementation of cash benefits (e.g. social protection administrators responsible for targeting, social assessments, payments, monitoring, grievances and redress) or in the effective delivery of support services required to ensure social protection of vulnerable children and their families (e.g. counselling, referral, case management, etc.) In all of these capacities requiring different sets of competencies, there is a need for social workers and social protection administrators to collaborate - both with each other and among themselves - as part of multidisciplinary teams.

Participants at the local level voiced that the SAFPDs are under-staffed given the magnitude of poverty issues in their regions. Moreover, they indicated that staff not only face heavy workloads, but also need to attend trainings to request support in order to keep up with continuous changes to the legislation, policies and procedures. They also suggested that operational documents (e.g. implementation methodologies, guidelines, procedures, communication protocols) do not always capture the complexity of cases and must be revised and strengthened.

The level of salaries of social assistants and social workers was raised in 2016⁵⁶ in response to the high turnover rates that were the result of low salaries. A few participants also noted that, in addition to addressing human resource challenges, more clarity is needed around roles, responsibilities, and performance expectations to ensure quality services and avoid inefficiencies. Human resource costs resulting from the workload, high staff turnover, and ongoing professional development activities create barriers to implementation.

System Reconfiguration

Over the past decade, the World Bank supported transformative initiatives⁵⁷ designed to address major structural issues in social protection, including a *poor policy framework, fragmented institutional structures, extremely weak administrative capacity, low monitoring and evaluation, and a lack of communication and outreach strategies to engage and connect with the public*. The World Bank's support also involved the enhancement of the Social Aid ('Ajutor Social') Programme in particular. Since 2008, the World Bank has worked with the MHLSP to facilitate the programme's sustainable expansion, introduce service delivery standards, and revise processes to enhance the efficiency of benefit oversight and control.

While significant progress has been made, the Government should finish implementing its plan to ensure that the social protection system remains fiscally sustainable and responsive to the needs of children and youth. This includes developing an enhanced funding methodology and a new approach to accountability – switching from a focus on assessing the correctness and

⁵⁶ Law 300/ December 22, 2016 for completing Annex no. 1 of the Law no. 355-XVI of 23 December 2005 on the remuneration system in the budgetary sector and the Presidential Decree 22/ January 4, 2017 on its promulgation.

⁵⁷ World Bank Project. 2015. Strengthening the Effectiveness of the Social Safety Net Project Restructuring Paper Results-Based Financing Specific Investment Loan (P120913) Report No: RES19200.

conformity in the application of the laws and policies to measuring and reporting on outcomes for children.

4.1.3 Information Systems

The study reveals that information systems are not coordinated and consolidated. The insufficient sharing of data between ministries can hinder the timeliness of interventions due to excessive bureaucracy.

Overview of the Social Assistance Automated Information System (SAAIS)

Central to this topic is the SAAIS, a unique system for registering all applicants and beneficiaries of the Social Aid programme. SAAIS which was implemented by the then Ministry of Labor, Social Protection and Family with financial support from the World Bank, is a tool for speeding up the processing of applications, enhancing the monitoring of beneficiaries, and producing better data for policy decision-making.⁵⁸

SAAIS is linked to NSIH, National Agency for Employment, Population Registry, and Border Security databases. Information is kept private and confidential. This system consists of two main functional modules: one storing information related to Social Aid applicants and beneficiaries, and the other storing information for all beneficiaries receiving social support services. New modules were prescribed in legislation to include the Social Inspectorate, National Council for Determination of Disability and Working Capacity, and the Republican and Local Funds.⁵⁹ These additional modules are not integrated into SAAIS but their functionality would be an opportunity to develop a comprehensive information system that, together with properly developed business analytics, could support the integration of social services and cash transfers and inform system improvements.

Information Management Challenges

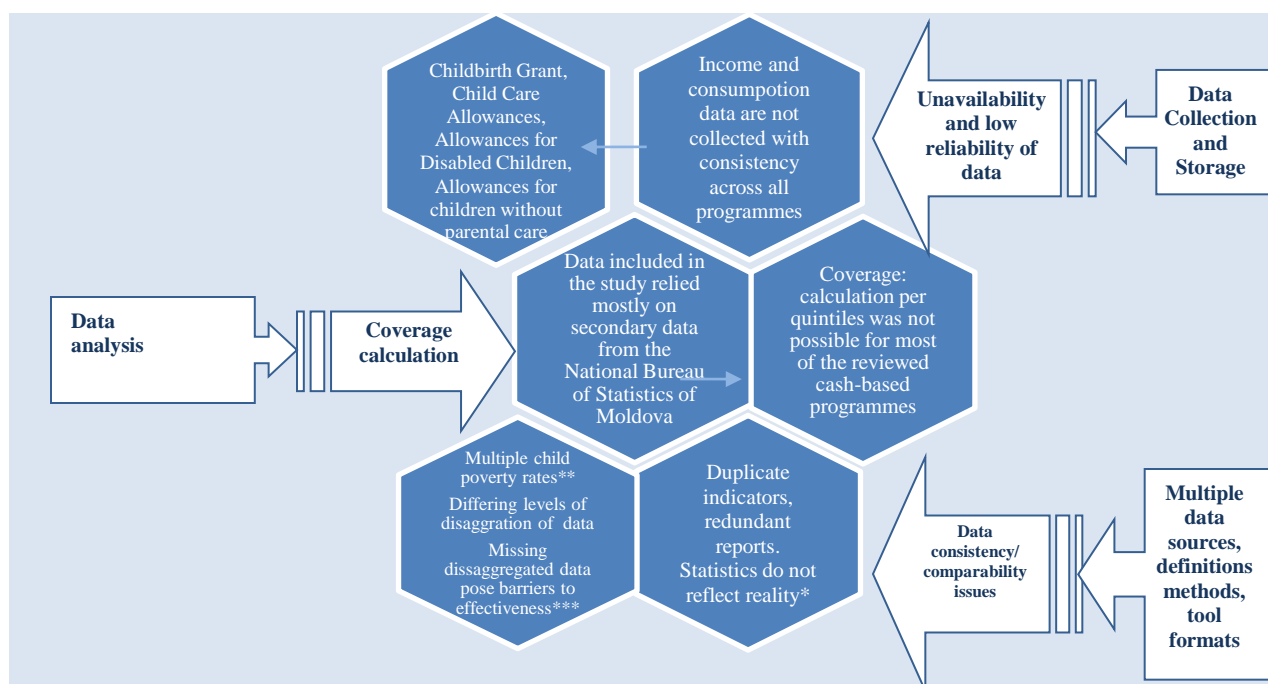
Administrators and front-line staff identified a number of key challenges that need to be tackled (Figure 8). These include: discrepancies between the reported statistics and day-to-day realities; lack of access to timely data; inadequacy of SAAIS in supporting decision-making around eligibility and payment calculation when dealing with complex Social Aid cases; and inconsistent data collection methods (different methods utilized by the annual Household Budget Survey, monthly reports produced by the NHSI, monthly reports prepared by the SAFPD, etc.) and use of different methodologies (see Notes, Figure 8).

Figure 8: Examples of Information Management Challenges



⁵⁸ GD No.1356/3.12.2008

⁵⁹ Ministry of Labour, Social Protection and Family. 2015. Monitoring Report. Available at http://msmps.gov.md/sites/default/files/document/attachments/raport_pnaeg_2014.pdf accessed on August 9, 2017.



Notes:

* Discrepancies in the reported number of people with disabilities due to lengthy and complex disability assessments; the current data collection system does not provide data disaggregated by ethnicity; multidimensional child poverty is not yet measured.

Data inconsistencies resulting from applying different methodologies to the same source of data (e.g. Child Poverty Rate in Moldova in 2014 was 18.2% - TransMonEE - vs. 13% - 2015 Household Budget Survey. NBS) * Disaggregation of data is lacking for programmes such as *Child Care Allowances for Insured and Uninsured*, *Allowances for Children without Parental Care*, and the *Material Aid* programme. Availability of disaggregated data can support realistic measurement of programme impact to support improvement.

Challenges further include the need to build capacity for interpreting data and using it to support decision-making and programme improvement. This process requires effective coordination within and across institutions. One participant commented, *"It is important to keep in mind that the structure and usefulness of SAAIS does not depend only on technology, but also on appropriate program design, strategic planning, coordination and good leadership"*.

4.1.4 Accountability and Oversight

This study uncovered that control and accountability mechanisms regarding programming and service delivery are not well established, although the country has taken an important step by establishing the Social Inspection Agency. This body is intended to ensure the correct and uniform application of the laws and other normative acts governing the granting of Social Aid, cold season allowances, and social services.⁶⁰ This measure, reflecting the government's commitment to accountability, focused on detecting specific issues arising from the implementation of laws governing the delivery of social protection to vulnerable children and families, instead of taking a holistic view to identifying broader areas needing improvement.

Monitoring and Oversight Framework

⁶⁰ GD No. 802/28.10.2011

There is evidence of monitoring and oversight measures including ongoing verification by SAAIS, audits by Social Inspection, and internal performance reviews by local SAPFDs. However, most mechanisms are mobilized *ad hoc*, rather than in a systematic and continuous manner:

- SAAIS has ongoing automated verifications to ensure that the appropriate beneficiaries are identified and errors of inclusion are minimized.
- There is *ad hoc* verification by Social Inspection as a corrective measure, reviewing the correctness and conformance of application of laws and other normative acts regulating the granting of Social Aid, Cold Season Allowances, and social services. Significantly less attention is dedicated to gathering feedback from beneficiaries and community partners regarding programmes' effectiveness and efficiency.
- Internal audits are performed by the local social assistance departments but while these are focused on continuous improvement, they need a more formal structure and methodology.

Although the procedures to tackle continuous improvement are grounded in the existing legal policy framework, they are not applied with consistency and regularity. Many professionals (both at central and local level) identified that progress and performance indicators have not been clearly articulated, and impact assessments are limited due to lack of quality data. The lack of suitable indicators and specific targets is a barrier to eliminating subjectivity in how progress is defined and measured. Furthermore, the capacity to monitor, evaluate and report progress and needs for improvement of programmes is not developed and resourced to the same extent in central and local public authorities.

Grievance Mechanisms

Grievance mechanisms ensure that beneficiaries obtain the right benefit in a timely manner. They can also help identify systemic issues that create barriers to access and equity concerns. The existing grievance mechanism allows beneficiaries to appeal Social Aid decisions by sending a petition in paper form, online,⁶¹ or in person.⁶² While the availability of this option is a positive aspect of Social Aid, it is not sufficiently user-friendly and responsive to a wide variety of beneficiaries. Petitions are examined by the appropriate bodies within 30 days. Those that do not require further study and examination are responded to within 15 working days from the date of registration, except in the following cases:

- Petitions requesting official information are examined within the deadlines set in the legislation on access to information.
- Petitions containing extraneous elements are examined within 90 days, provided that, within 30 days, the petitioner receives a reply informing of the steps taken to resolution. If the petitioner disagrees with the answer, then can exercise the right to refer the matter to the administrative litigation court within 30 days from the date of communication of the decision.

It is also worth noting that specific grievance mechanisms are not available for all cash transfers or the social protection system as a whole. Key challenges include:

⁶¹ <http://msmps.gov.md/ro/content/petitia-line>

⁶² Law on Petition No.190/19.07.1994

- Concerns and issues raised by beneficiaries are addressed individually, through a standard letter adapted to the complaint, with language that is not aligned with the literacy and comprehension level of beneficiaries.
- The grievance is first made at local level and the attempt is to solve it locally, but often concerns are elevated and sent to the central government for a response, which causes delays in the process and duplication of efforts.
- Internally, formal processes to optimize the system to avoid reoccurrence of issues in the future are not prioritized due to lack of resources (no designated issue coordinator role).

4.2 Coherence and Integration

This section focuses on the integration and coherence of social protection policies, programmes, and administrative structures, as well as alignment with related policy areas (e.g. health, child protection, economic development, regional development, employment, agriculture development, etc.).

4.2.1 Strategic Programming

Programs are designed to deal with the most immediate needs, but authorities appear to lack a clear vision focused on coherence and ensuring sustainable impact. The subsistence minimum calculation formula, which is used to establish the level of Child Care Allowances and Disability Allowances, lacks transparency, according to beneficiaries. These funds are only sufficient for the most basic needs but do not cover the cost of guaranteeing children's rights (i.e. social security, adequate standards of living, education, leisure, play and culture, prevention of child labour and other forms of exploitation).

There is a major need for evidence-based planning, leadership and adequate resources for capacity building. Therefore, as indicated by professionals, it is recommended that authorities shift the focus from *making small legislative improvements to making significant structural transformation* by unifying and integrating various cash-based programmes.

4.2.2 Linkages with Other Policy Areas

Moldova's approach to social protection of vulnerable families with children is dominated by a focus on child protection, with only rigid and fragmented policies attempting to address child poverty. The majority of participants agreed that the current policy and legal framework have several limitations in ensuring the correlation between multiple cash-based programmes. Some professionals noted that cash-based programmes should consider the complex and rapidly changing circumstances of vulnerable people, who may require needs to be met across multiple sectors. Also, there is broader recognition among policy-makers and policy implementers of the need to strengthen policy-making capacity, improve governance and policy implementation, and focus on the integration of cash transfers with services across sectors – social protection, health, education, economic development and agriculture – in order to address cross-cutting issues and achieve improved outcomes for children. The need for improved linkages between various policy

areas has been also echoed by the findings of a recent evaluation study of the Social Aid Program, showing that its beneficiaries have often tried to look for work, but have often found only unstable employment.⁶³

Missing Links between Programmes and Outcomes

Cash-based programmes do not have a direct link to specific children focused outcomes (health, child protection, education, leisure) and do not have comprehensive evaluation frameworks.

Childcare allowances are not fully linked to early child development needs, as evidenced by the length of the benefit (2 years for uninsured and 3 years for insured families).

The Material Aid Program is designed to address specific catastrophic and complex situations that affect the elderly, people with disabilities, and low-income families with children. It is too generic and does not identify children's needs as a priority.

The most recent updates to the Social Aid legislation⁶⁴ stipulates that the beneficiary shall sign a cooperation agreement with the SAFPD, under which he/she assumes responsibility for the use of the cash transfer to the benefit of the family - primarily to meet the needs of food, clothing, housing, hygiene, medical care, education and compulsory schooling for children. At the notification of the head of the SAFPD, the Commission visits the current residence of the beneficiary to verify the use of Social Aid. If the beneficiary fails to fulfill the obligations assumed in the cooperation agreement, the head of the SAFPD warns him/her, in writing, that the transfer shall be terminated if the Commission finds the family to repeatedly fail to fulfill its obligations. In this case, the family is not entitled to submit an application for Social Aid or Cold Season Allowances for a period of three (3) consecutive months.

Most of the local participants in this study voiced their concern that these legislative changes are not fully supported by the required funding for implementation. In addition, they commented that in the absence of clearly articulated expectations and tools to facilitate monitoring of the use of social assistance, it is very difficult to determine whether parents or other caretakers used funds in the best interest of the child.

Flexibility

The adaptability of social protection programmes to locally sensitive social issues is weak:

- Social Aid decisions are based on the outputs of software using the SAAIS database. The software cannot account for complex cases and special circumstances, however.
- The distribution of Disability Allowances involves a disability assessment by local committees. This is a lengthy process, which has not been fully accessible for vulnerable people in remote areas. As of May 2018, the determination of disability in both children and adults will begin using the International Classification of Functioning (ICF), an international methodology approved by the World Health Organization with medical, psychological and

⁶³ Ministry of Labour, Social Protection and Family. 2017. Strengthening the effectiveness of the social safety net project: Consultancy for Ajutorul Social Evaluation and Design. Ludovico Carraro. Oxford Policy Management. Contract No. CS-S/48/IDA.

⁶⁴ Law 304/22.12.2016 amends and completes Law no. 133-XVI of 13 June 2008 on Social Assistance.

pedagogical elements.⁶⁵ With the adoption of the new classification system, the MHLSP will also make available mobile teams to assess individuals' disability status throughout the country.

- Allowances for Children without Parental Care are not fully distributed due to difficulties in finding foster or adoptive families. There is a lack of interest, education, and awareness, as well as stigma surrounding children without parental care, especially in small rural communities.
- The selection of participants in the Material Aid programme is relatively arbitrary. With its low benefit level and, often, one-time support, the programme provides a "band-aid" solution instead of sustainable options.

Lack of Integration Maintains Inequalities

Beneficiaries had strong feelings about inequality. Several frontline staff and senior management participating in the focus groups noted that the development of action plans is not anchored in a set of values, principles, objectives and outcomes agreed upon by professionals and the community. For example, several cited the importance of a realistic graduation strategy from programmes such as Social Aid and unemployment benefits. They highlighted that redundancies and the lack of complementarity between programmes force children and families to navigate each system separately, which proves difficult and appears to further entrench inequalities. Specific examples are presented in Figure 9.

Figure 9: Challenges to Integration and Areas Needing Improvement

Beneficiaries' Perspective

- 1) Cash-benefits represent an important source for covering costs directly associated with accessing health care (i.e., transportation, cost of subsidized medicines, and informal payments to obtain medical care).
- 2) School feeding is free for elementary school students only.
- 3) There is a lack of practical supports designed to give vulnerable people access to useful information, skills, employment and income-generating opportunities.

Professionals' Perspective

- 1) A graduation strategy for Social Aid is not clearly outlined in the existing policy framework. Existing provisions regulating the length of benefits do not always align with beneficiaries' level of education, experience, and labour market demands.
- 2) Multiple changes to policies and practices fail to eliminate existing overlaps among programmes (i.e. Social Aid and Material Aid) or within the same programme (i.e. Allowances for Children without Parental Care including foster care, family-type group homes, and adopted children).

Integration facilitates information sharing, helps users navigate the system easier and eliminates duplication, waste of resources, administrative barriers (e.g. differing eligibility requirements, multiple application forms, etc.) and helps each sector better fulfil its individual goals.

⁶⁵ Law 223/02.11.17 amends Law 60/ 30.03.2012 on the social inclusion of people with disabilities and will enter in force 24.05.2018. The new Law ensures that disability status is assessed using the International Classification of Functionality (ICF) methodology.

4.2.3 Coordination

Coordinated interventions and better linkages with other sectors and programmes are necessary to better meet the multiple needs of vulnerable people and maximize the use of available resources. Limited human resource capacity hinders service coordination, especially where social workers are filling administrative roles.

Some beneficiaries of *Social Aid, Material Aid, Disability and Childcare Allowances* noted that, in their experience when applying for cash benefits, the lack of coordination between various local authorities resulted in duplication. For example, some beneficiaries indicated that they had to repeat their case history information to access various benefits. Professionals corroborated these findings and noted some of the key consequences of poor communication: duplication, lack of shared vision, competition, bureaucracy, competing interests, overwhelming responsibilities, blurred lines of accountability, fear of repercussions, and lack of transparency and proactive action.

Developing a more cohesive social protection vision and building and achieving inter-sectoral synergy is a complex undertaking. The MHLSP elaborated the normative framework⁶⁶ to enhance monitoring and coordination, as well as intra- and inter-sectorial cooperation, and to establish the grounds for collaboration between central public authorities, local public authorities, international organizations and non-governmental organizations - in alignment with the key objectives of the 2014-2020 National Strategy of the Child Protection.⁶⁷ Providing information and training on the existing framework and its provisions for enhancing collaboration would assist both administrators and frontline staff in better reconciling their existing duties with these emerging roles.

One example is related to the linkage between policy making and implementation at local level. According to the Education Code of the Republic of Moldova (Article 24), ante-pre-school education (for children aged 0-3 years) is carried out within the family and is funded by the State budget through childcare allowances. At the same time, at the request of parents, first-level local public authorities (LPAs 1) may organize pre-school education programmes (crèches) using funding from the local budget. Thus, there is no obligation on the State to guarantee childcare services (crèches) for children under three and the legal framework for the provision of these services is underdeveloped.⁶⁸ This results in a situation where uninsured families and their children - who are only eligible for childcare allowances until the age of two - are not provided with proper services to support job search and employment. This example illustrates how the lack of synergies may lead to discretionary power in policy implementation and to the exclusion of vulnerable people from the social protection system.

Another example stressed by the participants pertains to the lack of connection between social protection measures, unemployment policies, and poor labour market conditions in their communities. On one hand, there is a mismatch between the education children receive and market needs; on the other, a weak economic climate in small communities results in a lack of

⁶⁶ Government Decisions 1177/31.10.2007; 7/ 20.01.2016; 270/08.04.2014.

⁶⁷ Government Decision 434/10.06.2014.

⁶⁸ Code 152/17.07.2014.

job opportunities. Meanwhile, most social protection measures are fairly punctual or temporary in nature.

4.3 Coverage

Coverage is defined as the proportion of given population group (e.g. population, or population in the lowest income quintile) that receives benefits. Poverty in Moldova continues to affect the households who depend on subsistence farming, large families, the elderly, and persons lacking education or professional skills. Families with three or more children are one of the most vulnerable categories and require special attention given the high rate of poverty this group experiences. Indeed, the poverty level of households with three or more children is almost three times the national average, suggesting that the social protection system is not very effective in protecting children against poverty.

4.3.1 Allowances for Families with Children

According to NSIH statistics (Table 9), over the past three years, the number of insured recipients of allowances for families with children continuously increased, while the number of uninsured recipients continuously decreased. Moreover, the number of birth grant beneficiaries steadily dropped for both insured and uninsured people.

Table 9: Allowances for Families with Children Trends

Allowances for Children and Families	2015		2016		2017 (January – June)	
	Number of Families /Number of Children	Expenditures (MDL)	Number of Families /Number of Children	Expenditures (MDL)	Number of Families /Number of Children	Expenditures (MDL)
Childbirth Grant (1st child) - Insured/ Uninsured	15696 / 15897	126 537 048	14895/15094	138 897 116	5588/5650	84 704 355
Childbirth Grant (every other child) - Insured /Uninsured	18457 / 18649		19351/19572		7505/7587	
Childcare Allowance - Uninsured (up to 1.5/2 years)	35905 / 36500	186 786 866	34995/35606	209 530 3195	32421/32805	114 323 919
Childcare Allowance - Insured (up to 3 years)	41790 / 43896	592 526 269	44278/46511	666 044 524	45502/47934	364 565 717

Source: Calculations based on the information on Allowances for Families with Children registered with the NSIH of the Republic of Moldova. Data available at www.cnas.md/Statistics.

The childcare allowance policy divides children into two groups: those who are part of insured families and those part of uninsured families. This creates inequalities among children that run

counter to the principle of universal child rights. These inequalities are exacerbated in Moldova's current social protection context, where opportunities for working families to access childcare services (i.e. the *crèche* for children under three years of age) are limited, and the costs arising from childcare represent a burden on families' budgets.

According to 2015 HBS data, out of the 1487 households with children (of any age) in the data sample, only 312 (or 21%) were receiving child benefits (defined here as Childbirth Grants, Childcare Allowances and foster/guardianship grants). This relatively low coverage is largely due to the fact that these benefits (with the exception of foster/guardianship grants) are limited to families with children aged 0-2 or 0-3. It is also useful to notice that out of the 216 households in this HBS sample receiving Childcare Allowances specifically, 121 (56%) were insured while as many as 95 (44%) were uninsured and thus received a much lower benefit amount and only for the child's first two years of life.

It is important to note that the data has serious limitations. Indeed, the HBS data set is not sufficiently large to allow for a robust calculation of coverage figures. To complement these calculations, coverage was estimated using demographic and administrative data. Taking into account only families who have children of eligible age to receive Childcare Allowances - children up to 2 (uninsured) or 3 (insured) years of age) - it suggests that coverage is high for these programmes and that it has increased over the past two years (Table 10).

Table 10: Allowance for Children with Families Coverage Estimates

Indicators	2015	2016
Number of Births (Total)	38,610	37,394
Number of Children (0-2)	114,048	113,556
Number of Children (3)	38,805	38,377
Total Number Children (0-3 years)	152,853	151,933
Childbirth Grant (1st child) - Insured/Uninsured	15,897	15,094
Childbirth Grant (every other child) - Insured /Uninsured	18,649	19,572
Total Childbirth Grant Beneficiaries	34,546	34,666
Childcare Allowance - Uninsured (up to 1.5*/2 years)	36,500	35,606
Childcare Allowance for Insured (up to 3 years)	43,896	46,511
Total Childcare Allowances Beneficiaries - (Insured & Uninsured)	80,396	82,117
Coverage Estimates - Childbirth Grant	89.5%	92.7%
Coverage Estimates - Childcare Allowances (Insured & Uninsured)	52.6%	54.1%

* Until 2017, an uninsured family could receive a Childcare Allowance only until the child was 1.5 years of age. That age limit rose to 2 years of age in 2017.

Source: NBS - Population and demographic processes/Births/Live-births by area and sex; and, Information on Allowances for Families with Children Registered with the NSIH of the Republic of Moldova

4.3.2 Allowances for Children without Parental Care

Social protection plays a vital role in ensuring that all children receive the same level of care and services, especially when they lose or cease living with their parents (e.g. termination of parental rights due to their being found to be unfit to parent their children, to poor living conditions, health or disability status of the parents, etc.). Children without parental care are amongst the poorest and most vulnerable in the country. Calculating the coverage rate was not possible because accurate disaggregated data on the number of children receiving various forms of protection services (e.g. adoption, foster care, temporary placements, family type residences, group homes) and receiving the applicable social allowances were not available. Coverage estimates are provided in Table 11.

Table 11: Social Protection of Children without Parental Care Coverage Trends

Indicators	2012	2013	2014	2015
Number of children without parental care under guardianship or trusteeship	8,389	9,263	6,218	10,134
Number of children who lost their legal guardian and received material aid	2,614	2,116	1,965	1,938
Number of children without parental care under guardianship and trusteeship receiving monthly allowances (GD No.581/25.05.2006)	3,949	3,306	3,115	2,842
<i>Coverage Estimates - Proportion of children without parental care who receive monthly allowances</i>	<i>47.1%</i>	<i>35.7%</i>	<i>50.1%</i>	<i>28.0%</i>
<i>Coverage Estimates - Proportion of children who lost their legal guardian and received material aid</i>	<i>31.2%</i>	<i>22.8%</i>	<i>31.6%</i>	<i>19.1%</i>

Source: 2013, 2014, and 2015 Annual Social Reports (MLSPF); 2012, 2013, 2014, 2015 and 2016 Situation of Children in the Republic of Moldova Report (NBS)

The figures in Tables 10 and 11 show that despite reforms, coverage issues continue to be a concern. These figures should be considered with caution due to inconsistencies in reporting and lack of clarity regarding data collection. In the absence of reliable data, more substantiation is needed to explain coverage trends.

4.3.3 Allowances for Children with Disabilities

Coverage estimates included in Table 12 indicate that a high proportion of children who entered the system during 2012-2015 and are in possession of a disability certificate received benefits. According to the criteria, a person can be categorized as having a “slight”, “moderate” or “severe” disability and is issued a certificate of disability. The 2016 Report of the Special Rapporteur on the Rights of Persons with Disabilities, mentions that the number of disabled

children in the Republic of Moldova is probably much higher, since disability certificates are only issued to individuals who have undergone a medical assessment, and the assessment process is lengthy and complicated.⁶⁹

Data included in Table 12 shows a slight decrease in the number of children with disabilities in 2016. This most probably results from the adoption of the Law on Social Inclusion of Persons with Disabilities,⁷⁰ the Law on Ensuring Equality,⁷¹ and additional regulations⁷² laying out the framework for determining disability and working capacity, as well as the criteria for determining disability status among children under 18. The main goal of the reforms was to shift from the medical model, to the socio-medical model. It has begun being implemented through the employment of social workers and psycho-pedagogues as part of the teams of experts conducting disability assessments.

According to data from various sources, including the NBS, NSIH and MHLSP, it appears that between 2012 and 2015 more children received the disability allowance than the number of children officially reported to have a disability. Data was not sufficient to assess if the discrepancy was due to differences in when the data was collected (deaths or children turning 18 will affect numbers if collection dates do not coincide exactly). It has also been noted that coverage estimates show declining trends that may result from improved implementation of all applicable laws for disability determination (Table 12).

This study does not collect sufficient data to explain inconsistencies in the reporting of administrative data; however, many professionals commented that much work is still needed to avoid errors in granting certificates to able-bodied people and prevent corruption related to eligibility determination; enhance the capacity of the National Council for Determining Disability and Working Capacity; and update eligibility determination practices (i.e. tools to assess and determine disability and working capacity/performances in the case of children, decision making, etc.).

Table 12: Coverage of Cash Benefits for Disabled Children

Indicators	2012	2013	2014	2015	2016
Total Child Population	784,000	765,711	749,350	737,612	728,643
Number of Disabled Children	14,706	13,349	12,904	12,865	12,695
% Disabled Children in the total child population	1.9%	1.7%	1.7%	1.7%	1.7%
Child Beneficiaries of Disability Allowances	14,753	14,084	13,446	12,943	11,746
Severe disability	6,342	6,100	5,687	5,398	5,114
Prominent disability	6,948	6,287	5,652	5,205	4,602

⁶⁹ United Nations. Human Rights Council. 2016. Report of the Special Rapporteur on the rights of persons with disabilities on her mission to the Republic of Moldova. A/HRC/31/62/Add.2.

⁷⁰ Law No. 60/30.03.2012.

⁷¹ Law No. 121/25.05.2012

⁷² Order No. 13/71/41/ 28.01.2013; GD No. 65/23.01.2013.

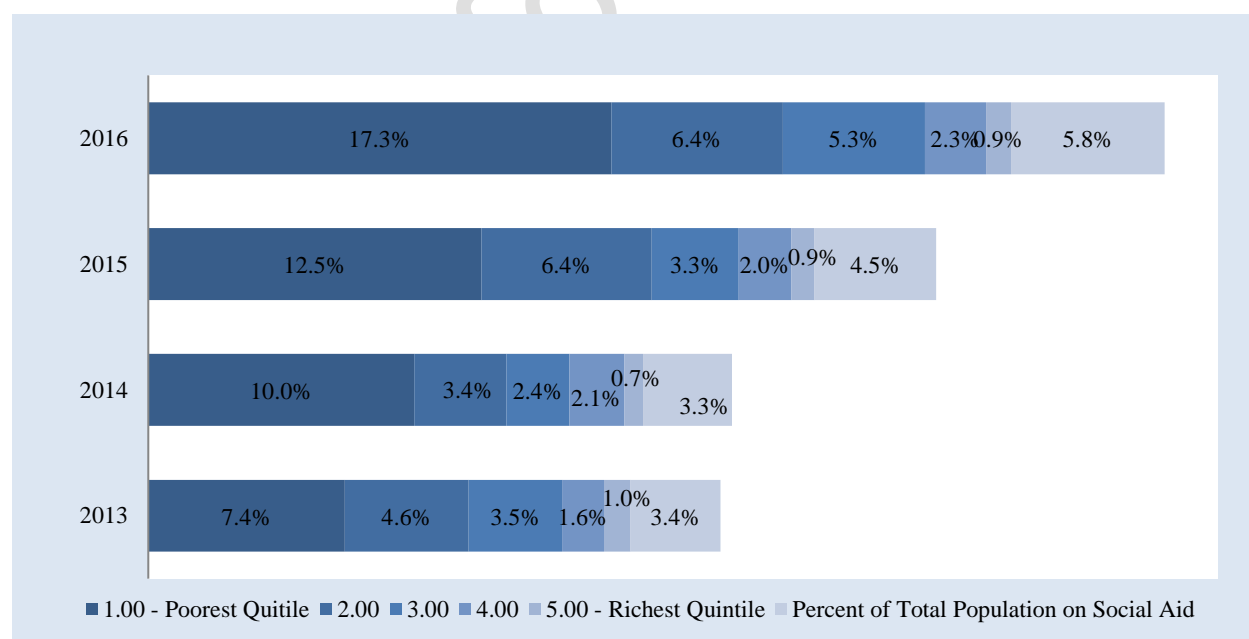
Medium disability	1,463	1,657	2,107	2,340	2,030
Coverage Estimates – Percentage of the child population who receive benefits	100%	106%	104%	101%	93%

Sources: NBS, the 2016 Situation of people with disabilities in the Republic of Moldova available at <http://www.statistica.md>; NSIH Statistics available at <http://cnas.md/lib.php?l=ro&idc=244&t=/Statistica/>; and, MLSPF, 2016 Situation Analysis Report regarding the implementation of the social inclusion of people with disability legislation

4.3.4 Social Aid Programme

According to the 2016 Household Budget Survey (HBS), coverage of the poorest, or bottom income quintile (Q1) increased from 7.4% in 2013 to 17.3% in 2016, showing that the revamped Social Aid Programme resulted in remarkable improvements in reaching of most vulnerable populations (Figure 10). This trend is also consistent with results reported by the World Bank (2017).⁷³ Yet, despite this relatively large increase in coverage, only 5.8% of the population was on Social Aid in 2016, while the poverty rate was 9.6%. Data for the last four years also indicates that, while exclusion of people in the poorest two quintiles is high (82.7% of households in Q1 and 93.6% in Q2 were not covered as of 2016), only 1% of households in the richest quintile (Q5) received Social Aid, which points to very low inclusion errors. Meanwhile, the perception on the part of professionals and beneficiaries is that coverage of the poor is still limited - this is indeed borne out by the data - and that these scarce public resources often go to people who do not need social assistance, which is not consistent with the quantitative data.

Figure 10: Social Aid Coverage by Disposable Income Quintiles



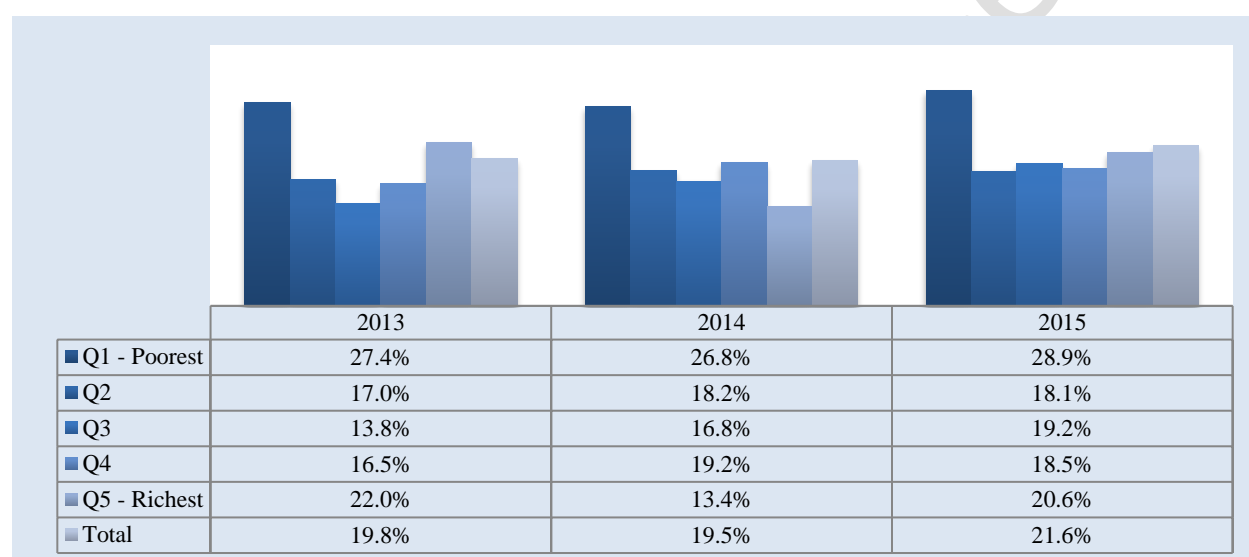
⁷³ World Bank. 2017. Implementation Status and Results Report (Public Disclosure version). Strengthening the Effectiveness of the Social Safety Net Results-Based Financing Specific Investment Loan (P120913) available at <http://documents.worldbank.org/curated/en/798011498490501704/pdf/ISR-Disclosable-P120913-06-26-2017-1498490491256.pdf>.

Source: NBS, Living Standards Statistics 2013-2016, and 2016 HBS Data.

4.3.5 Social Aid and Child Benefits

It is striking that even when analysed together, the two largest programmes for vulnerable families and families with children - the Social Aid Programme and Child Benefits⁷⁴ - combined, covered only 28.9% of households with children (Figure 11). This significant exclusion error is due to the fact that, despite its complexity and the publicity it has generated, Social Aid is a relatively small programme, and that most child benefits only cover children until the ages of 2/3 or children without parental care.

Figure 11: Proportion of Households with Children under 18 receiving Social Aid and/or Child Benefits (Coverage)



Source: NBS, Living Standards Statistics 2013-2015, Consumption Expenditures per capita for Households with Children

4.3.5 Material Aid

The number of recipients of Material Aid has decreased since 2012, as shown in Table 13. While coverage figures are not available, one can observe that Material Aid covers about 183,000 to 240,000 people (depending on the year). This corresponds to less than half of the *number* of people living in monetary poverty - although these individuals are not the same. It is important to note that while some Material Aid recipients will surely live below the national poverty line, not all do because the targeting methodology used by Material Aid takes into account factors other than monetary poverty.

Table 13: Enrolment in Material Aid vis-à-vis Poverty and Demographic Trends

Indicators	2012	2013	2014	2015
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⁷⁴ According to the NBS, Child Benefits include the following: Child Birth Grant, Child Care Allowances, and Foster/guardianship allowances.

Total Population	3,559,541	3,559,497	3,557,634	3,555,159
People living below national poverty line	580,990	451,937	405,429	341,295
Material Aid Beneficiaries	240,000	212,600	192,900	183,200
Coverage	41.3%	47.0%	47.6%	53.7%

Source of Data: MLSPF and NBS, 2015 Annual Social Report

4.3.6 Conclusions on coverage

The review of coverage data in this study confirms that the real demand for social protection for vulnerable children is only partially met by the existing system of cash transfers. Several key findings emerged from data triangulation; these are categorized either into "General" or "Programme-Specific" findings and are presented in Figure 12 and Table 14, below.

The overall perception shared by participants is that budget constraints, limited capacity, lack of transparency in the targeting process, rigid eligibility requirements, and the lack of linkages between child protection and social protection are the main factors leading to inefficiencies in coverage. The implementation of cash-based programmes reveals particular challenges and shortcoming that are presented in Table 13.

Figure 12: General Findings from Data Triangulation

- Targeting methods include a mix of approaches to guarantee a wide access to benefits for all eligible beneficiaries, but are not sufficiently interconnected to increase impact:
 - Universal (Child Birth Grant, conditional on birth registration)
 - Universal - categorical (Disability Allowances, Monthly Allowances for Children without Parental Care, Monthly Childcare Allowances for Families with Children - insured and uninsured)
 - Community-based (Material Aid)
 - Means-testing (Social Aid)
- One of the most significant challenges is finding the right balance between being rigorous when identifying the most vulnerable people (i.e. use of scores and computerized formulas), and remaining flexible (i.e. allowing for some exceptions that are not easily anticipated and properly captured in laws, policies and procedures). An additional challenge is ensuring that programme eligibility criteria, calculation formulas and wellbeing index (in the case of Social Aid) reflect the current cost of living.
- Limited availability of data on coverage and poverty impact makes it difficult to assess the implications/effects of using different targeting strategies.

Table 14: Programme-Specific Findings from Data Triangulation

Cash benefits are not always reaching the most vulnerable
Literacy of the applicant is directly proportional to their ease in obtaining benefits, which puts members of vulnerable groups at a disadvantage.
Beneficiaries lack understanding of programmes' eligibility requirements.
According to HBS data, during 2013-2015, about 35% of households in the poorest quintile receive social payments in the form of child benefits and/or Social Aid.
Child Birth Grant coverage in 2015-2016 is estimated at around 90% based on calculations comparing live births data from NBS with number of beneficiaries from NHSI data. Registration for this benefit in the first 12 months of a child's life was identified as a barrier to access.
The coverage of Monthly Childcare Allowances in 2015 and 2016 is estimated to be at least 53% of eligible households (those with children 0-2/3 years of age). Unfortunately, the statistical significance of this HBS data cannot be assured when disaggregating further by insured/uninsured status.
The coverage of Allowances for Children Without Parental Care was estimated at 28% to 50% of eligible children, between 2012-2015. The scarce data obtained from NBS reports and the MHLSP's Annual Social Reports is not of sufficiently good quality to inform policy change, however.
Social Aid coverage in the poorest quintile has been increasing steadily over the 2013-2016 period. This trend is concurrent with a decrease in the national poverty rate (from 16.6 in 2012 to 9.6% in 2015) as reported by the MHLSP.
Material Aid enrolment has been decreasing between 2012 and 2015. Coverage data is not available for this programme.
Estimates of coverage of Disability Allowances, based on the number of people registered as having a disability and on the number of people receiving the allowances, are close to 100%. The validity of this data is questionable due to the existence of multiple data sources and inconsistent data collection and reporting methodologies.
Coverage data is weak
Due to its limited sample size, the HBS is not sufficient to generate precise coverage figures for most social protection programmes, as indicated above.
Targeting approaches vary depending on the nature of programmes, but there is no clear evidence as to whether they are designed to complement each other.
Social protection programmes in Moldova use a mix of targeting methodologies: means and proxy-means testing (i.e. Social Aid); universal/categorical benefits (e.g. Childbirth Grant, Disability Allowances, etc.); or a combination of targeting methodologies (i.e. Material Aid). These targeting methodologies were developed historically, as the number of social protection programmes grew piecemeal. There has not yet been an assessment of overall beneficiary incidence, however, raising questions as to whether the programmes as a whole are complementary and inclusive.

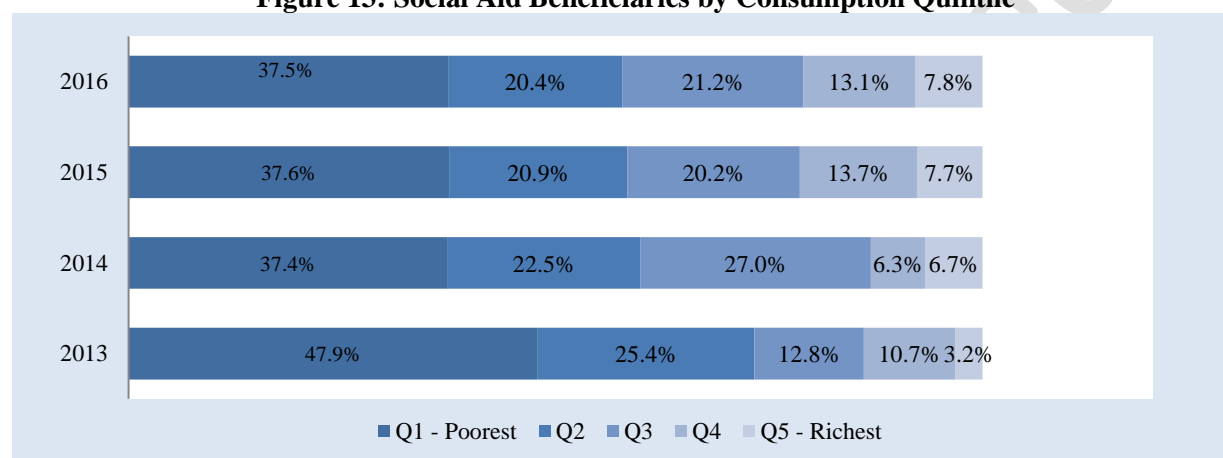
4.4 Benefit Incidence

Benefit incidence is the share of a social protection programme/benefit that is received by one segment of the population. Benefit incidence can also mean the share of a programme's beneficiaries/participants that originate from a given segment of a population. Calculating benefit incidence helps determine, for example, if a given programme is mostly focused on the poor or has significant inclusion errors, where a large proportion of the benefits accrue to the richest income quintiles. It can also tell us if a programme is largely reaching households with children or without.

Besides Material Aid - for which reliable data is very scarce - Social Aid is Moldova's only means-tested programme. Given that that Social Aid has an explicit redistributive aim, and that HBS's sample size does not allow for significant analysis of Material Aid beneficiaries, there is value to assessing the benefit incidence of this programme. This section will thus focus on Social Aid.

Analysis of HBS data on households receiving Social Aid (Figure 13) shows that this programme is well targeted towards the poor and that there are few leakages to the non-poor. Indeed, as of 2016, nearly 58% of Social Aid beneficiaries were in the bottom (poorest) two consumption quintiles (Q1 and Q2). Conversely, only 7.8% of programme participants are in the highest (Q5) consumption quintile.

Figure 13: Social Aid Beneficiaries by Consumption Quintile



Source: NBS, Living Standards Statistics 2013-2016, Consumption Expenditures per capita for Households with Social Aid

As can be seen in Table 15, about 75% of the Social Aid beneficiaries resided in rural areas and 25% in urban settings. More than half of beneficiaries were families with at least one member with disabilities, while almost a third (28%) of the beneficiaries represented families with all members with disabilities.⁷⁵

Table 15: Distribution of Social Aid Beneficiaries by Various Vulnerable Groups

Indicators	Social Aid Beneficiaries as of December 31, 2015
Unique beneficiaries in payment	63,756
Beneficiaries - Urban	15,720
Beneficiaries - Rural	48,036
Families with children <18	23,003
1 child	8,157
2 children	8,182
3 children and over	6,664

⁷⁵ Ministry of Labor, Social Protection and Family. 2017. Strengthening the effectiveness of the social safety net project: Consultancy for Ajutorul Social Evaluation and Design. Ludovico Carraro. Oxford Policy Management. Contract No. CS-S/48/IDA.

Families with at least one member with disabilities	32,399
Families with all members with disabilities	17,999
Families with at least one member at age of retirement (57/62)	29,052
Families with all members at age of retirement (57/62)	21,723

The composition of Social Aid beneficiaries has changed significantly over time, however. And this has had significant implications for children. Figure 13 suggests that between 2013 and 2014 the programme became significantly less targeted towards the poorest. We also know that, since 2010, the average household size of beneficiaries decreased significantly from 3.67 to 2.37; meanwhile, households with pensioners increased from 3.8% of programme participants to more than 30%. While households with children made up 83% of participants in 2010, they now constitute fewer than 40%, showing that this category makes up a decreasing proportion of programme beneficiaries.⁷⁶

Several modifications in the design of Social Aid contributed to these changes. The reconfiguration included: changes in the proxy formula (2010 and 2013); the introduction of an income disregard for paid employment (since 2010, initially at 60 MDL/month per employed member and then increased to 200 MDL effective October 2014); introduction of a disregard for 200 MDL/month for childcare allowances and top-up pension payments; and, the introduction of employment conditionality in 2013 (i.e. if people refuse to accept employment offered by the employment agency or refuse to attend training programmes, their benefit is stopped and they cannot re-apply for three months).⁷⁷

4.5 Accessibility of Benefits

Accessibility refers to whether information regarding the legislation, design and decision-making around social protection programmes (e.g. eligibility requirements, application procedures, receipt of payments, grievance mechanisms, etc.) are properly communicated to the public and easily accessible. Accessibility also focuses on vulnerable people's experience accessing and using cash benefits.

Information is not always readily available or accessible, according to beneficiaries. Some beneficiaries (i.e. households without internet access and remotely located) expressed their frustration with not receiving information from staff, and not being able to access online resources. They indicated that they do not always know where to access information and noted that staff was not always able to convey consistent information. Regarding means-tested programmes specifically (Social Aid and Material Aid), specifically, participants in the focus groups mentioned often struggling to understand how eligibility criteria are applied. Criticism

⁷⁶ Ministry of Labor, Social Protection and Family, *Annual Social Report 2014*, Chisinau, 2015.

⁷⁷ Ministry of Labor, Social Protection and Family. 2017. Strengthening the effectiveness of the social safety net project: Consultancy for Ajutorul Social Evaluation and Design. Ludovico Carraro. Oxford Policy Management. Contract No. CS-S/48/IDA.

from beneficiaries stresses that "*existing forms* [for filling-out personal information] *are too long, too difficult, and too intimidating*". In contrast, professionals from all five districts generally shared the belief that information is available online, in written format, on public displays and by phone, as well as by word-of-mouth, especially in small communities. Some also noted that local hubs for information sharing are available at local levels to ensure proper access to information.

Some beneficiaries expressed concerns with social inequalities. Some beneficiaries indicated that in their communities the eligibility criteria for social protection programmes are being applied differently despite similarities in their circumstances (e.g. Material Aid Programme). In their opinion, this approach causes inequalities among vulnerable children. They mentioned, for example, that in some communities, aid was granted more than once to the same children during the 11-month timeframe usually used for a single disbursement from Material Aid; the same families received support for schooling, International Children's Day, camps, oncological treatment, and surgery. On the other hand, in other communities, requests for multiple forms of Material Aid were refused on the grounds that they did not meet the 11-month waiting period requirement. Other focus group participants felt they were not informed properly of the decisions made regarding their claims for benefits (e.g. benefit amount, reasons why their application had been rejected, why payments had stopped, etc.). Although the majority indicated they are aware of their right to appeal in the administrative litigation court, a few said they lacked information regarding their right to challenge a decision.

Staffs are available when beneficiaries need their guidance and support. At the same time, a significant number of beneficiaries indicated that they typically knew whom to contact when they had questions. A smaller number said that they were not always able to reach staff. The vast majority reported using in-person contact and phone as the primary means of communication with the local offices, while many fewer indicated using email or letters to contact staff.

Government has made efforts to ensure programmes are easy to apply for/access.

Application processes are fully described in relevant legislation and potential beneficiaries can apply with local authorities in their communities. The NSIH attempted to translate legal provisions in a user-friendly format and made information about eligibility, mandatory requirements and application procedures for obtaining various cash-benefits available on their website.⁷⁸ Applications for allowances for families with children can be completed and submitted online and, according to both beneficiaries and professionals, it is

"In order to receive benefits, a person needs to have identification papers issued in the community where they physically reside. I am married living with my husband's extended family. My mother-in-law does not want to help me obtain the proper identification paper. We do not get along well. I need to travel to my home community to obtain proper documentation and apply for benefits. Furthermore, I was told that we do not qualify for Social Aid because my mother-in-law applied and is currently receiving the benefit. I cannot afford this and have no energy to deal with this situation!"

Beneficiaries' Focus Group, Causeni

⁷⁸ NSIH, Information about various cash benefits are available at : <http://www.cnas.md>

easy and can be completed within 2-3 hours.⁷⁹ Despite progress towards e-governance, this administrative improvement still excludes beneficiaries lacking Internet access and must continue to be accompanied by complementary efforts such as walk-in offices, trained social assistants, outreach, etc.

Some participants expressed their concerns regarding the excessive evidentiary requirements and lack of clarity around eligibility criteria. They noted that “not all poor people are well informed, or do not have enough money to put documents in order, and if the official residence in their legal papers differs from the actual place of residence, then things get complicated, making it even more difficult for the elderly, and disabled and ill people to apply.”

In regard to Social Aid in particular, some strongly felt that more clarity is needed around the definition of wellbeing and noted that the current eligibility criteria (e.g. asset inventory, welfare measurement index, residency requirements, etc.) may not fully capture the extent of their complicated circumstances. Some complex personal circumstances that can be barriers to finalizing an application to Social Aid include: intergenerational households; sudden shocks that can affect financial stability unexpectedly; renting homes where tenants have objects that are counted as "assets" but to which the applicants do not have access; the impossibility of providing valid proof of residency due to the lack of a formal rental agreement; etc. One youth commented on what he perceived to be unrealistic criteria for determining whether a family has a "decent life" and should be eligible for Social Aid. He stated, “*Owning a washer or having access to a computer does not mean that my family is rich. There are seven children in my family. We are living in the 21st century and the government must be able to guide citizens to differentiate between wealth, necessities, and decent life.*”

“Unfortunately, we are choosing the most vulnerable out of the most vulnerable: it is a professional dilemma due to the severe poverty faced by our country.”

Drochia, Focus Groups with Professionals

4.6 Adequacy

This analysis involves a review of information regarding *Sufficiency, Use of Benefits, Appropriateness to Support De-institutionalization and Empowerment*. The section aims to provide an understanding of the extent to which cash-based programmes for vulnerable families with children adequately address their needs and help them achieve socio-economic stability.

4.6.1 Sufficiency

There is general agreement among professionals, parents and children who received assistance in the form of cash that the benefit size remains quite low and is not enough to fully provide for basic needs as intended, especially when situations are atypical. Parents reported finding themselves in difficult situations (i.e. period of joblessness, illness, or disability) where they had to make tough decisions due to insufficient income (e.g. *who goes to school, who gets clothing, who gets a toy, who gets an ice cream*, etc.). Both beneficiaries and professionals also noted that

⁷⁹ NSIH, Online submission of applications for child care allowances is possible at: <https://servicii.gov.md/ecnas>

a poor family with many children, whose sole source of revenue is social assistance, would most likely depend on it to survive from one check to another. The two case scenarios presented in Figure 14, stemming from the focus group discussions with beneficiaries, exemplify some of the complexity facing professionals in their day-to-day work.

Figure 14: Scenarios for Sufficiency

Scenario 1	Scenario 2
One of the female participants cared for two children of her own along with three nephews whose mother had passed away and whose father abandoned them. During the focus group discussions she explained that 76MDL paid per child for the death of a parent is not enough to help her provide proper care for the children. She did not know whether there were additional benefits she would be eligible for.	The mother of a child with insulin-dependent diabetes, needing care every three hours, cannot apply for Social Aid. She lives with her children in a rental home but the rental agreement has expired and she has not been able to find time to finalize the documentation necessary. She indicated that the Social Aid amount is not sufficient, but it represents an important source of income, helping provide her children with shelter, food and clothing.

Tough decisions are also being made when they need to prioritize between spending money on “food and/or utilities”, “education and/or health”, “clothing and/or education”, “education and/or debt”, “medicines and/or leisure activities”, “clothing and/or extracurricular activities”, etc. Several children who participated in the discussions were of the opinion that “benefits help and support their families to better cope with daily challenges”, but “they are not sufficient”. One specified, “Benefits help us do 60% of what we want to do”.

The average benefit size, per household, of the Social Aid programme in 2015 was MDL 720 per month. Monthly amounts are calculated based on a formula that takes into account the difference between total monthly family income declared by the applicant (and validated by a social assistant), and the guaranteed minimum monthly income (GMMI), which is the amount the entire family should have access to based on the number, age and disability status of its members. The value of the GMMI is amended annually on April 1 to reflect inflation. In April 2017 the GMMI increased to MDL 961 from MDL 900 in 2016 (by 6.8%). It is important to note that the GMMI, a threshold specifically designed for the purposes of the Social Aid programme alone, was far below the national subsistence minimum per adult, which was MDL 1,734 in 2015 - rising to MDL 1,799 in 2016.⁸⁰

The Childbirth Grant amount of 5,300 MDL, as of 2017, was considered by beneficiaries as an important resource to support the needs of a newborn. This amount was paid for each child regardless of the insurance status of the parents. The childbirth grant increased significantly, from a level of 3,100 MDL as recently as 2015. The relative adequacy of this benefit is also evidenced by the

Every month I find that the amount of money we get is disproportionately lower than our mounting needs and rising prices for daily expenses. It is time that our government takes a moment to reflect upon the reality of our life and stop claiming that benefits increase and improve our lives. My family functions on a single income, and we live with our parents. We do not count their pension [because our parents also have needs], but I am curious as to whether our government takes their pensions into account [when calculating eligibility and benefit level]."
Beneficiaries' Focus Group, Causeni

⁸⁰ "Subsistence level by Years, Category of population, Areas and Semesters," National Bureau of Statistics, www.statistica.md.

fact that, as of 2016, the one-time lump sum was five times the monthly subsistence level calculated for a child less than 1 year of age.⁸¹

Childcare Allowances differ significantly based on whether parents were "insured" (or enrolled in social security) or uninsured. An insured parent who takes time off work to care for their child receives a monthly childcare allowance equal to 30% his/her average monthly salary until the child reaches the age of three years. An uninsured parent, on the other hand, receives only 540 MDL until the child turns two. Additional information regarding the average benefit level of Childcare Allowances is available in Appendix 2, "Summary of Cash-Benefits Programmes", Section 2-6a: Average Child Care Allowances (MDL).

Children without parental care are amongst the poorest and most vulnerable in the country. Allowances for these children - which are usually supplemented by salaries for professional caretakers - were thus established to help purchase food, clothing and healthcare items as well as items related to education. The amount has been increasing gradually, from 600 MDL in 2012 to 800 MDL in 2017.⁸²

In accordance with the existing legislation, children with disabilities benefit from a disability allowance for all children who do not benefit from a (higher) social insurance pension. This State-financed allowance is meagre, ranging between 152 MDL and 179 MDL per month depending on the severity of a child's disability. In addition, when an adult takes full-time care of a child with severe disabilities, that adult/household benefits from an allowance that varies from 500 MDL to 711 MDL per month. Effective April 1, 2016, this allowance for "personal assistants" was increased by 10.1% and the reported number of beneficiaries was about 15,288 individuals.⁸³ It is widely and consistently noted by beneficiaries and local authorities alike that the number of applications for receipt of the personal assistance allowance far exceeds the number of allowances the State has been able to finance. Additional information regarding the disability childcare allowances is available in Appendix 2, Summary of Cash-Benefits Programs, and Section 2-6b: Allowances for Disabled Children by Severity (MDL).

Childcare Allowances and Disability Allowances are not high enough to ensure children's needs are met to surpass the poverty line and ensure children's rights, from both professionals and beneficiaries' perspective. There is no indication of a direct relationship between the choice of benefit level as a policy response to child poverty levels. For Childcare Allowances, in particular, there appears to be no link between the design of the programme and the goal of reducing inequality (as evidenced by stark discrepancies between the amount given to insured versus uninsured families). There also appears to be no link with universal child rights more generally, which should be ensured until the child is 18 years of age.

⁸¹ According to NBS, between 2012 and 2016, the government-determined that the child subsistence minimum level increased by 22.5%. The highest increase of 23% is attested for the minimum subsistence for children aged 7-17. The average value of the subsistence minimum in 2016 was 1,704 MDL and varies by age groups as follows: 679 MDL for children under 1 year; 1,467 MDL for children aged 1-6 years; and 1,930 MDL for those aged 7-17 years: The situation of children in the Republic of Moldova in 2016. Available at <<http://www.statistica.md/newsview.php?l=en&id=5638&idc=168>>.

⁸² MLSPF, Annual Social Reports (2013, 2014, and 2015); NBS, Situation of Children in the Republic of Moldova Reports (2012, 2013, 2014, 2015 and 2016).

⁸³ MLSPF, 2016 Situation Analysis Report - Implementation of the Social Inclusion of People with Disability Legislation (Law no.60/30.03.2012)

4.6.2 Use of Benefits

Family income is comprised of various streams (salaries from formal and informal employment, as well as remittances and social protection benefits). According to beneficiaries, money from cash benefits is generally spent on food, utilities, shelter, health care and medication, clothing, education, cleaning products, school supplies, and textbook rental - as intended in the current policy framework. The NBS consumption expenditures data shows that over 50% of income from all sources is used on food, 13% on clothing and 14% on household maintenance and utilities, leaving only 23% of income for all other expenses, including education, transportation, and health care and leisure activities for children.⁸⁴

Beneficiaries indicated that, in some cases, Social Aid is also used as debt repayment, lowering actual disposable income. Further, some beneficiaries mentioned prioritizing, in special cases, spending on medical expenses not covered by insurance: informal payments to obtain timely care, transportation to urban centres for specialized treatments, and the unsubsidized cost of medicines and services). Others indicated that when dealing with crisis situations they apply for receiving financial support from the local funds designed to support vulnerable families (i.e. Material Aid).

Several professionals who participated in the discussions indicated that the complexity of poverty, in tandem with the increasing health issues affecting vulnerable populations, dilute the potential impact of the Material Aid programme on poverty by directing funds towards medical care - an issue that should be covered by the health sector. Previous research provides additional evidence, suggesting that "some beneficiaries of Social Aid program face high health expenditure, which can sometime be labelled as 'catastrophic health expenditure', which results in impoverishing conditions, they can satisfy some health needs but are prevented to achieve other improvements".⁸⁵ Strengthening policies, governance and health insurance coverage would better promote free access to health care can free up cash that could then be channelled by beneficiaries into other priority areas.

Other beneficiaries indicated that they use cash transfers to meet financial demands associated with education. Most often, they mentioned covering expenses for supplementary textbooks and study materials (250 MDL/child) or contributions solicited by parent associations (e.g. school fund, classroom fund) to ensure decent conditions at school and to cover repairs or purchases of larger supplies such as furniture for the classroom. Most of the parents expressed their gratitude for free school feeding programmes for children in grades 1 through 4 and commented that those programmes would be greatly beneficial if extended to children in grades 5 through 9. They confirmed that school lunches are currently already available, but for a service fee covered by parents, which adds to the family's daily expenses. A few beneficiaries living in a small community indicated that *"due to migration, schools closed and parents had to make arrangements to send children to school in communities 15-20 km away, and they covered these expenses with benefit money."*

⁸⁴ NBS, HBS, Consumption Expenditures statistics

⁸⁵ Ministry of Labour, Social Protection and Family. 2017. Strengthening the effectiveness of the social safety net project: Consultancy for Ajutorul Social Evaluation and Design. Ludovico Carraro. Oxford Policy Management. Contract No. CS-S/48/IDA.

Table 16: The Impact of Social Payments on Child Poverty			
Social Benefit	Poverty Rate		Impact (percentage points)
	Before Payments (%)	After Payments (%)	
Child Care Allowances	14.7	13.0	1.7
Pensions	19.5	13.0	6.5
Social Aid	14.6	13.0	1.6
Source: 2015 Annual Social Report, Available at http://msmps.gov.md/sites/default/files/document/attachments/rsa2015.pdf			

Data in Table 16 shows that Childcare Allowances and Social Aid have a minor impact on child poverty reduction (1.7 and 1.6 percentage points, respectively). Due to large numbers of migrant workers, many children are left in the care of grandparents or other family members. Therefore, the current reform of the pension system has become a pillar for child poverty reduction. Pensions have been already shown in 2014 to have a larger impact on child poverty reduction (6.5 percentage points) than other programmes specifically focused on children or poverty alleviation.⁸⁶

The Material Aid programme, which is paid for by the Republican Fund for the financial support of socially vulnerable populations, has a limited impact on poverty, according to interviewees and focus group participants. It provides a very low benefit level (a one-time grant of 710 MDL, on average)⁸⁷ and very infrequently: at most once in an 11-month period. Indeed, the capacity of this programme to have a greater impact on poverty is limited by the fact that the number of applications significantly exceeds the financial capacity of the fund.

4.6.3 Appropriateness to Support De-institutionalization

The effects of institutional care have been extensively studied. Among other evidence, "Feeling unable to care for one's child" is listed by TransMonEE Survey respondents (parents) as a main reason for why children are placed in institutional care.⁸⁸ It is thus clear that poverty plays a major role in children's placement in institutional care as a result of poverty. A combination of social services, cash benefits and child protection measures were developed to build stronger links across various dimensions of the social policy sector:

- Material support for orphaned children in family type children's homes and those left without parental care (GD No.1733/31.12.2002)
- Social Assistance System (Law 547/ 25.12.2003)
- Cash support for orphaned students and those under guardianship/trusteeship (GD No.870/28.07.2004)
- Allowances for adopted children and children under guardianship/trusteeship (GD No.581/25.05.2006)

⁸⁶ MLSPF, 2015 Annual Social Report, Available at <http://msmps.gov.md/sites/default/files/document/attachments/rsa2015.pdf>

⁸⁷ MLSPF, 2015 Annual Social Report, Available at <http://msmps.gov.md/sites/default/files/document/attachments/rsa2015.pdf>.

⁸⁸ "Children left without parental care, during the reference year", TransMonEE, UNICEF, 2015, <<http://transmonee.org/database>>.

- The Child Registration Rules regarding the child who remains in the country and whose parent / guardian (curator), citizen of the Republic of Moldova, is temporarily employed abroad (GD No. 290/15.04.2009)
- Childcare allowances in the professional parental care service (GD NO. 924/ 31.12.2009)
- Set up and functioning of the integrated system of social services (Law No. 123/ 18.06.2010)
- Social Inclusion (LP 60/30.03. 2012)
- The child protection framework (Law No. 140/14.06.2013 on the special protection of children at risk including, children separated from parents)
- Social Services for Families with Children (Regulation, Appendix to la GD 889/11.11. 2013)
- List of disabilities that irreversibly affect the health of children and functioning and the ability to work of adults which serves as the basis for establishing of indefinite disability status for adults and children (Order No. 64/317/30.04.2015)
- Social Benefits for Children (LP 315/ 23.12.2016)

In Moldova, the cash benefit system is an important measure in enabling parents to take care of their children and thus preventing child separation from the family due to poverty. Qualitative findings suggest that Social Aid and child benefits (Childbirth Grant and Childcare Allowances) create an enabling family environment for the healthy development of children. However, given the child poverty level and complexity of poverty in Moldova, a variety of strategic interventions at a number of *different* points in a child's life would enrich the existing social and child protection systems.

When the system is not able to prevent children's separation from the family, and the child is either removed from the family or abandoned by the family, the cost of institutional care adds financial pressure to the system as a whole. A network of foster care families, family-type group homes and adoption mechanisms have developed and been strengthened in the past two decades to care for these children. Families are chosen carefully and provided with training and ongoing support. Some of this support also comes in the form of cash benefits and services, not to only help with the costs of raising a child but also to stimulate long-term commitment to the child.⁸⁹

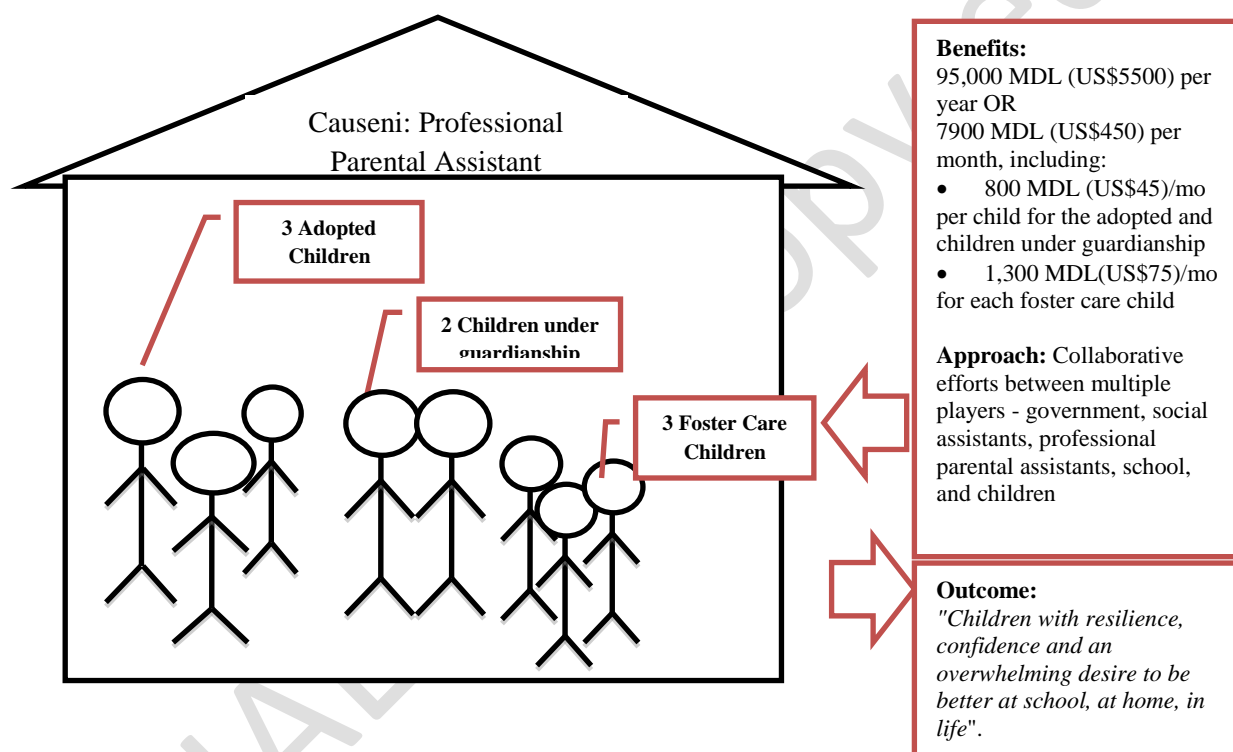
Despite an increasing awareness by local public authorities, national government officials and caregivers around the importance of foster care as a means to prevent institutionalizing children,⁹⁰ fostering and adoption remain culturally sensitive. Professionals in the child welfare sector and a few professional parental assistants who participated in the focus group discussions commented that there is a *"harmful perception from community members that foster parents make money from raising children"*. However, these same individuals also lent their support to such policy measures, defending that *"investments in programmes such as professional parental assistance and foster care in the long-term is a wise use of public money."* Therefore, at both the society and community levels, more work is needed to change public perceptions around foster care and enhance public knowledge on the positive effects of alternative family-type services for children who cannot remain or return to their family environment.

⁸⁹ UNICEF, MLSPF. Bunkers McCreery, K. (UNICEF Consultant). 2013. Foster Care Services for Children in Moldova; CCF Moldova, MLSPF. Grigori, O. 2017. Elucidation of financial conditions in Foster Care (FC) social service on the basis of target groups' needs.

⁹⁰ UNICEF, MLSPF. Bunkers McCreery, K. (UNICEF Consultant). 2013. Foster Care Services for Children in Moldova.

A professional parental assistant (PPA) from Causeni shared a story showcasing how three different forms of protection applied to eight children living in the same family improved their life, as illustrated in Figure 15. She also pointed to the importance of early problem identification, expedited administrative processes (i.e. clarification of the legal status of children), accurate identification of the form of care needed for children, and timely provision of financial support and interventions along with love and continued guidance by the PPA. The PPA also stressed that *"there should not be differences in the amount of benefits depending on the form of care provided because all children have equal rights and must have equal chances and access equal opportunities"*.

Figure 15: Three Forms of Social Protection: One Outcome



4.6.4 Empowerment /Dependency

Beneficiaries and a large number of professionals noted that *"welfare dependency"* occurs most commonly when a parent loses a job, a family member gets sick, becomes disabled or dies, a marriage falls apart, families are falling behind on rent or debt payments, having electricity cut off, experiencing food insecurity and overcrowded conditions.

The cash-benefit programmes are not sufficient to substitute for stable employment and self-sufficiency; however, they provide a starting point towards independence. Most of these programmes are intended to benefit children and, if well designed, can, in the long-run, break the inter- generational transmission of poverty.

This discussion focuses on Social Aid because it is this programme alone that elicits the empowerment debate in Moldova. Like many means-tested social protection programmes around the world, Social Aid is surrounded by common misperceptions. According to interviews and focus group discussions, these include: “people who are on Social Aid are not interested in finding a job,” “beneficiaries take advantage of the welfare system,” and “benefits are used on tobacco and alcohol”. Some parents and children receiving Social Aid even reported that they often felt being discriminated against/bullied at school, at the hospital, and at the town hall; they felt blamed by their communities for “waiting” for the government's money.

Most of the professionals across the five districts agreed that “*cash-benefits [referring to Social Aid] are intended to support families with children and it is a socially accepted programme; however, it still has a negative connotation due to the association between receiving assistance and using funds irresponsibly (e.g. alcohol, cigarettes and items that do not benefit children)*”. The misuse of the system by a small fraction of the beneficiaries gives a bad connotation to a programme that does make a difference in many people's lives. Especially worrying is the fact that social stigma can prevent eligible people from applying for benefits such as Social Aid or Allowances for Disabled Children.

In reality, a thorough quantitative analysis has found no evidence that people on Social Aid are less committed or willing to seek work than the general population. It showed that when they do receive assistance, the median length of benefit payments is 14 months - far below 80 months, which is the maximum time period a person can be enrolled in Social Aid.⁹¹ At the same time, several participants in this qualitative study voiced their concerns regarding the feasibility of finding a job when job markets are non-existent in most rural areas and very weak elsewhere in the country. Frequent jumps “in” and “out” of social protection programmes, along with the lack of support for transitioning towards self-sufficiency and economic independence, can generate fatigue and disappointments, which reduces beneficiaries' motivation to become self-reliant makes breaking the cycle of poverty more difficult.⁹²

As a response to these challenges, beneficiaries identified several opportunities for improvement, which are detailed in the recommendations section of this study. These include: the need to teach beneficiaries how to plan and budget, manage risk, and build their own resilience. A few Social Aid recipients also commented that the government efforts should “*go beyond and above to find real, tangible solutions, and not only introduce requirements believed to reduce dependency*”. One participant commented: “*rather than focusing on dependency, government people should think how to engage the business community and international donors to help vulnerable people become active through more jobs and start-up loans that support income-generating activities (e.g. such as buying a cow which will provide my family with extra income and food)*”.

4.7 Financial and Fiscal Sustainability

⁹¹ Ministry of Labor, Social Protection and Family. 2017. Strengthening the effectiveness of the social safety net project: Consultancy for Ajutorul Social Evaluation and Design. Ludovico Carraro. Oxford Policy Management. Contract No. CS-S/48/IDA.

⁹² Griggs, J., Walker, R. 2008. The costs of child poverty for individuals and society: A literature review. Available at: <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/2301-child-poverty-costs.pdf>.

From a public finance perspective, reliability involves the ability of government to allocate adequate resources among several competing priorities within the limits of available funding from internal and external sources. Social protection is one public envelope among many others, including health, education, infrastructure, transportation, defence, environment, public debt, etc.

4.7.1 Reliability of Financing

The 2017 National Budget of Moldova was 37,796.9 million MDL,⁹³ an increase by 11% from the 2016 National Budget of 33,824.4 million MDL.⁹⁴ The incomes of the State Social Insurance Budget (SSIB) in 2017 were stated at 17,663.6 million MDL and expenditures at 17,789.9 million MDL indicating a deficit of 126.3 million MDL.⁹⁵ The SSIB incomes in 2016 were stated at 15,049.1 million MDL and expenditures at 15,079.5 million MDL, indicating a deficit of a 30.4 million MDL.⁹⁶ As can be seen, the SSIB is facing chronic and aggravating financial constraints evidenced by a four-fold increase in the deficit.

Table 17: Macro-Economic and Budget Indicators

Indicators	2016	2017F	2018F	2019F
Nominal GDP, MDL, billion	134.9	147.2	160.2	174
GDP, Percentage Real Change	4.3	3.5	3.8	3.6
Current Account Balance	-4.1	-5.5	-5.8	-5.6
Remittances, Percentage Change (USD)	-5	3.5	2.7	2.5
Budget Revenues, MDL, billion	34.1	35.9	35.7	35.5
Budget Expenditures, MDL, billion	33.8	37.9	38.7	37.7
Fiscal Balance (% of GDP)	-1.8	-2.0	-3	-2.2
Public Debt and Guarantee	44.2	44.7	43.8	42.9
State Social Insurance Budget - Income, MDL, billion	15.0	17.7	n/a	n/a
State Social Insurance Budget - Expenditures, MDL, billion	15.1	17.8	n/a	n/a
Social Protection Budget, MDL, billion	17.2	18.9	20.2	21.5
Social Protection Budget, Percentage Change	n/a	9.6%	6.7%	6.6%
Social Protection Budget, % of GDP	12.8%	12.8%	12.6%	12.4%
Social Protection Budget, % of Total National Budget	35.5%	34.2%	32.9%	33.3%

Source: Ministry of Finance, 2017, Medium Term Budgeting Framework (CBTM); World Bank Projections, 2017 Moldova Economic Update; Laws on State Budget: Law 154/01.07.2016; Law 279/16.12.2016, Law 289/15.12.2017.

Data in Table 17 further reflects government's commitment to sustain its current spending on social protection: at 12 to 13% of GDP in 2017-2019. The fiscal balance is also expected to be maintained around -2.2% of GDP, excepting the forecast for 2018, which brings it up to -3.0% of GDP. In addition, data in Table 17 shows a constant increase in the national budget during 2016-2018 (i.e. from 33.8 billion MDL in 2016 to 37.9 billion MDL in 2017 and 38.7 billion MDL in 2018). In 2019, projections indicate a decrease in the national budget by 2.6% and an increase in the size of the social protection envelope by MDL 1.3 billion - from MDL 20.2 billion in 2018 to MDL 21.5 billion in 2019.

⁹³ Law no. 279/16.12.2016, 2017 National Budget.

⁹⁴ Law no. 154/01.07.2016, 2016 National Budget.

⁹⁵ Law no. 286/16.12.2016 regarding the State Social Insurance Budget for 2017.

⁹⁶ Law 156/01.07.2016, regarding the State Social Insurance Budget for 2016

4.7.2 Cost of Social Protection

Data in Table 17 indicates that overall, during 2016-2019, the social protection budget represents at least 32% of the country's budget. Most of this spending on social protection is financed by social contributions and is spent on social insurance.⁹⁷

As noted previously, there is a growing number of vulnerable people who need support from social protection, including the elderly, disabled persons, and poor families with children. In addition, a high volume of outward migration has depleted the labour force and put substantial strain on fiscal revenues, with a direct impact on the budget available for the social protection system.⁹⁸ The migration phenomenon also results in 'brain loss' (ILO/NBS, 2008). At the same time, out-migration may have some benefits, such as lowering the pressure on the labour market thus contributing to a decrease in unemployment.⁹⁹ As seen in Table 17, the percentage change in remittances is expected to increase from -5.0% in 2016 to 3.5% in 2016 and 3.5% in 2017. Remittances are a very significant support system for poor families in Moldova.

In 2006, the government introduced changes to the law on pensions and allowed citizens who had not previously contributed to the social security system to ensure their future retirement by signing a contract with the National Social Insurance House (NSIH) and paying their contributions for the previous 13 years retroactively. However, only a few persons out of the total uninsured population took this opportunity.¹⁰⁰ Expenditures on old-age pensions, during 2016-2019, represent about half of the social protection budget.¹⁰¹ Financing for the social protection budget comes from three main sources: State Budget (SB), Local Budgets (LB) and State Social Insurance Budget (SSIB). The major source of funding is the SSIB with a projected increasing trend during 2017-2020, and a share of over 60% of total social protection expenditures (Figure 16).

Figure 16: Sources of Funding for Social Protection Budget

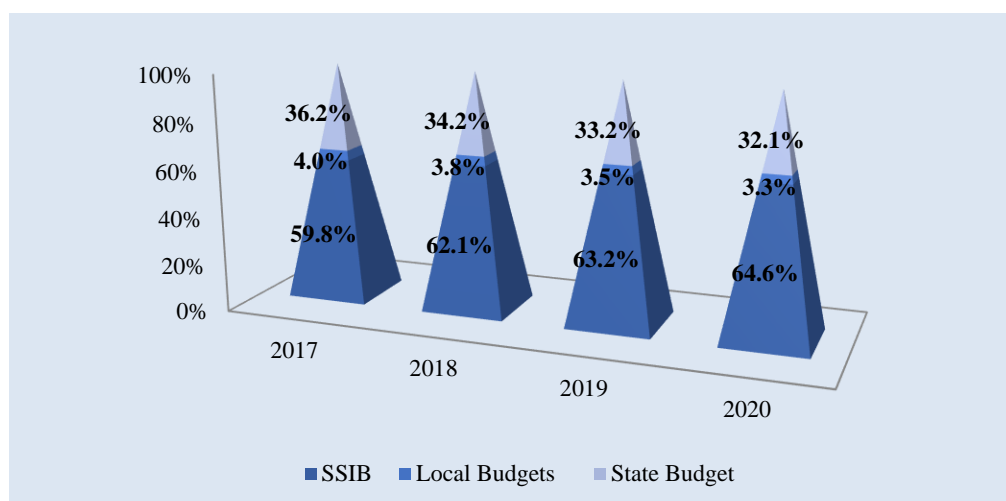
⁹⁷ MHLSP. 2017 Briefing Note - Social Protection Projections for 2018-2010: Policy Context and Key Trends

⁹⁸ World Bank. Background paper prepared by Sanket Mohapatra, Dilip Ratha, and Elina Scheja, Migration and Remittances Unit, World Bank, for the Civil Society Days of the Global Forum on Migration and Development 2010. Available at http://siteresources.worldbank.org/TOPICS/Resources/214970-1288877981391/Migration&Development-Ratha-GFMD_2010a.pdf.

⁹⁹ Valdicescu N., Vremis, M. 2012. Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe: Country Report – Moldova. Available at http://brd.gov.md/sites/default/files/document/attachments/impact_social_emigraremigratie_interna_europa_centralaest_caz_moldova_2012_eng.pdf.

¹⁰⁰ Valdicescu N., Vremis, M. 2012. Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe: Country Report – Moldova. Available at http://brd.gov.md/sites/default/files/document/attachments/impact_social_emigraremigratie_interna_europa_centralaest_caz_moldova_2012_eng.pdf.

¹⁰¹ According to the Medium Term Budgeting Framework (CBTM), Social Policy Section developed by the Ministry of Finance, in 2016 expenditures with the Old Age Pensions totalled 50.5%, while the budget allocations for 2017, 2018 and 2019 were 45.8%, 51.4% and 52.5% respectively. Moldova's 2018-2020 Medium-Term Expenditure Framework is an instrument meant to provide stability, predictability and continuity to the financing of public policies, in accordance with government commitments taken in the Memorandum with IMF, the 2020 National Development Strategy, the government's action program for 2016-2018 and the Moldova-EU Association Agreement.



Source: Medium Term Budgeting Framework (CBTM), Social Policy Section, Ministry of Finance

Further analysis of the budgetary data shows that it is not possible to differentiate between domestically financed and aid-financed social protection expenditures, if any. In 2017 external support for Moldova's social assistance programmes decreased by 83%, from MDL 224.7 million in 2016 to only MDL 38.6 million.¹⁰² A better delineation between external and internal funding would be helpful from a sustainability perspective, to support a better understanding of the fiscal impact of this reduction.

Table 18 breaks down the social protection budget by source of funding.

Table 18: Social Protection Costs by Sources of Funding

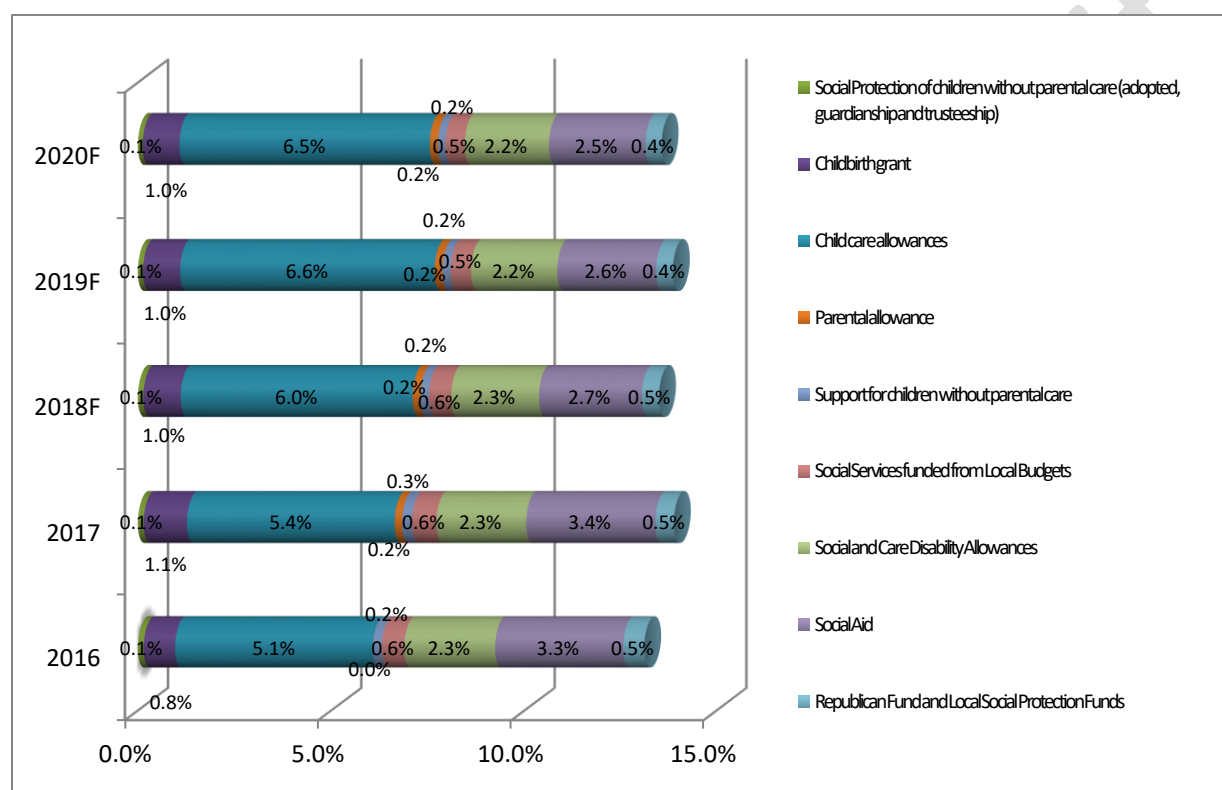
Source of funding	2017 Approved	2018 F	2019 F	2020 F
State Budget	6,911,751.0	6,944,515.2	7,213,613.6	7,435,464.3
Ministry of Internal Affairs	435.0	159.0	173.0	174.0
Ministry of Defence		167.0	167.0	160.0
Ministry of Agriculture and Food Industry	2,119.6	2,119.6	2,119.6	2,119.6
Ministry of Education	22,700.0	22,700.0	22,700.0	22,700.0
Ministry of Culture	462.0	462.0	462.0	462.0
Ministry of Labour, Social Protection and Family	495,579.0	470,460.0	480,934.7	487,702.6
Ministry of Health	16,405.9	16,405.9	16,405.9	16,405.9
General Activities	6,374,049.5	6,432,041.7	6,690,651.4	6,905,740.2
Local Budgets	1,042,766.2	1,022,711.5	1,025,790.0	1,027,868.0
including transfers	275,235.6	255,180.9	258,259.4	260,337.4
State Social Insurance Budget (SSIB)	17,513,763.5	18,798,430.9	20,177,037.5	21,618,363.5
including transfers	6,105,204.9	6,177,720.8	6,448,022.0	6,665,562.8

Source: Ministry of Finance, 2017, Medium Term Budgeting Framework (CBTM)

¹⁰² Ministry of Finance. 2017. The 2017 Budget of the Republic of Moldova : A Snapshot for Citizens. Available at http://mf.gov.md/sites/default/files/bugetul_pentru_cetateni_2017_0.pdf; Retrieved on September 23, 2017.

Figure 17 includes the executed and projected expenditures on cash-based programmes for families with children relative to the total social protection budget. Budgetary data for the 2016 executed budget and projections for 2017-2020 suggests that at least 14% of social expenditures are directed toward families with children.

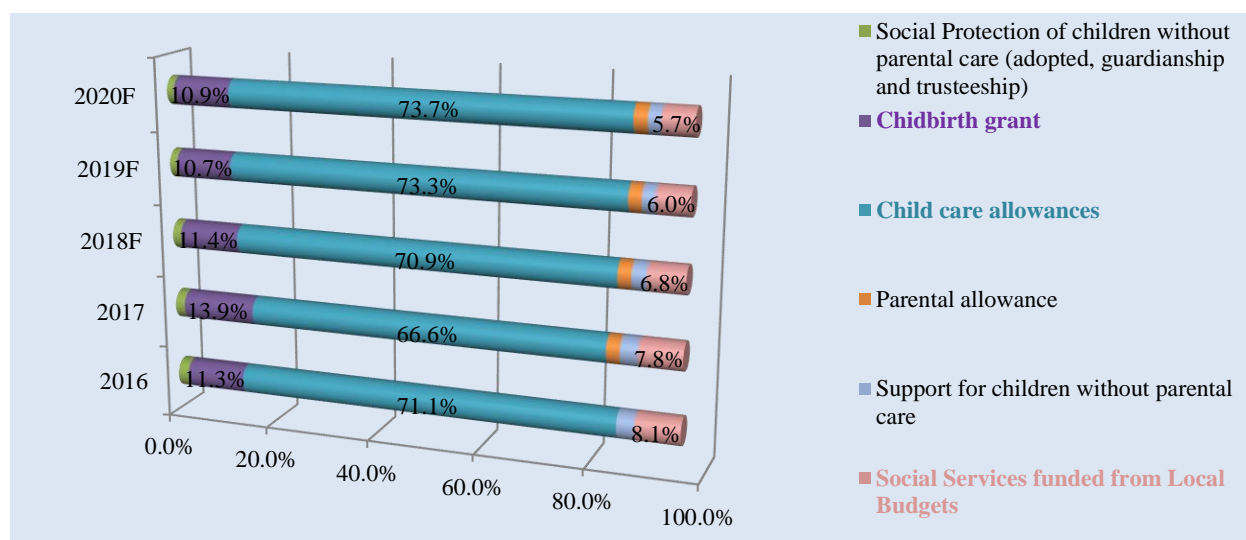
Figure 17: Benefits for Families with Children as a Share of the Total Social Protection Budget



Source: Ministry of Finance, 2017, Medium Term Budgeting Framework (CBTM)

Within the *Social Protection of Families and Children* sub-division (Figure 18), it appears that the government continues to prioritize *Childcare Allowances* (i.e. the projected envelope size in 2020 represents an increase by 46.2% compared to 2017). The second investment priority for the government is the *Childbirth Grant* increase, and the third are allocations to support the development of *Local Social Services*.

Figure 18: Breakdown of Social Protection of Families and Children Priorities (Budget Code 9006)



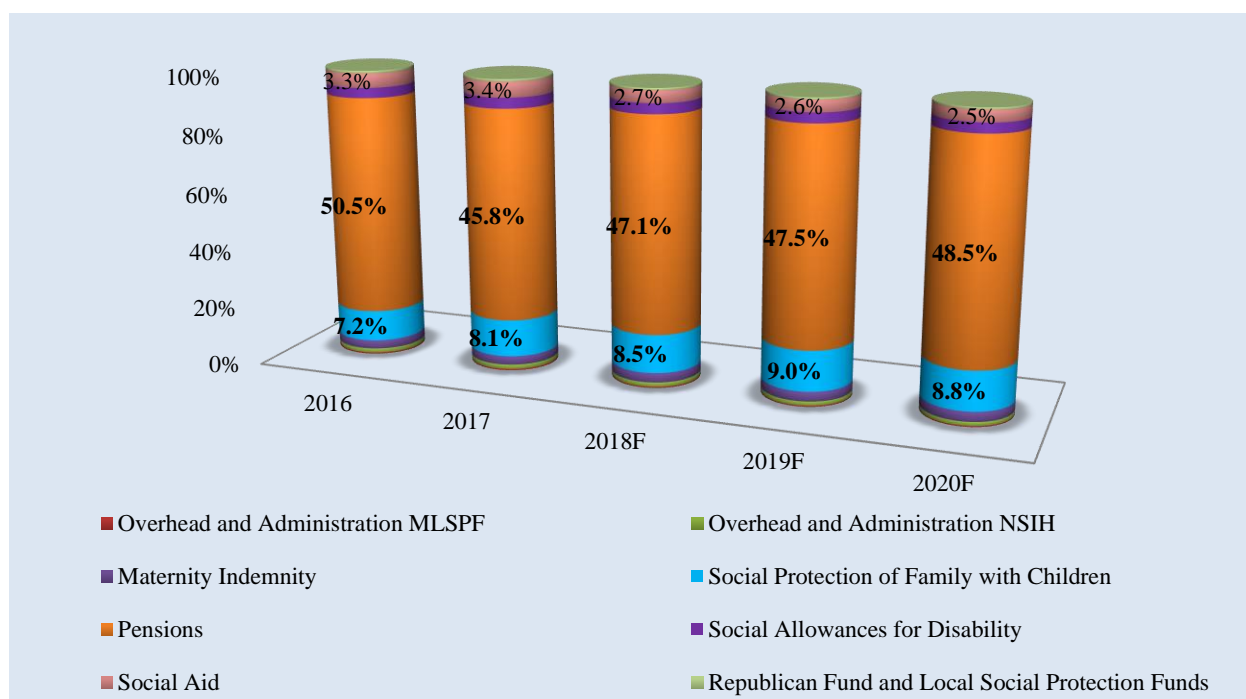
Source: Ministry of Finance, 2017, Medium Term Budgeting Framework (CBTM)

Figure 19 illustrates government priorities within the broader social protection sector.

The cost of cash-based programmes reaching children cannot always be clearly determined as these programmes also have other target beneficiary groups (e.g. Social Aid Programme beneficiaries include the elderly and people with disabilities, among others). Additionally, it appears that budget projections do not take into account the possibility that currently stable families will become vulnerable and eligible for assistance. In fact, on many budget lines, there is an assumption that the situation will remain the same in the following years.

Budget data needs to be sufficiently detailed to be useful from an accountability perspective.

Figure 19: Breakdown of the Social Protection Priorities (Code 90)



Source: Ministry of Finance, 2017, Medium Term Budgeting Framework (CBTM)

There is no clear evidence that financial allocations in the social protection system follow the needs of the child, as opposed to being linked to various forms of social protection that assume that issues and challenges will remain constant. Professionals who participated in the focus groups suggested that *"the decision-making process for determining budgeting priorities should be aligned with the poverty level benchmarks so that financial support is directed to the most vulnerable cases."* The social protection budget should consider strong linkages between protection of children's rights and budgeting. Trends in key indicators affecting budgeting decisions are provided in Table 19.

Table 19: Indicators Impacting Budgeting Decisions

Year-In Review	2012	2013	2014	2015	2016	2017
Total Population	3,559,541	3,559,497	3,557,634	3,555,159	3,553,056	3,550,852
Total Child Population (0 - 18)	784,000	765,711	749,350	737,612	728,643	722,009
Poverty Rate (%)	16.6%	12.7%	11.4%	9.6%		
People living below national poverty line	580,990	451,937	405,429	341,295		
Average Monthly Salary	3,386	3,674	4,090	4,538	5,084	5,430
Guaranteed Minimum Income (GMI)	640	680	720	765	900	965
Social Aid Benefit	739	634	652	720	790	790
Material Aid Beneficiaries	240,000	212,600	192,900	183,200		
Coverage Material Aid Beneficiaries	41.3%	47.0%	47.6%	53.7%		
• Retirees	167,200	143,300	127,000	118,200		
• People unable to work	2,900	2,400	2,300	2,500		
• Families with children	61,000	56,900	54,700	54,300		

• Other categories	8,900	10,000	8,900	8,200		
Absolute Poverty (MDL)	1,143	1,196	1,257	1,379		
Disposable Income (total)	1,506	1,755	1,787	1,978	2,060	2,288
The Minimum Subsistence (total)	1,507	1,608	1,668	1,725	1,814	1,866
Consumption	1,676	1,888	1,832	2,133	2,200	2,245
The Minimum Subsistence Children (total)	1,410	1,534	1,548	1,647	1,715	1,782
• up to 1 year	592	611	619	659	658	684
• 1 to 6	1,256	1,322	1,327	1,417	1,484	1,537
• 7 to 17	1,575	1,726	1,748	1,864	1,942	2,016
Disposable Income (social benefits)	295	364	389	419	488	507
Social Benefits as a Source of Income	21%	20%	21%	22%	24%	
Pensions	17%	18%	18%	19%	19%	19%
Allowances for Children	0.9%	0.7%	1.1%	0.9%	0.9%	0.9%
Social Aid	0.8%	0.4%	0.3%	0.4%	0.6%	0.7%
Remittances	16%	18%	18%	18%	17%	18%

Source: NBS, HBS; Briefing Note, 2015 Poverty Trends in Moldova including data reported by the NBS based on the 2015

4.7.3 Sustainability

The adoption of the medium-term budgetary framework for 2018-2020 demonstrates government's commitment to sustaining social protection expenditures in a changing and constrained fiscal environment. Budget allocations consider existing legislation, policies and government's commitments and strategic directions (Table 20). The analysis of the budgetary data in Table 20 shows that expenditures for social protection of children and families specifically (code 9006) are expected to increase by 31.8% between 2017 and 2020.

Table 20: Social Protection Measures by Programmes, Policy Framework and Budgets

Budget Item	Legal Framework	Executed 2016	Approved 2017	Projected CBTM 2018-20		
				2018F	2019F	2020F
Social Protection Budget		17238349	19087840.2	20332755.9	21710159.7	23155795.6
9001 Policies and Management						
Overhead and Administration - Central Government	GD No.691/17.11.2009 - Organization and Functioning	14,236.6	15,848.6	15,541.0	15,555.4	15,567.8
Overhead and Administration - SAFPDs	GD No. 828/20.11.2015 - Organization and Functioning	40,769.9	44,164.0	44,164.0	44,164.0	44,164.0
9002 Administration of Social Insurance System						
Overhead and Administration Costs CNAS	Law 489-XIV /08.07.1999 GD. No 256/ 9.03.2006 Organization and Functioning	142402.8	159,837.6	163,856.0	164,891.9	167,089.5
Maintenance Informational System - Social Protection and other	Law 489-XIV /08.07.1999 GD. No. 418 /03.05.2000 Social Protection Registry	22147.4	23,166.2	24,791.3	26,842.5	28,184.7
9003 Social Protection for Temporary Incapacity						
Social Protection for Temporary Incapacity	Law 289-XV/ 22.07.2004 GD108/ 02.02.2005	346,012.3	367,851.8	420,694.2	461,039.2	505,728.5

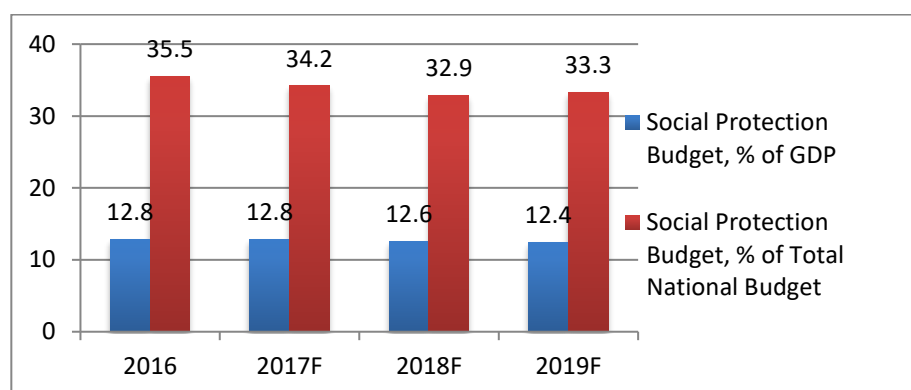
Maternity indemnity		349,470.1	363,904.4	431,035.4	469,397.6	511,643.4
9004 Social Protection of Elderly						
Old Age Social Security	Law 156-XIV/14.10.1998 GD 165/21.03.2017	8,700,058.4	8,748,185.9	9,582,040.9	10,321,530.9	11,219,679.8
9005 Social Protection Loss of Legal Guardian						
Expenditures		148073.1	159,653.2	166,019.1	163,274.4	159,441.4
9006 Social Protection of Families with Children						
Social Protection of children without parental care (adopted, guardianship/trusteeship)	Law 140/14.06.2013 GD No.581/25.05.2006	25,657.1	28,414.8	28,414.8	28,414.8	28,414.8
Overhead and Administration - Institutions for Children	Law 123/18.06.2010	43,166.1	53,239.3	52,943.0	53,724.3	54,467.5
Childbirth grant	Law 315/23.12.2016 GD No. 1478 din 15.11.2002	139,900.7	214,003.2	196,371.3	208,677.1	220,497.2
Child care allowances	Law 289-XV/22.07.2004 Law 315/23.12.2016 GD 1478/15.11.2002	881,990.7	1,025,211.6	1,219,856.8	1,428,207.9	1,498,426.5
Parental allowance	Labour Code Moldova no. 154-XV/28.03.2003 GD No. 1245/ 15.11.2016	249.7	36,683.0	41,525.4	45,221.4	49,291.2
Support for children without parental care	Law 140/14.06.2013 GD No. 581/ 5.05.2006	39,510.4	48,979.2	44,716.8	44,716.8	44,716.8
Social Services funded from Local Budgets	Law 123/18.06.2010	100,626.4	120,681.7	116,419.3	116,419.3	116,419.3
Social Protection of Families with Children, Total		1,231,101.1	1,527,212.8	1,700,247.4	1,925,381.6	2,012,233.3
9010 Social Assistance of people with special needs						
Social Allowances and Care Allowances	Law 499-XIV/14.07.1999	404,825.9	443,173.3	462,171.2	483,722.0	504,494.3
9011 Supplemental aid of specific categories						
Expenditures		1,085,183.5	1,138,524.7	984,419.1	926,053.0	867,686.4
9012 Social Protection of Exceptional Cases						
Social Aid	Law 133-XVI/13.06.2008 GD No.1167/16.10.2008	572,095.4	640,189.2	542,368.0	557,849.7	580,527.1
The Republican Fund	Law 827-XIV/ 18.02.2000 GD No.1083/26.10.2000	94,351.1	92,239.4	91,883.6	94,730.4	97,363.6
% of Social Protection Budget		7.1%	8.0%	8.4%	8.9%	8.7%

Source: Medium Term Budgeting Framework (CBTM), Social Policy Section, Ministry of Finance

The mix of social protection policies for families and children and variations in the composition of public expenditures will have different impacts on fiscal sustainability. Evidence suggests that budget allocations for the Childbirth Grant, Childcare Allowances, and Parental Allowances are increasing incrementally between 2017 and 2020. On the other hand, funding projections for the social protection of children without parental care appears to be stagnant during the same period.

Effective cash-based programmes require a supportive political and fiscal environment for their initiation, implementation and modification, where relevant. The share of social protection expenditures in the national budget of Moldova during 2014-2016 indicates an increasing trend (Figure 20).

Figure 20: Share of Social Protection in the National Budget and GDP (%)



Source: Medium Term Budgeting Framework (CBTM), Social Policy Section, Ministry of Finance

Social protection expenditure is fragmented across different ministries (Table 21), which makes it difficult to accurately account for all budget allocations and spending on social assistance and insurance. There are several ministries involved in addressing children and families' vulnerabilities (Code 9006): Ministry of Education, Culture and Research; Ministry of Justice; Ministry of Technology and Information; Inter-ethnic Relations Office, Agency of Tourism, and Ministry of Economy.

Table 21: Social Protection of Families and Children across Ministries

Social Protection of Families and Children (Code 9006)	2016	2017
Agriculture and Food Industry Ministry	2,014.6	1,031.3
Ministry of Education	21,528.9	13,623.4
Ministry of Culture	462.0	227.4
Ministry of Labour, Social Protection and Family	49,175.4	27,209.8
Ministry of Health	3,133.2	1,551.9
Total 1	76,314.1	43,643.8
After Government Reconfiguration (2017)		
Ministry of Agriculture, Regional Development and Environment		1,088.3
Ministry of Education, Culture and Research		9,311.2
Ministry of Health, Labour and Social Protection		27,706.0
Total 2		38,105.5
Grand Total	76,314.1	81,749.3

The quality of the budgetary process and the credibility of the annual budget (i.e. that budget execution does not deviate substantially from budget appropriation), the existence of a medium-term perspective in the budget formulation process and, ideally in the case of long-term spending commitments, and some long-term budget projections are all key elements in ensuring fiscal sustainability. It is very important that the government have a good understanding of how budget allocations and subsequent variations in expenditures affect child outcomes not only in the short-term but also in the medium- to long-term. The “cost of non-action” – of not providing children with sufficient means to grow up without poverty – should always be considered in the approval process of programmes' expenditures.

4.8 Children's Perspective

As part of the data gathering process, 44 vulnerable or at-risk children, aged 9 to 18 years, were given an opportunity to share their experiences regarding social protection programmes. The main themes that emerged from their contributions are summarized below. They are clearly aligned with the themes identified in the focus groups attended by professionals and caregivers.

- ***Magnitude of poverty issues:*** Too many children live in poverty and their parents are struggling to provide them with food, clothing, shelter, and what is necessary for them to attend school.
- ***A comprehensive legal framework:*** Many laws exist to protect children and make sure they have a good life. It is important to note that children are well aware of their rights, especially their right to social protection when their families struggle to respond to their basic needs. Children confirmed that they learned about their rights at school during their civic education classes.
- ***Coverage and targeting is problematic (inclusion and exclusion errors):*** Not all children who are poor and need support receive help. Some children are coming from families that are not struggling as hard as other families but they receive support while others do not.
- ***Inequality issues:*** When children do receive help, some receive more than others. In some cases, the same occurs within a family itself: children need to wait their turn for clothing, toys, ice cream, trips, etc.
- ***Adequacy:*** Financial support from the government is helping children and their families to overcome financial difficulties. It is important that the government continues to help poor families. But there is a widespread perception that benefit size is modest and not sufficient: "Benefits help us do 60% of what we want to do." This is especially worrying where there are members of the family with health issues, or families with many children in the family. Parents do not always find work. If they do, they must cover additional transportation costs or, in more dire cases, seek work abroad.
- ***Benefits are used wisely:*** Parents use the money they receive to provide a better life for their children.
- ***Discrimination and social exclusion:*** At times, children are confronted with bullying at school because their situation is less privileged than that of their peers. There is stigma associated with receipt of Social Aid, in particular from classmates. Children also noted that some parents become upset because their families cannot keep up with requirements for buying school supplies, contributing to school repairs and the classroom fund, paying for the rental of textbooks, and purchasing supplementary materials. However, teachers are supportive, showing a positive attitude and understanding.
- ***Additional programs:*** Free meals that children in grades 1-4 receive at school are helpful and children suggested that this programme be expanded to grades 5-9 (whose students must pay a fee for school meals).

The children were very open to sharing their opinions and perspectives, and to providing ideas for system improvement. Their suggestions are included in Appendix 5. Overall, there was an optimistic attitude, and hope that changes will allow individuals to reach their full potential, without discrimination.

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5. CONCLUSIONS AND RECOMMENDATIONS

This study sought to determine the current status of Moldova's cash-based social protection system and its impact on child poverty, as well as identify key recommendations that might help make the current social protection system more child-sensitive. In the past two decades, Moldova has shown significant initiative in addressing its poverty issues. The country has strengthened its legislative framework, dedicated resources to programme development and implementation, and increased its monitoring and oversight and streamlining efforts.

However, much work remains to be done. The country's main social protection programmes are not achieving the desired impact on children and poverty, as shown by quantitative data as well as the multiple key informant interviews and focus group discussions held in five districts as part of this study.

One key obstacle voiced by most of the participants (including professionals and beneficiaries), was the legacy of passively waiting for the State to intervene and ensure one's livelihood or improve the social protection system. Many commented that this mentality still prevails and has often shaped the overall design of the social protection system, as well as its impact. It can be observed in the reliance on centralized planning and decision-making, assistance-driven services, and programmes designed and funded to address issues rather than prevent them from occurring or escalating. Effective social protection policy-making and programming should place more emphasis on the empowerment of individuals, while finding the most feasible solutions to alleviate and diminish the impact of structural issues (economic/labour market/etc.) on vulnerable households.

The study also highlighted a strong sentiment on the part of participants that the existing social protection system in Moldova addresses particular risks and vulnerabilities rather than tackling children's poverty from a multidimensional perspective. Specialists participating in focus groups expressed this idea as such: *"on paper, the social protection system appears perfect, but the reality is very different because there are so many bumps in the implementation process."*

A clearer vision for the improvement of the system as a whole, in combination with a more integrated approach to cash benefits (taking into account active labour market policies, child care, the quality of health and education, etc.) could provide a robust foundation for reducing inequality, social exclusion and poverty, while enhancing sustainability. Below are highlighted the main findings of this study and key recommendations:

- ***Recruitment and retention of qualified child and social protection staff.*** At the local level, the Social Assistance and Family Protection Departments (SAFPD) recruit frontline staff that are accepted in their communities but may lack specialized training and expertise. Although data regarding the staff turnover rate was not available, professionals who participated in this study indicated that it is very high due to low salaries, limited professional development opportunities and growth, and overwhelming workloads. This issue may impact the quality of service, and may lead to heterogeneous interpretations and applications of the law.

- ***Use of innovation and strategic system transformation.*** The opportunities for administrative and service improvements through business process reengineering and IT solutions (including existing software) are not fully exploited. The current functions are prone to duplication, bureaucracy, lack of coordination and fragmentation, impacting effective implementation of cash-based programmes and the granularity of reporting (for example, data on the number of cash-based programmes granted to an individual/family to determine their aggregate impact on poverty).
- ***Connection between budget planning and community needs.*** The central and local governmental institutions (i.e. MHLSP, NSIH, local county districts, etc.) can account for the funds spent on social protection. However, there does not appear to be a well-developed strategy for ensuring efficient and effective use of resources (i.e. the Republican Fund and Local Social Support Funds to Population that finance the Material Aid programme).
- ***Integration with other policies.*** There are weak links between social protection and education, early child development, health and active labour market policies. It is imperative that all these dimensions become interconnected at both policy and implementation levels, in order to assist beneficiaries of social protection programmes to build resilience and work towards social integration and financial independence. The current social protection framework is designed to address generic scenarios related to poverty or loss of parental care. Special situations, however, are dealt with in silos, and do not currently integrate all sectors to maximize the use of available resources. The framework should be modernized to allow for flexibility. In the case of children with disabilities, for example, there is weak integration between resources and services (i.e. lack of respite services to support and complement home care of disabled children; lack of integration between cash-benefits for children with disabilities and building their resilience and employability to support an independent life). This situation impedes the empowerment of young people.
- ***Equity of cash-benefits programmes.*** Similarly vulnerable children and families benefit differently from different levels of benefits established within the same programme category:
 - *Allowances for Families with Children:* The benefits are paid for different periods of time (2 years for uninsured people, and 3 years for insured)
 - *Allowances for Children without Parental Care:* Different benefits and different amounts are paid for children without parental care in foster care, family-type group homes, under guardianship/trusteeship or adopted.
 - *Material Aid:* There are inconsistent practices in decision-making on benefits to be awarded from one community to another (i.e. insufficient assessment criteria, overlapping priorities, lack of priority-setting criteria applicable to screening and decision-making, benefit size fully disconnected from priorities and outcomes, etc.)
 - *Allowances for vulnerable children living with their biological family, versus those without parental care* (educational funds are given at the age of 18 only for children in foster care and group homes; funds to obtain an ID are only available to children in

- group homes; there is a discrepancy in the daily amount provided for food between children in foster homes and children in group homes).
- *Benefits aimed at children are provided upon request, instead of by default* (Childbirth Grant, allowances for childcare and disability), thereby limiting access for some children.
 - **Transparency of cash-based social protection programmes.** Potential beneficiaries do not clearly understand eligibility criteria and calculation formulas used to establish the benefit size, decision-making processes, and expectations. There is also a limited understanding of the potential long-term benefits of these programmes, which can enable beneficiaries to return to the work force without falling into poverty, or to rise out of poverty.
 - **Accountability and Oversight:** Monitoring and evaluation frameworks exist at the policy and institutional levels and focus on the legal compliance of programme implementation. These mechanisms are efficient at monitoring financial data and other quantitative variables. Less time and resources are dedicated to analysing qualitative aspects of the implemented programmes, however. Beneficiaries are often not included in stakeholder committees or other decision-making mechanisms. Grievance mechanisms do not complete the feedback loop so they fail to prompt system transformation, leading to the reoccurrence of issues. This is of concern because lacking information on the beneficiaries behind the statistics means missing opportunities for improvement and runs counter to taking a participatory approach.

Based on the themes articulated above, several recommendations emerge for transforming Moldova's social protection architecture into a child-sensitive system that is accessible, responsive, adequate, inclusive, fiscally sustainable, and accountable for the promotion and respect of children's rights. Key recommendations and tactical options are organized in the five areas outlined in the CBAM:

1. Governance and Institutional Capacity

Recommendations	Tactical Options
1.1. Increase prioritization of social protection of children in national budgetary processes to have greater positive impacts on children welfare by: a) promoting shared responsibilities, b) ensuring equitable access of all children to benefits and other resources, and c) providing support for the realization of children's rights	<ul style="list-style-type: none"> a) Include Code 9006 - <i>Social Protection of Families and Children</i> - under the portfolio of other government entities (i.e. Ministry of Education, Culture and Research, Ministry of Justice, Inter-ethnic Relations Office, Agency of Tourism, Ministry of Economy and Infrastructure). b) Amend the regulatory framework to: <ul style="list-style-type: none"> ○ Increase the length of childcare allowances for uninsured children from 2 to 3 years. ○ Harmonize cash benefits for children in alternative care (both in terms of variety and benefit levels) to reduce the disincentives and increase the attractiveness of foster care settings. ○ Ensure complementarity between child benefits, Allowances for Disabled Children, Social Aid, and Material Aid to maximize impact. ○ Consolidate Social Aid and Local Funds for Social Support to Population. ○ Consolidate and enhance grievance/complaints mechanisms.

1.2. Strengthen human resources capacity	<ul style="list-style-type: none"> a) Allocate the necessary funding to ensure that child protection and social protection vacancies are staffed with qualified professionals: <ul style="list-style-type: none"> ○ Ensure competitive salaries. b) Support staff development through: <ul style="list-style-type: none"> ○ Ongoing training and job shadowing. ○ Sharing of know-how (i.e. professional networks workshops, seminars, conferences, newsletters). ○ Establishment of an online platform (i.e. <i>Knowledge, Information and Expertise Hubs</i>) to provide professional guidance and help navigate through changes and difficult decisions; stimulate innovation, and develop expertise. ○ Provide access to professional supervision and peer support to ensure operational guidance (i.e. approach to complex case management, available assistance with contentious issues and problem solving, information dissemination).
1.3. Develop a comprehensive multi-sectorial, multi-year implementation strategy (<i>Social Protection Agenda for Transformation</i>) to support the development of an integrated system with enhanced capacity to address holistically the complexity of poverty and child poverty in Moldova	<ul style="list-style-type: none"> a) Develop a strategy that articulates country's vision for the next decade and identifies SMART goals, targets, outcomes, roles, responsibilities, costs, timelines, risks and mitigation strategies, performance measurement plan. b) Establish a cross-ministerial working group responsible for the development and implementation of the transformation agenda. c) Consolidate lessons learned from studies issued in the past five years by MHLSP, UNICEF, World Bank, UNDP, ILO, and NGOs (i.e. Every Child, CCF Moldova, Concordia, etc.) to inform the development of the strategy. d) Estimate the cost of implementing the social protection strategy, establish a multi-year funding framework and mobilize the financing to support it.
1.4. Improve coordination in policy-making, communication, effective programming, and programme implementation	<ul style="list-style-type: none"> a) MHLSP to engage with other government entities (i.e. Ministry of Education, Culture and Research, Ministry of Internal Affairs, Ministry of Justice, Ministry of Finance, Ministry of Economy and Infrastructure, Inter-ethnic Relations Office, Agency of Tourism) to: <ul style="list-style-type: none"> ○ Identify gaps and barriers leading to inequalities in the realization of children's rights. ○ Prioritize areas that can be addressed quickly with the available funding (for example, redirection of the funding available through the Republican Funds and Local Social Funding currently used for the Material Aid programme). b) Develop short-term action plans where measures (such as enhanced access for children to sports activities, summer camps, nutritional programmes delivered through schools, school supplies, free tutoring at schools, etc.) have clear lines of accountability. c) Develop an integrated and proactive stakeholder communication strategy that explains the programmes and their goals in a manner adapted to each audience.
1.5. Strengthen Monitoring, Evaluation and Reporting (MER) capacity	<ul style="list-style-type: none"> a) Create Regional Expertise Hubs (i.e. North, South, and Centre) to support effective programming, monitoring and evaluation; provide logistical support and expertise for ongoing staff development programmes, provide help in navigating through legislative and policy changes; develop expertise in funding mobilization (e.g. accessing EU funding). Staff this structure with "<i>Issue Coordinators</i>" to ensure consistent and enhanced problem-solving and continuous improvement through the integration of feedback from community into current practices, policies, procedures, and new legislation. b) Ensure staff can access specialized training. c) Set customized key performance indicators (KPI) – system wide, programme- and locality-specific – to reflect current realities. d) Conduct regular programme evaluations and operational reviews of all SAFPDs on a rotational basis.

	e) Develop and implement programme improvement plans (PIP) and document progress.
1.6. Enhance the structure and organization of the <i>Information Management System</i> to improve monitoring, transparency and accountability	<p>a) Fully capacitate the Social Assistance Automated Information System (SAAIS) and establish it as single point for data entry and storage of data regarding beneficiaries of social protection programmes.</p> <p>b) Develop a plan to integrate data sources to ensure proper tracking of individual beneficiaries, monitoring of progress, impact/outcomes, duplication, and levels of complementarity.</p> <p>c) Incorporate into the Households Budget Survey a comprehensive social protection module with proper sampling of cash-benefit programme beneficiaries to support robust data collection and reporting by quintiles.</p> <p>d) Enhance the current information systems with the development of business intelligence tools to inform investment decisions and policy-making.</p>

2. *Coherence and Integration*

Recommendations	Tactical Options
<p>2.1. Design cash transfer programmes administered in a cross-sectoral manner</p> <p>These programmes should be delivered directly to children through existing service-delivery structures (i.e. schools, health care facilities, town halls)</p>	<p>Schools can be an interface between children who need assistance and available resources and services (e.g. speech therapy, immunizations, crime prevention, etc.)</p> <p>Cash-based programmes can include: meal programmes, school supplies, clothing, and summer camps - all of which can be administered through schools or local authorities</p> <p>Early child development initiatives should include free childcare options</p> <p>Free or subsidized access to extra-curricular clubs (music, dance, sports)</p> <p>Engage with corporate and NGO partners to mobilize additional resources (both financial and services) to ensure other forms of support: free transportation for children to medical centres where specialized care is available, respite services for disabled children, etc.</p>
<p>2.2. Stimulate cross-sectoral and intra-sectoral collaboration through working groups, collaborative initiatives to address cross-cutting issues, and enhanced stakeholder engagement</p>	<p>Diversify the membership of local committees to include beneficiaries, and other community leaders (e.g. police, medical doctors, priests).</p> <p>Enhance referral mechanisms so as to strengthen the preventative roles of professionals/structures in the health and education sectors. This referral system can include incident reports or information received from any source (e.g. a child, a community member, the police, etc.), and through any method (e.g. by phone, in person, in writing)</p> <p>Create multidisciplinary teams (social and medical care providers) that can ensure that children receive appropriate care and that they can access free services</p>

	provided by the system that would be out of reach otherwise due to distance, waiting lists and non-subsidized costs.
2.3. Undertake relevant analyses across sectors to understand status quo and where overlaps/opportunities for rationalization exist, and propose a policy framework for supporting the transition of beneficiaries to productive activities	<p>The joining of the Ministry of Labor, Social Protection and Family and the Ministry of Health in 2017 provides an opportunity for social protection integration with the health sector.</p> <p>Research health insurance and families' catastrophic out-of-pocket health expenditures.</p> <p>Facilitate consultations with staff from the two sectors to identify opportunities for synergies.</p> <p>In collaboration with the Ministry of Economy, the Ministry of Agriculture and Food Industry, and the Ministry of Education, Culture and Research, explore: labour market activation initiatives and their coordination with social protection, such as: activation of women and vulnerable households through micro-loan programmes for vulnerable people, and start-ups in rural areas; affordable and accessible childcare programmes (afterschool, subsidized care).</p>

3. Targeting and Coverage

Recommendations	Tactical Options
3.1. Adapt targeting approaches based on practical considerations	<p>b) Continue to make periodic refinements to programmes' eligibility criteria to ensure that they correlate with the current reality in the country. Undertake studies to understand the impact of mixed targeting methods and inform improvements:</p> <ul style="list-style-type: none"> ○ Examine linkages between geographical areas and poverty rates; issues affecting the child population in certain areas (i.e. children left behind, homelessness, runaway, etc.); rural vs. urban characteristics of poverty; and socio-economic deprivation levels. ○ Investigate the extent to which asset-based wealth indices correlate with other indicators of poverty (i.e. household consumption expenditure data), and are applicable to child poverty (i.e. by using a multidimensional child poverty measure). ○ Explore the impact and relationship between cash benefits and child outcomes. <p>c) Revise the calculation of the poverty rate and the subsistence minimum to reach alignment with international standards and current national realities.</p> <p>d) Introduce mechanisms that would increase access to social benefits for families with many children</p> <ul style="list-style-type: none"> ○ Universal access to Social Aid for families with more than four children; ○ Benefits for families with children that no longer qualify for Social Aid should be phased out gradually ○ Vulnerable NEET youth remain in receipt of Social Aid benefit until they turn 18 years old. ○ Children with disabilities, children whose parents are living with a disability/chronic illness, families with more than 4 children, children raised by grandparents, and NEET youth should be the categories used as initial screening categories for Social Aid. <p>e) Allow for some degree of local decision-making (i.e. the local professionals, in collaboration with SAFPDs, must have the ability to override computer-generated decisions whenever deemed necessary based on evidence)</p>

3.2 Organize sensitization and public awareness campaigns to increase access to information regarding cash benefits (e.g. their goal and rationale, eligibility, application, how these program work, and requirements).	<ul style="list-style-type: none"> a) Continue to expand outreach activities initiated by the SAFPDs, District Councils and local public authorities to allow community members to share their concerns and ideas and bring forward specific issues. b) Identify communication needs and develop user-friendly information materials that will help potential applicants understand benefits, rights, obligations and decisions. Distribute these through multiple dissemination channels (e.g. workplace, town halls, schools, medical facilities, postal offices, etc.). c) Establish a National Welfare Hotline where the public can obtain information about cash benefits, bring forward issues/complaints, and report potential fraud or corruption in social assistance programmes.
3.3. Implement a referral mechanism that brings together relevant stakeholders	<ul style="list-style-type: none"> a) Support the early identification of vulnerable children and youth through an enhanced referral system <ul style="list-style-type: none"> o Ensure that there is a multi-disciplinary, integrated approach to referrals by engaging schools, local service providers (including non-governmental organizations), SAFPDs, local police, local authorities (i.e. mayor's office, social assistants), health professionals, church staff, and unions, etc.
3.4. Streamline application processes	<ul style="list-style-type: none"> a) Grant very vulnerable people the status of temporary eligibility for Social Aid based on social investigation's results to allow them to finalize official paperwork (e.g. rental contracts, obtaining identification and residency paperwork, health status certificates, etc.)

4. Adequacy

Recommendations	Tactical Options
4.1. Harmonize existing benefits to eliminate inequalities	<ul style="list-style-type: none"> a) Provide homogenous benefits to children in all types of care, in particular: <ul style="list-style-type: none"> o Funds received at 18, upon graduation of post-secondary education o Funds for ID documents and licenses b) Retain the category of "low-income families with children" as the main selection criterion for Material Aid
4.2. Develop a phased approach to bringing the benefit level of different cash benefits closer to or in line with the new level(s) of subsistence minimum.	<ul style="list-style-type: none"> a) Develop feasibility studies for possible new cash benefits to address the special circumstances of particularly vulnerable groups, such as: <ul style="list-style-type: none"> o NEET Cash Benefit Programme designed for youth not in education, employment or training b) Unify and review the poverty thresholds (both absolute and extreme) and the subsistence minimum to reflect actual costs of living. c) Develop a costed action plan focused on the reduction of child poverty that is led by the MHLSP to coordinate actions across all sectors and actors (ECD, health, education, economy, youth) <ul style="list-style-type: none"> o Raise the Childcare Allowance benefit level for uninsured children o Widen the age of eligibility for Childcare Allowances for uninsured children from 0-2 to 0-3 years-old to demonstrate equity for all children o Make Social Aid universal for all households with 4+ children o Institute an income-disregard for families with children participating in Social Aid

5. Fiscal and Financial Sustainability

Recommendations	Tactical Options
5.1. Assess the current funding model of the social protection sector and reconsider costs through a bottom-up (needs-based)	<ul style="list-style-type: none"> a) Undertake a costing and budgeting analysis to ascertain the current and recent levels of expenditure on cash benefits for children and families (across various ministries): <ul style="list-style-type: none"> o Provide a detailed breakdown of social sector spending, itemising the resources going into each specific programme (i.e. additional data

approach to budgeting to mitigate the chronic deficit in this sector	<p>disaggregation by insured/uninsured status, type of alternative care, type of services) to document programme cost efficiency.</p> <ul style="list-style-type: none"> ○ Include Code 9006 - Social Protection of Families and Children - under the portfolio of other government entities (e.g. Ministry of Education, Culture and Research, Ministry of Justice, Inter-ethnic Relations Office, Agency of Tourism, Ministry of Economy and Infrastructure). ○ Develop a phased approach to bringing the benefit level of cash benefits closer to, or in line with <i>new</i> poverty thresholds. <p>b) Shift focus from funding based primarily on historical expenditures towards allocating funds based on the unique needs of each district, considering demographic profiles, socio-economic landscapes, child poverty levels and demand for social protection.</p> <p>c) Consider programme-based budgeting linked to outcomes and performance targets.</p>
5.2. Assess whether budget allocations reflect equitable distribution of resources relative to regional levels of poverty, and project the cost of non-action	<p>a) Develop a costed action plan focused on the reduction of child poverty that is led by the MHLSP but serves to coordinate actions across multiple dimensions (ECD, health, education, economy, youth)</p> <p>b) Simulate the cost and impact of the proposed policy modifications (and any combinations of these) with the potential to improve social protection for children:</p> <ul style="list-style-type: none"> ○ Raising of the Childcare Allowance benefit level for uninsured children ○ Raising the age of eligibility for Childcare allowances for uninsured children from 0-2 to 0-3 years ○ Making Social Aid universal for all households with 4+ children ○ Instituting an income-disregard for families with children participating in Social Aid ○ Providing homogenous benefits to vulnerable children regardless of their status (in a vulnerable biological family, or in the alternative care settings)

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