



REPUBLIC OF MOLDOVA

POVERTY REDUCTION AND GROWTH STRATEGY

February 2023

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NATIONAL DEVELOPMENT STRATEGY

"European Moldova 2030"

1. Introduction

The Republic of Moldova is continuously transforming, directly affected by regional and global events: the rise in the cost of energy and food products, the security crisis in the region created by the aggression of the Russian Federation in Ukraine, the reformation of value chains and even climate change affecting agricultural production. In this extremely difficult context, in addition to the short-term interventions needed to cope with the current crises, the Government has proposed to define a medium- and long-term development vision, in order to strengthen our resilience to future crises and create the basis for a sustainable and inclusive development of the country.

The National Development Strategy "European Moldova 2030" (hereinafter – *NDS*) is a national document of strategic long-term vision, which indicates the directions of development of the country and of society and which adapts the priorities, objectives, indicators and targets of the international commitments assumed by the Republic of Moldova in the national context, especially the Association Agreement between the Republic of Moldova, on the one hand, and the European Union and the European Atomic Energy Community and their Member States, on the other hand (hereinafter referred to as *Republic of Moldova – European Union Association Agreement*) and the commitments deriving from the status of candidate country for accession to the European Union, including the Agenda for Sustainable Development 2030. In the NDS, the Government sets forth national priorities, and its structure and elements are the basis for developing the national strategic planning framework, highlighting the vision, priorities, objectives and directions of intervention relevant in the long term.

The NDS proposes a human-centric development vision, based on the conclusion following the implementation of the previous National Development Strategy "Moldova 2020", according to which this strategic planning document must adopt a holistic approach to human development (in exchange for excessive centrality on narrow objectives of economic development). According to this vision, man is the beneficiary, not the resource or instrument of development, and development itself implies a tangible content to increase well-being.

Thus, the development objectives set by the NDS derive from the modern concept of quality of life and from the major problems identified at national level. In the development context of the Republic of Moldova, the most important dimensions of the quality of life are: income, living conditions, education, culture, health, social solidarity, respect for human rights, trust in government, trust in justice, human security and the quality of the environment. The objectives proposed in the NDS meet the stringent needs of society. The NDS draws a direct

link between welfare aspirations, on the one hand, and policies that will contribute to achieving these goals, on the other. The monitoring of progress and the assessment of the development impact of the NDS will be carried out through disaggregated statistical indicators, including Sustainable Development Goals.

Following the imperative of European integration, expressed directly through the implementation of the Association Agreement Between the Republic of Moldova and the European Union, the NDS adopts the concept used by the countries of the European Union to measure the quality of life of people in ten dimensions, the document having the strategic goal of increasing the quality of life. At the same time, the NDS is the contribution of the Republic of Moldova to the achievement of the Agenda for Sustainable Development 2030, adopted by the member countries of the United Nations in September 2015. Thus, the NDS transposes the targets, especially those considered accelerators of development, and the indicators of the 2030 Agenda, adjusted according to the national context of the Republic of Moldova.

The government is not the only agent of change in society, but it does have a key role of coordination, leadership, mobilization and inspiration for other social actors. The NDS will contribute to the realization of these functions, defining a series of priority interventions – regulatory, institutional, budgetary, investment, educational, which will have a direct positive impact on well-being and will contribute to unlocking people's potential in entrepreneurship, education, culture, productivity, etc.

The need for a visionary strategic planning document is determined by the provision of a single and coherent framework that is to anchor public policies. Moreover, it is accentuated by the new economic, demographic, social and security realities that the Republic of Moldova enters, as well as the entire region or even the whole world, in the context of the crises that have revealed numerous systemic development deficiencies. The COVID-19 pandemic, energy crises, accelerated price increases, recurrent droughts and floods, economic crises and, more recently, the security crisis caused by the military invasion of Ukraine by the Russian Federation – all these highlight the importance of a planning document that contributes both to a better adaptation to the new realities and to catalyze the development process by seizing opportunities and actively preventing risks.

Defining the contours of the desired future for the Republic of Moldova, the NDS will serve as a benchmark for all sectoral strategies and programs, both at national level, as well as at regional and local scale. Thus, the existing or ongoing sectoral public policy documents will be adapted to the NDS, reflecting the people-centered vision, their needs and aspirations. Major policy priorities will be reflected in national development plans, in the medium-term budgetary framework and in national public budgets during the planning period.

The NDS will guide the assistance of the development partners of the Republic of Moldova in relation to the national development priorities and will

ensure a better coordination of their projects and resources. The NDS will also serve as an important factor in mobilizing private resources, as well as creativity, ideas and projects of civil society organizations and the national scientific community, which will be oriented towards the priority sectors and areas for ensuring people's quality of life.

2. Analysis of the situation

2.1. International context

The contemporary world is constantly changing, the scale and intensity of the transformations sometimes exceeding the capacities and resources of countries, communities and people to cope with them and adapt. Taking into account the peculiarities and development context of the Republic of Moldova, some major trends can be highlighted that, through the persistence and scale at which they manifest themselves, will directly influence the short and medium-term evolution of the Republic of Moldova.

2.1.1. Worsening of military security in the region

With the military invasion of Ukraine by the Russian Federation on February 24, 2022, it became clear that military security must remain a strategic priority for the Republic of Moldova, at least because of the proximity to military actions, but also because of the Transnistrian problem, which is perceived as a source of instability for the country and for the region. That event has definitively dissipated the perception that military invasions can no longer be used as an instrument of pressure in international relations. Thus, by 2030, the Republic of Moldova is to restructure its national defense system, as well as the security system as a whole, by increasing public investments in the endowment of the national army, by participating in international missions and operations, by intensifying cooperation and exchange of experience on the defense route with strategic partners, by strengthening the civil protection system and other actions related to such, to be defined in the future national security strategy which is to be developed shortly and anchored in the NDS.

2.1.2. Persistence of climate change and associated natural hazards

All evidence shows that global climate change is primarily caused by human activities, which calls for a rethink of the interaction between humans and the surrounding world, by diminishing the footprint of human and economic activities on the environment. The increasing concentration of greenhouse gases in the atmosphere is causing global average temperatures to rise and local climatic fluctuations to become increasingly unpredictable. The global average temperature is about 1.1–1.2 degrees Celsius above pre-industrial levels, and the period between 2010–2020 was the warmest in the entire history of weather observations. Two-thirds of greenhouse gases go to carbon dioxide from burning fossil fuels. Another source of greenhouse gases is methane, the main component

of natural gas, responsible for about 25 % of gas emissions. Another greenhouse gas with a considerable negative impact on global warming is nitrogen oxide (oxides). The main source of these gases is the use of mineral nitrogen fertilizers, used irrationally in agricultural crops, contributing to the emanation of nitrogen oxides into the atmosphere. At the same time, mineral nitrogen fertilizers intensify the processes of mineralization of soil organic matter, emitting carbon dioxide into the atmosphere.

The increase in temperatures has conditioned the increase in the frequency of extreme natural phenomena, including droughts and floods. Climate change and its effects have highlighted the vulnerability of traditional production systems. Threatening to cause major ruptures in the way of life and organization of society, these changes require the identification of new strategies to adapt and moderate climate change. The European Union, the United States, China and a number of other countries, as well as an imposing number of large corporations, have pledged to achieve carbon neutrality by the 2050s and 2060s, including through the transition to renewable energy sources and the expansion of woodland. Investments have increased considerably in the development of a technology with disruptive potential – thermonuclear fusion, which promises to become an inexhaustible source of clean electricity in about 10 years.

2.1.3. Global economic and geopolitical changes

The world economy is in full transformation with the advancement of Asia as the world's largest trading region, fueling the growth of a mass consumption community and new corporations. The European energy crisis of 2021–2022 was also largely conditioned by the strong increase in energy demand from Asian countries. By the year 2030, China and India will account for 35 % of the world's population and 25 % of global GDP. On a planetary scale, non-OECD economies will account for about 55–60 % of global GDP. At the same time, Western societies will remain richer than Eastern countries in terms of per capita income. China is increasingly becoming a global economic superpower that will have to procure or secure global access to resources. This perspective explains the Chinese Belt and Road initiative – the new Silk Road, with China investing in the economic development and transport infrastructure of more than 130 countries. At the same time, a new ideological tendency is emerging to challenge the current world order and to promote an increasingly multipolar and clustered world, with the instruments of economic and financial pressure taking on a key role in this confrontation.

2.1.4. Changes in the industrial paradigm

With the acceleration, standardization and convergence of automation, engineering, energy and data storage capabilities, automated processing capabilities and artificial intelligence, modern industry is increasingly shifting to a production model based entirely on robots and automation. This trend risks

making irrelevant the advantages offered by cheap and lower to medium-skilled labor. The number of industrial robots increased 3-fold between 2000 and 2020, now reaching 2.3 million units. By the year 2030, the number of industrial robots will reach 20 million, which means that at least 10 % of jobs in the industrial sphere will be eliminated. Robotization, coupled with the lessons of the COVID-19 pandemic, will allow countries with industrial traditions to review their industrial strategies that were based on global technology chains and to transition from the offshoring strategy to that of reshoring, that is, to bring industrial production closer to the final assembly point. Recent trends suggest that countries with technology-backward industrial sectors are particularly vulnerable in relation to the robotic process – the rate of job elimination in such countries will be twice as high as in countries characterized by a skilled workforce. At the same time, given the intensification of the robotic process and the increase of the capabilities of artificial intelligence, it becomes imperative to create a competitive society based on knowledge, an objective that can be achieved through the development of scientific research, innovation and technological entrepreneurship.

2.1.5. Advancing the digital revolution

The global economy has become interconnected, and the COVID-19 pandemic has accelerated the trend of digitalization by several years. Raw and reused data have become an important resource for generating new goods and services and for increasing the efficiency of production processes, organizational decisions and human interactions. Over 90 % of the data currently available has been generated by humans, machines and technological processes in the last 2 years. In parallel, processing and analysis capacities have been substantially improved, including through machine learning algorithms and artificial intelligence. Almost 1 trillion objects are already interconnected and their number will increase exponentially by the year 2030. Over 90 % of transactions on global exchanges are already carried out by algorithms, without direct human intervention. Digital technologies have considerably facilitated the adaptation of mankind to the restrictions imposed by the COVID-19 pandemic and have demonstrated radically new possibilities of marketing, organization of education, provision of public services, etc. Digital technologies have penetrated sectors that were traditionally seen as more technologically backward, including agriculture, where digital solutions, combined with sensors and new telemetry methods, allow continuous monitoring of the state and phases of agricultural crops, animal health, the impact of drought, local weather conditions, etc.

2.1.6. Development of disruptive processes and materials

A true global revolution is occurring through research and technological development in the field of new processes and materials. The automotive, construction, manufacturing and agricultural industries are forced, through new

regulations and by changing consumer preferences, to integrate sustainable, environmentally friendly materials and components into their production technologies. Advances in materials science allow the creation of intelligent materials with programmable properties for a number of industrial and everyday applications. More and more startups are working on materials and products with various qualities, including thermo-, electro- and photochromism, piezoelectricity, superconductivity, multiferroicity, shape memorization, self-healing, self-cleaning, advanced filtration capabilities, etc. The proliferation of nanofibers, nanotubes, allotropes and other nanostructures outlines virtually infinite opportunities for added value generation in the electronics, energy, urban mobility, health and manufacturing sectors. 3D printers already have numerous applications in food, fashion, transportation, construction, health, education, museum and folk art. These multifunctional processes and materials cannot be developed without the sustainable development of fundamental research in the fields of physics, mathematics, chemistry and related disciplines.

2.1.7. Changes in the culture of work

The COVID-19 pandemic has greatly accelerated the trends of changing the work model. People have begun to place a much higher price on ethical, safe working conditions that allow for a better work balance between personal and professional life. At the same time, a very large number of employees, about 25 % according to global estimates, feel the need to change their occupation. In a post-COVID era, teleworking and virtual work sessions will become a normality: according to McKinsey estimates, between 20 and 25 % of employees in advanced and emerging economies could work between 3 and 5 days a week from home. The COVID-19 pandemic has imposed the acceleration of digitalization, especially in activities for which physical proximity was characteristic. Equally important, the mix of activities is part of an increasingly clear trend of accelerated growth of jobs that involve a high level of qualification and remuneration, in parallel with a growing gap between the wages for skilled and unskilled work.

2.1.8. Increasing global demographic pressure

The population of the planet has now exceeded 7.7 billion people, and by 2030 it will reach 8.5 billion. Population growth, coupled with increased disposable incomes, is accompanied by increased demand for resources and is putting increasing pressures on the environment and green systems. At the same time, important demographic changes are taking place in different regions: underdeveloped countries are characterized by high fertility rates and an increase in population numbers, and developed ones are facing the problem of an ageing population. The economies of developed countries will face an increasing shortage of labor, which will lead to an increase in the demand for external specialists and will intensify external pull factors for potential emigrants. Taking into account security risks, European countries will give preference to emigrants

from culturally proximate countries with a high integration capacity. Emigration and international labor mobility will progress further in the next 10 years.

2.1.9. Developing the civic consciousness of the new generation

Having access, practically, from the first years of life, to the Internet, to technologies and tools for portable communication and socialization, the generations born in the 21st century are characterized by a much higher level of technological education than the previous ones. This has left its mark on public attitudes that place greater emphasis on tolerance, human rights, social cohesion, fairness, inclusion, elimination of discrimination, more responsible use of resources, stopping and reinforcing global climate change. Today's youth exhibit less violent behavior and are less likely to take risks and deviant behaviors or abuse alcohol. They have much more complex expectations from governments and public authorities in general. With their maturity and entry into active economic life, these behavioral characteristics will have an impact on the culture of mass consumption, national and global politics, and corporate ethics.

2.1.10. Risks of new pandemics

The COVID-19 pandemic has highlighted both the vulnerability of the world to global public health crises and the much greater coordination and response capacities that the world has. Empirical research shows that, each year, the probability of a new pandemic of the magnitude of COVID-19 is 2.5–3.3 %, which means that in the next 25 years the probability of an equally serious pandemic is about 47–57 %. The poorest countries are also the most vulnerable to these new potential pandemics, they also have the least capacity for immediate and long-term response.

2.2. Respect for Human Rights

The human rights situation in the Republic of Moldova, although it has seen an improvement, remains a challenge for the central and local public administration authorities.

The government is dedicated to the process of promoting democratic reforms in order to build the rule of law, adjust the processes of implementation of national legislation and practices in the field of human rights to international standards and strive to honor the obligations and commitments assumed.

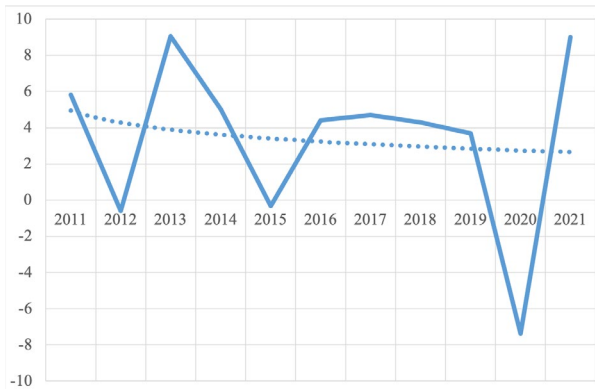
Processes have been initiated to strengthen the role of national human rights institutions, including by promoting related legislative changes and creating the institutional mechanism in the field of human rights.

2.3. People's income

Incomes are at the bottom of the pyramid of human needs, as they allow the purchase of goods and services for a decent living and the accumulation of life savings. An indispensable condition, albeit insufficient, for income formation

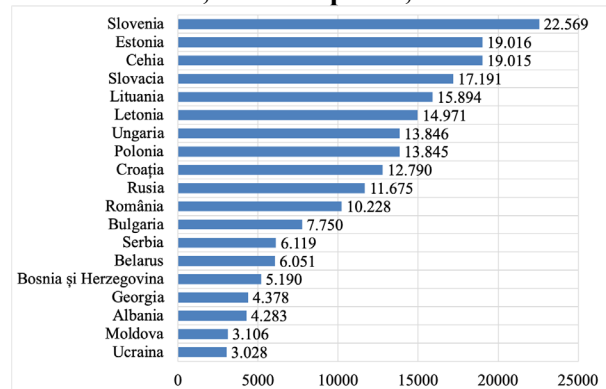
is economic growth. Moldova's economic growth performance has been suboptimal over the past few years. Between 2015 and 2021, the average annual GDP growth rate was about 3.1 %, slowing down compared to 2001–2010, when the indicator exceeded 5.0 %. Expressed in constant prices, GDP per capita increased from 2457 US dollars in 2015 to about 4921 US dollars in 2021 (according to World Bank data, <https://databank.worldbank.org>). This was insufficient for a visible convergence towards other central and eastern European states (the average of the countries of Central and Eastern Europe was calculated on the basis of the following group of states: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine), where GDP per capita hovered between 26 and 27 % of the average level in the region. This denotes the qualitative shortcomings of the current economic model, the vulnerability of the economy to shocks and the erosion of growth potential. The pronounced oscillation of actual GDP around the potential one (Figure 1) reflects various shocks, such as the droughts of 2003, 2007, 2009, 2012, 2015 and 2020, the global crisis of 2009, the banking crisis of 2015 and the COVID-19 pandemic of 2020. As a result, GDP per capita in the Republic of Moldova remained at one of the lowest levels in the Central and Eastern European group (Figure 2).

Figure 1. The growth rate of actual GDP and potential GDP, %



Source: Calculations based on data from the National Bureau of Statistics

Figure 2. GDP per capita in Central and Eastern Europe, average for 2015–2020, constant prices, US dollars

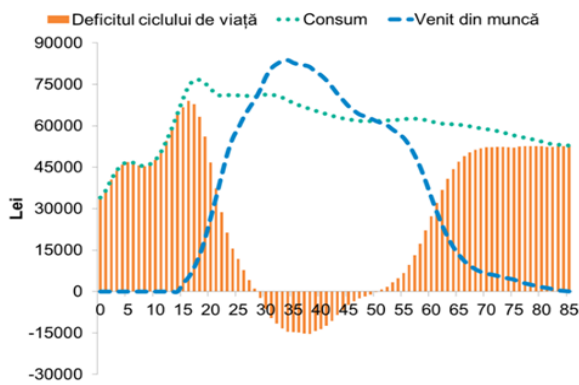


Source: World Bank data (databank.worldbank.org) calculations

Modest economic performance had obvious repercussions on people's incomes. Despite some weak tendencies to reduce the poverty rate in 2014–2019, income in the Republic of Moldova remained among the lowest in Central and Eastern Europe. The average net national income adjusted per capita for 2010–2019 constituted only 30 % of the average per region, with no clear convergence trends. The average wage is only the fifth largest share of the central and eastern European average, as is labor productivity. As a result, people in the Republic of Moldova accumulate enormous life cycle deficits, consuming more than they earn

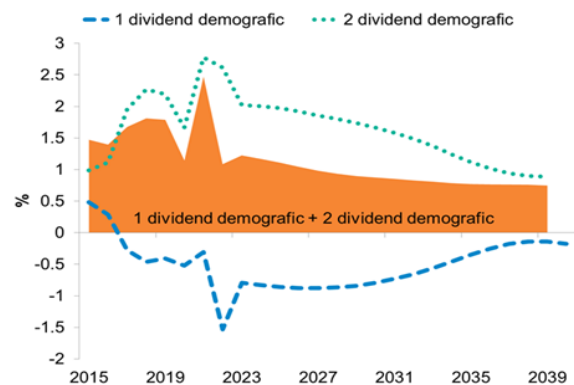
(Figure 3). The surplus of the life cycle is accumulated for only 21 years of economically active life, a much shorter period compared to other countries. Annually, deficits of tens of billions of lei accumulate: 42 billion lei for women and 18 billion lei for men, according to estimates for 2018. They put pressure on the public budget, with deficits being financed through social transfers, especially for the elderly. Ultimately, the life-cycle deficit is a burden on the entire economic system, since the share of those who generate gross value added in the economy is relatively small and constantly decreasing. While the Republic of Moldova has lost the opportunity to capitalize on the first economic dividend, there is still the opportunity to use the second demographic dividend (Figure 4), with an annual contribution to GDP of 1.64 % per capita.

Figure 3. Life cycle deficit



Source: United Nations Population Fund (UNFPA) – Moldova

Figure 4. The aggregate effect of demographic dividends



Source: United Nations Population Fund (UNFPA) – Moldova

In addition to the low level of revenue, there is also another problem with the sustainability of revenues. In recent years, the share of social benefits in disposable income has increased, reaching 19 % in 2020, and the share of remittances – to 13 %. However, remittances are likely to decrease as the families of Moldovan emigrants are reunited in the host countries. Social benefits cannot be seen as sustainable income, because their essential function is to reduce poverty, and in the current budgetary and demographic circumstances they are rather a source of risk. At the same time, income from individual economic activities, both agricultural and non-agricultural, is relatively low: 8.3 % and 6.3 % respectively in the total revenue in 2020. For comparison, in 2010, income from individual agricultural activity constituted 9.8 % of total income, and from individual non-agricultural activity – 6.8 %.

Low income levels and increased risks of poverty are due to limited economic opportunities. The Republic of Moldova registers one of the lowest employment rates in Central and Eastern Europe (39 % in 2020 and about 42–43 % in 2021). In urban areas, the employment rate of men with at least one child is 76.0 %, while that of women – 37.6 %, the gap being 38.4 %. In rural areas, the

gap between men and women is lower, constituting 21.1 %, the employment rate of men is 58.1 %, and that of women – 37.0 %.

In the Republic of Moldova, the low unemployment rate (3.2 % in 2021) masks the extremely low level of activity and employment. Only 39.8 % of the population was employed in 2021 (in the European Union – over 65 % on average). Inactivity rates are twice as high as those recorded in the European Union, especially for young people who do not have a job, and are not in education or training, known as NEET. The NEET rate of young people aged between 15 and 29 in the Republic of Moldova reached 26.4 % in 2021 (in the European Union – 13.1 % in 2021). Young women predominate among NEETs in Moldova, with over 60 % in total. In combination with demographic factors, low fertility rates and migration abroad, the share of the working-age population will decrease even further, contributing to the high dependency rate on and pressure on the social protection system.

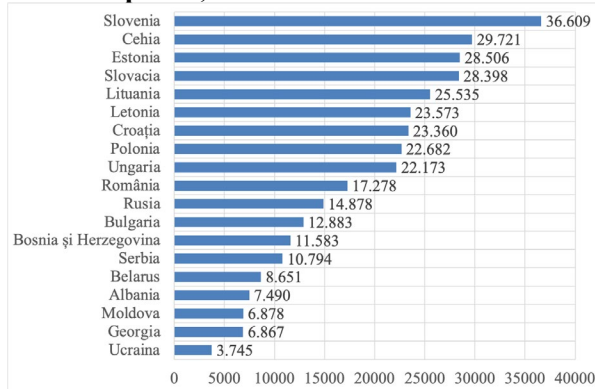
The structure of employment reveals that, for the most part, workers are concentrated in agriculture (21.5 % of total jobs) (National Bureau of Statistics), as well as in public administration, education and social assistance (22.9 %). Young workers (15–24 years old) are employed more often in trade, hotels and restaurants (27.7 % of the total), industry (17.5 %) and agriculture (20.9 %). In recent years, the distribution of employment by occupational category has shifted towards medium- and high-skilled occupations and has seen a decline in low-skilled ones. In 2021, medium-skilled occupations (categories 4–8 of the International Standard Classification of Occupations, ISCO 2008) accounted for more than half of the total (55.0 %), while elementary occupations accounted for only 13.5 %.

Another factor is the low level of labor productivity: the gross value added generated by an employed person oscillates around 30–40 % of the average of the same indicator in central and eastern European countries, one of the lowest levels in the region (Figure 5). This denotes the low technological complexity of Moldovan firms and their limited capacities to generate added value.

Gross capital formation, relative to population numbers, is one of the lowest in the region (Figure 6). The causes of this state of affairs are complex. On the one hand, the Republic of Moldova has made a series of important progresses in terms of the quality of the regulatory framework for entrepreneurial activity, which propelled the country in the "Doing Business" rating up to position 48, according to the 2020 report. On the other hand, a number of fundamental constraints persisted. According to the Global Competitiveness Reports (<https://weforum.org/>), which is based on perceptions among business people, over the last decade, the most important constraints in conducting business have been related to corruption, policy instability and political instability. The shortage of workforce with relevant skills is gradually becoming an increasingly significant barrier to large investors or the expansion of those present on the market. There are a number of objective constraints related to the limited market

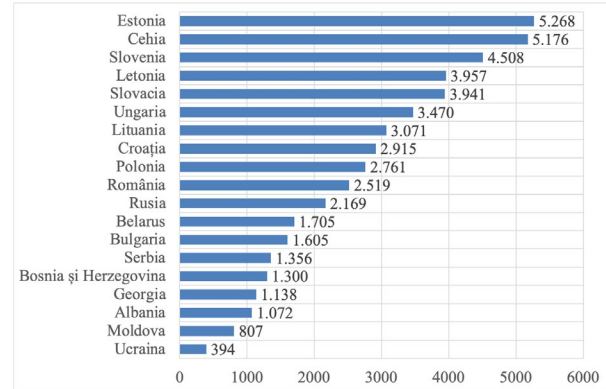
as well. The impact of the small internal market is amplified by the high costs in carrying out export-import operations, caused by bureaucracy, corruption and regulatory uncertainties associated with these transactions.

Figure 5. Ratio of gross value added and number of persons employed, average for 2015–2020, constant prices, USD



Source: World Bank data (databank.worldbank.org) calculations

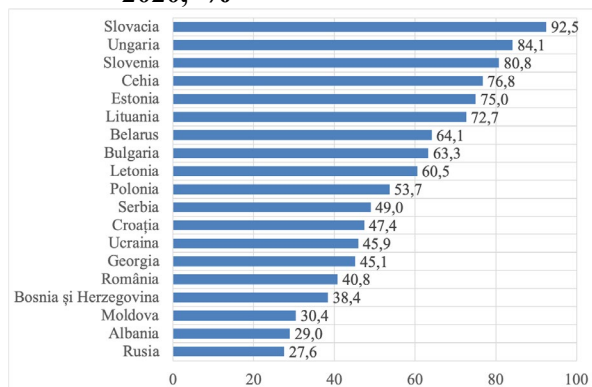
Figure 6. Gross capital formation relative to population number, average for 2015–2020, constant prices, US dollars



Source: World Bank data (databank.worldbank.org) calculations

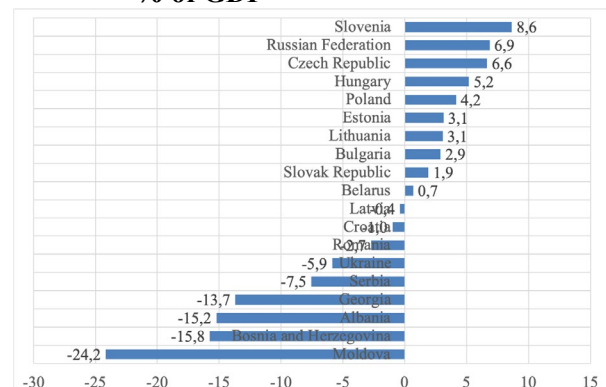
The combination of unfavorable regulatory and institutional factors has undermined the country's ability to tap on its export potential. The share of exports of goods and services to GDP is one of the lowest in Central and Eastern Europe (Figure 7), and the ratio of this indicator to the average of the corresponding indicator in these countries decreased from 56 % in 2010–2015 to 50 % in 2016–2020. The low level of the country's external competitiveness is also confirmed by the level of Moldova's trade deficit, which is about a quarter of the GDP, a record for the region (Figure 8).

Figure 7. Share of exports of goods and services in GDP, average for 2015–2020, %



Source: Calculations based on World Bank data (databank.worldbank.org)

Figure 8. Deficit of trade in goods and services, average for 2015–2020, % of GDP



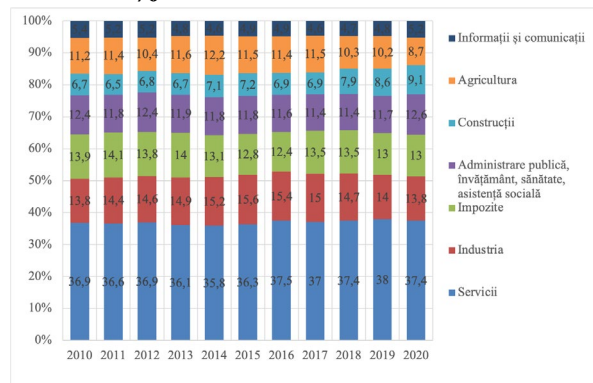
Source: Calculations based on World Bank data (databank.worldbank.org)

Low productivity and low export capacities are also reflected in the structure of the national economy. The analysis of the structure of GDP by resources shows that the largest share is held by the category of "other services", which, together with trade services, in recent years has been relatively constant, reaching 54.1 % of GDP in 2020 (Figure 9). These are followed by the industrial sector, which comprises the extractive industry, processing and the energy sector. The share of the industrial sector was 13.1 % in 2020, showing a gradual decrease from 2015. The so low share of industry reveals the limited ability of the economy to produce marketable goods. A large part of the services are oriented towards the local market, even if there are competitive advantages that allow a better capitalization of the exports of services.

Another vulnerability of the Moldovan economy is revealed by the situation of the agricultural sector, in which the fifth part of the labor force operates, but which holds a disproportionately small share in GDP (9.4 % in 2020). These indicators show low productivity and competitiveness in the sector.

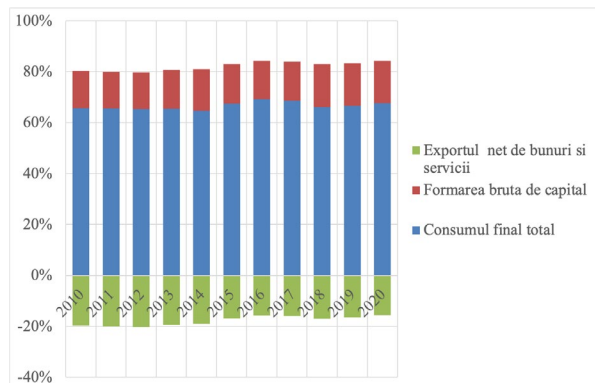
The structure of GDP according to its use reflects an economic model based on the consumption of imported products covered (Figure 10). According to data for 2020, the final consumption of households is over 81.2 % of GDP, and almost 51.4 % of GDP is represented by imports, covered by exports only in a proportion of 54.4 %.

Figure 9. Structure of GDP by resources, %



Source: Calculations based on data from the National Bureau of Statistics

Figure 10. GDP structure by use, %

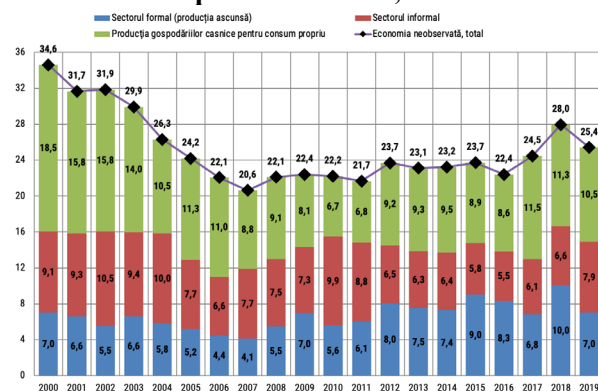


Source: Calculations based on data from the National Bureau of Statistics

A major problem affecting labor productivity, competitiveness, public revenue and the redistribution of the value generated in the economy is related to the high prevalence of the informal economy, which accounts for a quarter of the economy, according to data from the National Bureau of Statistics. Of concern is the rapid expansion, in recent years, of hidden production in the formal sector (Figure 11). This is the most problematic component of the informal economy, as it involves tax evasion. This has also caused the greatest repercussions on the public finance economy and system. In the period between 2015–2020, the fiscal losses generated by the informal economy increased from 8.9 billion lei to 15

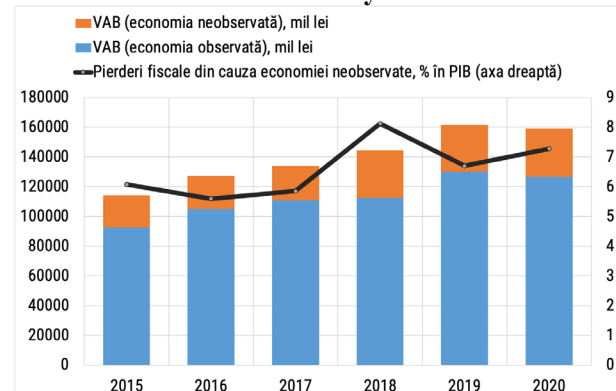
billion lei annually (Figure 12) ("The phenomenon of economy and informal employment in the context of the COVID-19 pandemic", UNDP Moldova and Expert-Grup, 2021, <https://expert-grup.org/media/k2/attachments/Raport20UNDP20Rom20neformal.pdf>). Relative to GDP, these losses experienced an upward trend (with certain episodes of moderate reduction in 2016–2017 and more pronounced increases in 2018 and 2020), increasing from 6.1 % in 2015 to 7.3 % in 2020. A similar dynamic was presented by the share of the informal economy in the total gross value added: from 18.8 % in 2015 to 20.3 % in 2020. Tax losses varied around 25 % of tax revenues ("The phenomenon of economy and informal employment in the context of the COVID-19 pandemic", UNDP Moldova and Expert-Grup, 2021, <https://expert-grup.org/media/k2/attachments/Raport20UNDP20Rom20neformal.pdf>).

Figure 11. Share of informal economy components in GDP, %



Source: Calculations based on data from the National Bureau of Statistics

Figure 12. Dynamics of losses due to the informal economy



Source: Calculations based on data from the National Bureau of Statistics

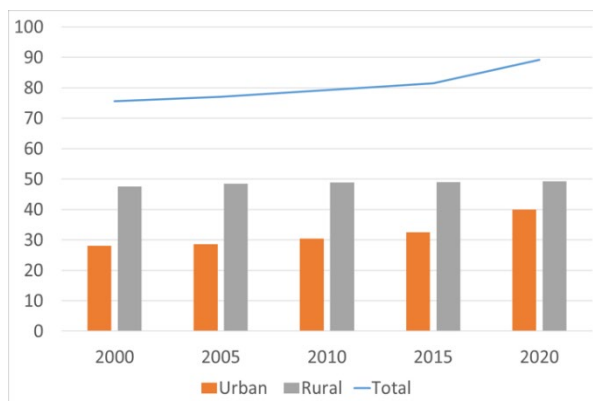
In addition to budget losses, the economy and informal employment involve losses of productivity and, by extension, of revenue. Overall, labor productivity in the formal economy is higher than in the informal economy, mainly explained by the lower competitiveness of informal activities, as well as by the concentration of informal practices in low-productivity sectors (agriculture). However, a more detailed analysis shows that the productivity specific to informal employment in the formal sector is higher compared to the rest of the forms of employment, including formal ones. Thus, employers in the formal sector have the motivation to maintain informal employment in order to extract benefits and distort competition (for example, by offering higher net salaries to attract more qualified and productive employees) ("The phenomenon of economy and informal employment in the context of the COVID-19 pandemic", UNDP Moldova and Expert-Grup, 2021, <https://expert-grup.org/media/k2/attachments/Raport20UNDP20Rom20neformal.pdf>).

One way to prevent increased vulnerabilities and precariousness, including in areas related to the future of work, to prevent an increase in income inequality, to regulate industrial relations, and to ensure inclusive and effective governance of the labor market, is to strengthen institutions of social dialogue. The tripartite social dialogue between the Government, employers' associations and trade unions of the Republic of Moldova continues to have certain specific aspects that need further improvement in order to align the national legislation with the norms and standards of the European Union in general, and in accordance with the Association Agreement between the Republic of Moldova and the European Union, in particular.

2.4. Infrastructure and living conditions

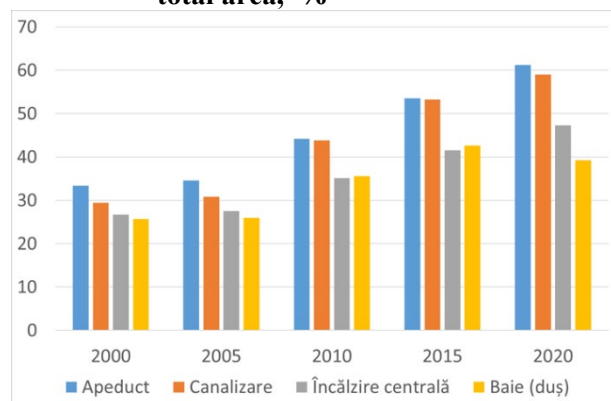
Although in the last 20 years the economic evolution in the Republic of Moldova has been predominantly positive, this has not translated into a substantial and geographically uniform increase in people's access to physical infrastructure, public utilities and improved living conditions. Statistical data for the last two decades reveal an increase in the area of the housing stock by about 13.6 million sqm, mostly in urban areas (Figure 13). Thanks to this new fund, the number of dwellings connected to aqueducts and sewerage has doubled as a share in the last 20 years, reaching 61.2 % and 59 % respectively (Figure 14). But if we exclude new housing, progress is much more modest.

Figure 13. Housing stock, million m² of total area



Source: National Bureau of Statistics, Statistical Yearbook

Figure 14. Endowment of the housing stock according to total area, %



Source: National Bureau of Statistics, Statistical Yearbook

According to the 2020 Household Budget Survey, 98.5 % of the urban population and 72.8 % of the rural population has access to aqueducts (https://statistica.gov.md/public/files/publicatii_electronice/aspecte_nivelul_trai/Aspecte_nivelul_trai_2020.pdf). About 88.5 % of the urban population (public or own network) and 45.6 % of rural population has access to hot water (own network). Approximately 81.3 % of households in urban areas have access to modern heating sources (district heating or individual heating installations), and

88.7 % of the rural population heats up with stoves, fireplaces and other heating installations. Natural gas from the network is delivered to 84.9 % of households in urban areas, and in rural areas access to the network covers only 39.6 % of households. About 87 % of urban households have indoor bathrooms, and in rural households – only 35 %. Few households have access to public sewerage (79.4 % – in urban areas and 2.8 % – in rural areas), and to own sewerage systems – 16.8 % of urban households and 56.8 % of rural households. 89.5 % of households in urban areas and only 46.8 % of households in rural areas have access to a bathroom or shower.

Access to utility infrastructure correlates significantly with the level of revenue. The chances of connection to the public sewerage system are 13.9 % higher for households in the richest quintile compared to the poorest, and the chances of having an aqueduct inside the household are 10.2 % higher.

The Republic of Moldova has a major deficit in ensuring a modern, safe and efficient transport infrastructure. A recent assessment of the state of national public roads reveals a worsening of the situation (https://asd.md/wp-content/uploads/2021/08/raportul_de_implementare_a_programului_privind_repartizarea_mijloacelor_2020.pdf). The share of public roads rated as "excellent" and "good" decreased from 36.8 % in 2015 to 30 % in 2020, while the share of "bad" and "very bad" roads increased, from 25.4 % to 46.8 % of the total. The decrease in the quality of infrastructure is accompanied by an increase in the average age of the means of transport, with adverse consequences both for the comfort and safety of people and for the quality of the environment. The state transport register reveals an increase in the share of vehicles over the age of 10 years, from 68.5 % in 2014 to 80 % in 2021.

By reducing the internal mobility of people, capital and labor, poor infrastructure is a major constraint for the development of the private sector. According to the Global Competitiveness Report 2019, the Republic of Moldova ranked 86th out of 141 evaluated states, one of the most difficult situations being that of the road transport infrastructure (129th place). The underdevelopment of the transport infrastructure affects trade, the Republic of Moldova accumulating one of the lowest scores in Central and Eastern Europe for the logistic performance index (2.46 out of 5 possible points) (<https://lpi.worldbank.org/international/global>). These constraints undermine the country's level of competitiveness, which is a major challenge for an economy that is vitally dependent on foreign trade.

The Republic of Moldova has made important progress in terms of access to information and communication technologies. In 2020, the penetration rate of fixed broadband internet access services per 100 households was 71.1 % (https://anrceti.md/files/filefield/Anuar_%20statistic_2020.pdf), with a significant increase in the last 5 years. The data reveals that internet access of rural households is 23 % lower than in urban areas. Depending on the access technology, 72.3 % of the number of subscribers to fixed broadband internet

access services were connected to the network via FTTx, 19.2 % – through xDSL, 8.2 % – via coaxial cable (DOCSIS) and 0.3 % – through other technologies. Points of presence of fiber optic networks exist in 1143 localities (https://old.mei.gov.md/sites/default/files/raport_evaluare_program_broadband_2018-2020_0.pdf) out of the total number of 1532 localities.

Also, the population can access broadband Internet through 3rd generation (3G) and 4th generation (4G) mobile communications networks, the penetration rate of these services constituting 89.8 % of the country's population. In 2020, S.A. "Orange Moldova" provided coverage with the 4G network signal of 97 % of the territory and 99 % of the country's population, S.A. "Moldcell" – 82 % and, respectively, 92.0 %, and S.A. "Moldtelecom" – 28 % and 41.2 %, respectively. 3G networks provide signal coverage as follows: S.A. "Orange Moldova" – 99 % of the territory and population of the country, S.A. "Moldcell" – 96.6 % of the territory and, respectively, 99.9 % of the population, and S.A. "Moldtelecom" – 99.7 % of both the territory and the population.

The limited access of people to physical infrastructure, public utilities and good living conditions is explained by the deficiencies in the allocation and capitalization of resources. Regarding the allocation of private resources, the basic problems are related to their insufficiency (especially in the case of vulnerable groups) and the lack of motivation of people/companies to invest in public projects and services, the benefits of the investment ending up being consumed by people who did not necessarily contribute to the investment.

In the allocation of public resources, the problems are related to their insufficiency and inefficiency. The insufficiency is determined by the budgetary constraints: in 2021, 71 % of the expenditures of the national public budget were oriented towards the social sectors (social protection, which represents the largest category of expenditures, education, health, culture, sports, youth, cults and rest) and only 13.4 % – towards household and communal services, environmental protection and services in the field of economy. The problem is aggravated by the relatively low level of decentralization of public finances, which limits the capacity of local public authorities to respond effectively to the needs of the community. In the budgets of the administrative-territorial units, the expenditures for household and communal services, for the environmental protection and the services in the field of economy constituted in 2021 only 44 % of the total.

The inefficiency of the allocation of public resources is attested by the numerous errors and deviations identified by the Court of Accounts in the budgetary planning, in the administration of budgetary revenues and expenditures, in the performance of public procurement, the non-registration of patrimony, in the organization of accounting and financial reporting. At the same time, the poor performance in infrastructure is also conditioned by the lack of clarity of institutional roles and poor coordination of project planning and implementation. This leads to the insufficient execution of critical functions in the management of infrastructure projects, including those related to: i)

monitoring and operationalization of policies and reforms; ii) investment planning, prioritizing and ensuring the consistent and efficient implementation of investment funds and quality assurance; iii) monitoring performance in sectors and developing incentive programs for the better performance of service providers, in particular in the utilities sector; iv) providing technical assistance to operators managing investment objects and local authorities (e.g. in support of the regionalization of service providers). Added to this is the scarcity of human resources, including in support services related to infrastructure projects, such as architecture, engineering or design services.

As a result, in addition to the funding gap, the development of infrastructure projects is frequently slowed down by the low absorption capacity. The execution of capital investments provided for in the public budget has become a chronic problem. In 2021, capital investments from the state budget were assimilated in a proportion of 74 %, and in the case of local budgets – in a proportion of 62 %.

Also, the resources allocated do not always reflect the needs of vulnerable groups, especially persons with disabilities, the most vulnerable group when it comes to physical access to infrastructure. The legal framework does not provide for sufficient guarantees of access to public facilities and services, in particular transport, information and communications, and does not include an effective sanctions framework for violations of existing rights. The responsible authorities at central and local level do not monitor the free access of persons with disabilities to the physical, informational and communication environment. The state, as a whole, does not assume concrete accessibility targets framed within a reasonable time (for example, 2030).

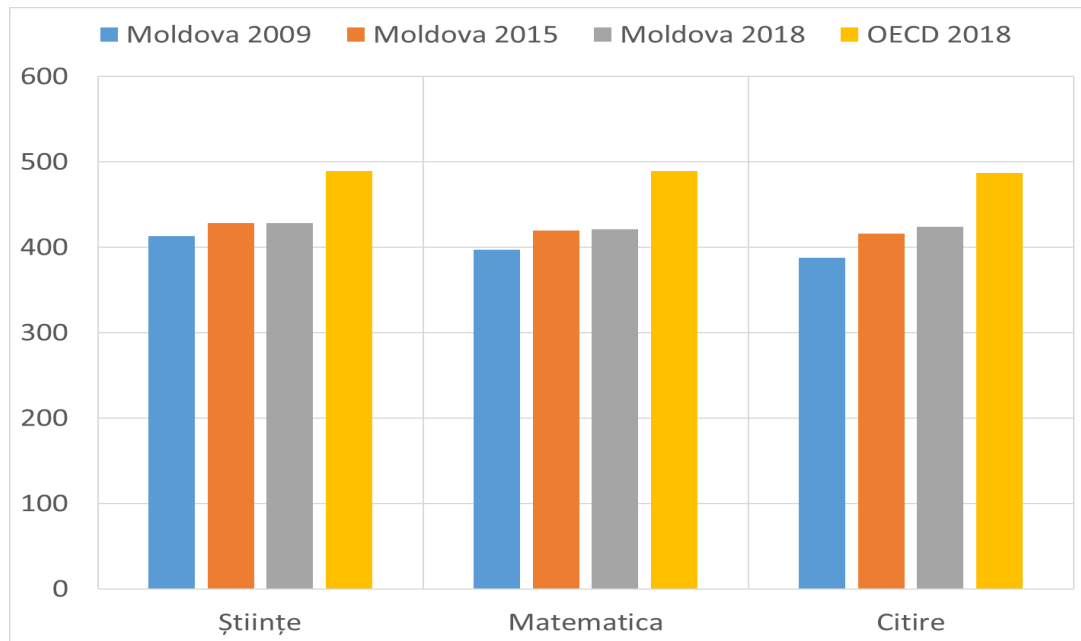
2.5. Education level

In the absence of significant natural resources, human capital represents the basic resource of long-term development for the Republic of Moldova. Human capital is, for the most part, the product of the educational system. This is a system that requires long periods for systemic improvements to manifest themselves in functional literacy levels, school performance, labor market skills and economic competitiveness. For the same reason, insufficient efforts to improve the education system have a long-term impact on the quality of human capital and, ultimately, on the social and economic climate.

The Republic of Moldova has achieved certain successes in the educational field during the last two decades. In the early 1990s, the average years of schooling for the population over the age of 25 was 8.0, by 2013 it reached 11.6 years and remained at this level until 2019 (Human Development Reports, United Nations Development Program, <http://hdr.undp.org/en/indicators/103006>). The Republic of Moldova has also made some progress in educational performance. As shown by the results of the Program for International Student Assessment, the Republic of Moldova obtained better results in 2015, compared to its own

performance in 2009, but still remains far from the standards of the countries of the Organization for Economic Co-operation and Development (Figure 15). In the 2018 round of the Program for International Student Assessment, the Republic of Moldova made progress only in reading.

Figure 15. The results of the evaluation of Moldovan students and the average of the Organization for Economic Co-operation and Development according to the Program for International Student Assessment, 2009, 2015 and 2018



Source: Organization for Economic Co-operation and Development

According to the Report published by the Program for International Student Assessment 2019, inequalities in outcomes correlate strongly with the socio-economic status of parents and the student's residence environment. Thus, socio-economically disadvantaged students lag behind advantaged students by more than three years of schooling. At the same time, the students of urban education institutions recorded higher performances than the students of rural education institutions in all three fields, the difference being equivalent to about two years of schooling (the Republic of Moldova in PISA 2018, Ministry of Education, Culture and Research, National Agency for Curriculum and Evaluation, 2019, https://aee.edu.md/sites/default/files/raport_pisa2018.pdf).

The performance of education cardinally influences success in life, on multiple levels. According to the global competitiveness index for 2019 (http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf), under the "Qualification" pillar, which reflects the quality of the education system, the Republic of Moldova ranks 109th out of 141 in the existing workforce qualification indicator. At the same time, in the chapter "Critical thinking in the educational process", an important attribute of the necessary skills for life and the qualification of the future workforce, the Republic of Moldova accumulates only

3.3 out of 7 points, without improvements after 2017. In the Republic of Moldova, the share of young people not enrolled in education, not employed nor in vocational training (NEETs) is 26.4 %, which exceeds the European average twofold.

According to the prosperity index for 2021 (an index calculated globally by the Legatum Institute, being a framework for assessing the extent to which countries promote prosperity and people's well-being according to nine pillars of prosperity), the Republic of Moldova occupies, in 2021, the 72nd place out of 167 countries, and Romania – the 47th place. The Republic of Moldova holds its best position in "Education", which reflects access to education, quality of education and human capital, (<http://prosperity.com/rankings?pinned=MDA&filter=>), being ranked 60th out of 167 states. According to this index, the Republic of Moldova ranks higher than Romania (64th place), but it is considerably overtaken by other countries of Central and Eastern Europe, the Baltic states and Russia.

People's perceptions largely reflect the objective quality of the education system. According to the Public Opinion Barometer, in June 2021, only 51.1 % of Moldovan citizens were very satisfied and quite satisfied with the "education that children receive at school" (Barometer of Public Opinion of the Republic of Moldova, Institute of Public Policies, June 2019, <https://ipp.md/2021-07/barometrul-opinieii-publice-iunie-2021>). Dissatisfaction with the quality of education persists at all levels of the education system.

The lack of a common vision of all actors on the quality of education and the paradigm of education is one of the major causes of disparate interventions in the educational system. In schools, the artificial separation of training (teaching academic content) from education (left to headmasters, psychologists and school counselors) continues. Current topics on sustainable development, such as environmental issues, health education, children's rights and active citizenship, equity and respect for diversity, the use of information and communication technologies, are taught “mechanically” rather than practiced. Newer and newer (often optional) curriculums are added, instead of integrating them into the core subjects so that they become more interactive and more oriented towards the development of cross-curricular competences.

The educational system does not yet offer opportunities for proper preparation and assessment of the individual abilities of children and adolescents. The level of development of each child at any age is different, but equal standards of assessment are provided in educational institutions for children of the same age. Children with delayed development, evaluated with negative results, will diminish their self-image and desire to study in the future in educational institutions.

There are large discrepancies between primary and secondary education institutions in urban and rural areas, both in terms of access to different resources and in terms of education conditions. Inadequate qualification and even lack of

teachers for certain subjects, as well as the impossibility of participating in various extracurricular activities, have a negative impact on the quality of competences and skills obtained by students. These discrepancies are then projected on employment, income earned and quality of life as a whole.

In technical vocational education institutions there is an insufficient level of insurance with educational materials (textbooks for specialized disciplines, including digital textbooks), insufficiently attractive study and living conditions, and consequently, a level of diminished demand for the choice of the technical vocational education system from the beneficiaries. The role of schools in the development of "soft" skills and life skills among the younger generation is undermined, but these are important in the context of parents' work migration. According to estimates, around 100 000 children and young people are deprived of parental supervision.

The current system of initial and continuous teacher training does not provide the quality needed to meet the challenges of a changing society. The requirements for teacher training are largely defined by the quantity of educational programs and less by their quality. A good part of the teachers are prepared according to outdated professional programs, and the discrepancy between the theory learned and the skills required for employment does not motivate students to persevere. Pedagogical institutions continue, for the most part, to form teachers according to outdated principles, focused on the mechanical reproduction of subjects by students and centered on the teacher. At the same time, the general expectation of society towards teachers is that they will use child-centered methods and develop children's skills of critical thinking, problem solving, etc., that is, skills that they themselves have not had the opportunity to develop. This shortcoming is also characteristic of the process of continuous training, focused on rigid requirements based on courses.

Although adults would like to attend professional and personal development courses (critical thinking, civic activism/volunteerism, rights, health, intercultural dialogue, information and communication technology, etc.), such courses are not accessible either due to financial reasons (especially for people in socially vulnerable groups) or geographical reasons (providers of in-service training services are concentrated in Chisinau and Balti, sometimes in other cities). The system of accreditation of in-service training programs is difficult and inaccessible to service providers in rural areas, with many giving up on the development and accreditation of adult programs.

The three biggest obstacles to ensuring the performance of private sector companies are: (i) the insufficient level of technical occupational skills; (ii) poor motivation and (iii) unsatisfactory work ethic. The gaps are especially pronounced in the case of medium-skilled employees, as opposed to highly skilled employees. Although the lack of skills among the highly skilled is lower, they are of significant value in sectors that require a high level of skills (financial services, public administration, social services). Mid-skilled employees often

lack motivation, analytical and problem-solving skills, IT knowledge or the desire to gain new knowledge (missing skills. Result of the Skills Module of the Moldovan Labor Market Forecast Survey, World Bank Group, 2017). This problem is driven by the lack of an effective skills anticipation and matching mechanism focused on technical and generic knowledge, especially in sectors related to economic growth, as well as by the lack of a vision on continuing education that contributes to the educational progress of employees of all ages, to improving their competitiveness and employability.

2.6. Culture and personal development

Taking into account the general low level of income and the high incidence of poverty, many citizens of the Republic of Moldova look at cultural opportunities and personal development according to the residual principle. The resources allocated by households to crop-related activities are very small (Table 1). In 2019, a household spent on average 78.6 lei per month per person for recreation and culture, and the COVID-19 pandemic further reduced these expenses (65.6 lei). The geographical gap in terms of the average monthly consumption of cultural products is enormous: 147.4 lei per person in urban areas versus 33.1 lei per person in rural areas, in 2019, and 124.4 lei per person and, respectively, 26.9 lei per person in 2020. In interpreting these figures, one should also not ignore the fact that, in the absence of locally accessible cultural services, a large proportion of those living in rural areas travel to urban areas to consume cultural products.

Between 2014 and 2020, the relative number of spectators in theatres and philharmonics and visitors to museums demonstrates rather a decreasing trend (Table 1). A robust increase is demonstrated by the number of cinema viewers, and the number of users of public libraries is constant, although the number of visits per user is decreasing. In conjunction with the decrease in print runs in print editions, the lower frequency of visits to libraries attests to major changes in the popular reading model, by migrating readers' preferences from printed to electronic and online sources. At the same time, as sociological surveys show, more than 50 % of people do not read at all, especially in rural areas, in poor layers and those with a less advanced level of education (Institute of Public Policy, "Barometer of Public Opinion", July 2021).

Table 1

**Indicators of consumption of cultural products per 1000 people population,
if nothing else is indicated**

Indicator	2014	2015	2016	2017	2018	2019	2020
Average monthly expenditure per person for culture and recreation, lei	23.0	28.4	28.0	31.0	36.9	78.6	65.6

Average monthly expenditure per person for culture and recreation, % of total household expenditure	1.3	1.4	1.3	1.4	1.5	2.8	2.4
Spectators in theaters	138	147	156	145	137	131	44
Philharmonic spectators	11	10	8	12	8	9	3
Autonomous collective spectators	37	38	31	27	37	38	16
Cinema viewers	194	152	153	223	181	260	46
Library users	293	296	297	294	294	298	221
Library visits	2852	2892	2923	2839	2763	2703	1595
Museum visits	309	351	301	278	283	301	116
Annual newspaper circulation, millions	37	34	25	32	40	24	19
Annual magazine circulation, millions	3.3	2.7	2.1	1	1.5	1.3	1.5
Annual circulation of books, millions	2.3	2.2	2.3	2.5	2	1.8	2.3

Source: National Bureau of Statistics

A way of valorizing and appreciating the cultural heritage, of active rest and of personal development is tourism. People's declared preferences are directed towards family, cultural, nature and historical tourism (each gathering over 30 % of the answers) (Investment Agency, “National Study on Moldovans' Perceptions towards Local Tourism”, 2020). About 70 % of people would like to visit tourist places in the country. But statistics on domestic tourism show that, even in the pre-pandemic period, only 5–10 % of people visited domestic tourist attractions, with practical options clearly turning to foreign tourism.

Low preferences for cultural products and for culturalization could be explained by a combination of factors. Some of them are structural. Low incomes are a severe constraint that cannot be directly eliminated by cultural policies. The very limited time left available outside the paid and domestic work schedule is another critical constraint.

However, a number of explanations relate to the absence and inaccessibility of cultural heritage infrastructure and to the limited quality and relevance of some cultural products. The funding of culture is centered on public sources, although there is clearly a very creative private, associative and self-employed sector that is neither well documented nor has access to important funding opportunities. The financing model of culture is rigid, sufficient only for the current maintenance of infrastructure and staff, but does not correspond to the need for development, support for creativity and originality, promotion of cultural interactions and mobility. Most of the leaders of cultural institutions have a low level of preparation in management, and the activities of diversification and mobilization of funds are, in many cases, unsystematic or even amateurish. At the same time, a number of cultural events organized on commercial principles demonstrate the feasibility of sustainable financing solutions, which could also migrate to the public sector.

The Republic of Moldova has an important cultural heritage, a very varied and authentic one, which could also serve as a pivotal element for a cultural economy. Not being rigorously documented, researched, preserved and protected,

cultural heritage, in all its forms (architectural, built, immaterial), it is in a process of continuous degradation and loss. In particular, the intangible heritage is lost vertiginously due to the natural disappearance of its carriers.

Providers of cultural products fail to respond to changes in people's cultural preferences. For example, although more and more people prefer books in online format, national libraries and publishers do not respond to these new trends. The digitalization of the cultural sector, including heritage, is extremely low, and most cultural institutions that experiment with the provision of online services do so in an unprofessional way, the proposed solutions not meeting the expectations and experience of users.

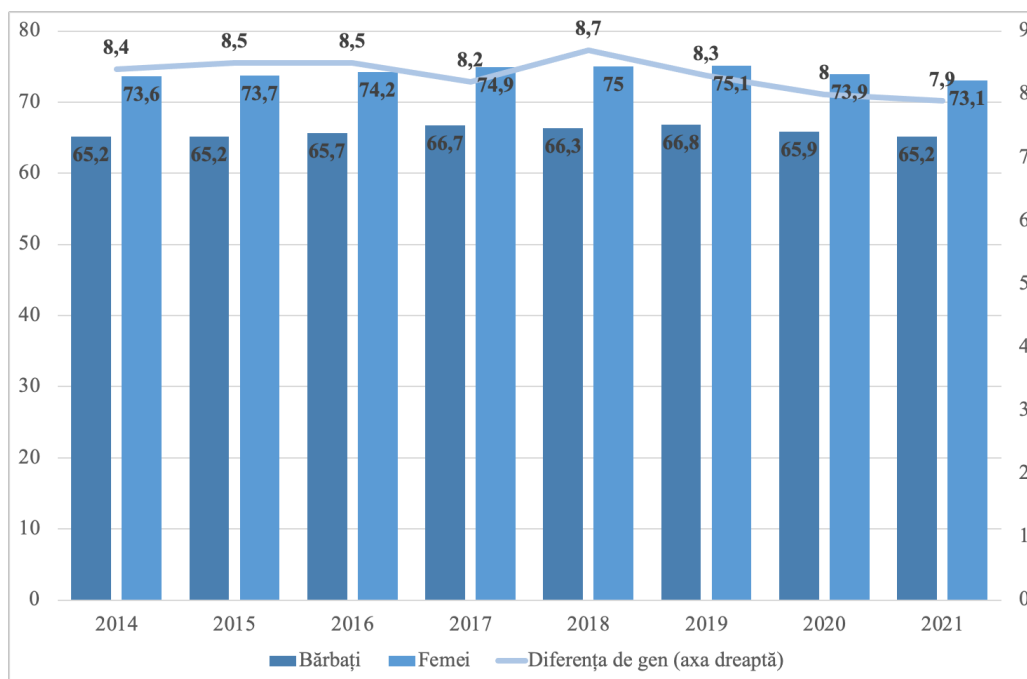
Cultural infrastructure is in an advanced state of physical degradation, which poses a real problem of accessibility of cultural products. Almost 1/3 of the houses of culture and 1/2 of the public libraries and buildings of several theatrical institutions require capital repairs. Many libraries are disconnected from heating and electricity systems, not equipped with furniture. Almost half of the book fund of public libraries is in Cyrillic script. The organizational, management and community insertion model of many of these institutions is anachronistic.

An additional barrier to the valorization and appreciation of cultural heritage is the scarcity of attractive tourism offers. The very high prices related to domestic tourist attractions are, for 43 % of the population, the main barrier in organizing a holiday in the Republic of Moldova, while another 31 % invoke the lack of information about the places that could be visited, and another 18 % – the objective lack of such attractive places (Magenta Consulting, "National study on the perceptions of Moldovans towards local tourism", 2020).

2.7. Health

The health of the population has seen some improvement over the past two decades. Life expectancy increased from 63/70 years for men/women in 1996 to 65/73 years in 2021. There is a major gender gap in life expectancy at birth, with women living on average 8 years longer than men (73.1 years and 65.2 years respectively) (Figure 16).

Figure 16. Life expectancy at birth by sex and the gender gap in 2014–2021, years



Source: National Bureau of Statistics

This difference is largely explained by the healthier lifestyle of women and the different occupations of representatives of the two sexes and, consequently, by the higher level of premature mortality among men. It has also been found that people in villages live less and have a lower healthy life expectancy than those in the cities.

In the same context, the infant mortality rate decreased from 21 cases per 1000 live newborns in 1996 to 8.4 cases in 2019. The pandemic caused by the coronavirus has essentially influenced this indicator and, in 2020, the infant mortality rate was 8.7 cases per 1000 newborns. Both indicators, however, place the Republic of Moldova below regional standards.

Maternal mortality has decreased in the last decade (2010–2020) from 44.5 to 16.3 women per 100,000 live newborns (The National Public Health Agency). However, that indicator exceeds the average maternal mortality rate in Europe with wave dynamics that reveals unfair access to information and education on reproductive health (especially for vulnerable women from poor and rural families), as well as insufficient quality of healthcare.

Despite the fact that in recent years the Republic of Moldova has made significant progress in reducing the number of adolescent births, registering the rate of 27.3 live newborns per 1000 girls aged between 15 and 19 years, this level is three times higher than the European average and presents a challenge (National Bureau of Statistics, 2020). Most teenage births are recorded among young girls in rural areas, where access to sexual and reproductive health information as well as youth-friendly health services is still relatively limited.

Over the past decade, the Republic of Moldova has made important progress in controlling tuberculosis (TB), HIV/AIDS and viral hepatitis. Between

2015 and 2020, the incidence of tuberculosis and mortality from tuberculosis were decreasing by more than 20 % and 39 % respectively. Since the 2000s, the Republic of Moldova has managed to keep the HIV/AIDS infection at the level of a concentrated epidemic and most of the new infections occur among the key populations. Through national programs, innovative techniques of early diagnosis and treatment for TB, HIV/AIDS and viral hepatitis have been introduced, access to prevention services has been extended, person-centered care models have been implemented, which have strengthened the national response to these infections. At the same time, cases of drug-resistant TB are of concern, the proportion of which among new TB cases and retreatments is significantly higher than the regional average. The coverage of key groups with HIV prevention services is suboptimal, and the rate of transmission of HIV infection from mother to fetus fluctuates at values that do not reach the level of elimination. Additionally, the response to TB, HIV/AIDS and viral hepatitis has been deeply affected by the Covid-19 pandemic, with a significant decrease in screening rates.

Against the background of a clear trend of decreasing vaccination coverage, the risk of recurrence of vaccine-preventable infections becomes imminent, having major social and economic consequences in the event of an epidemic outbreak.

Non-communicable diseases are the main cause of death among the working-age population. According to 2021 data, the largest share in the general mortality structure is held by diseases of the circulatory system (52.9 %), tumors (12.6 %), diseases of the digestive system (6.3 %) and cirrhosis (4.3 %), followed by accidents, intoxications and traumas (4.2 %) and respiratory diseases (4.3 %). All these indicators have been amplified compared to previous years, confirming vulnerability to infectious diseases, which is confirmed during the Covid-19 pandemic. A major challenge for public health, including in the context of post-pandemic needs, is the increase in mental health disorders.

Non-communicable diseases are largely determined by lifestyle and unhealthy behaviors. At the same time, almost 50 % of men smoke, and the increase in the consumption of tobacco products, especially new ones, among adolescents is very alarming. Alcohol consumption is high, about 25 % of men consume, episodically, excess alcohol. Unhealthy eating and physical inactivity, too, are some major concerns. To these we can add the general level of stress, environmental factors (drinking water sources, air, soil and noise pollution) and living conditions (room heating technology, sanitation conditions and the general condition of dwellings, etc.). At the same time, in the case of maintaining current demographic and behavioral trends, studies estimate an increase in the burden of non-communicable diseases in the structure of total years of life up to 87 % by 2030.

Non-communicable diseases can largely be prevented, and early detection and continuity of treatment can contribute to a good quality of life and to the reduction of morbidity and mortality. This requires a complex systemic approach

combining large-scale interventions in the population (e.g. tobacco control) with individual, effective health services (e.g. detection and management of diabetes).

The current structure of the medical services system has gone through a process of transformation as a result of reforms in the field of primary health care, urgent health care and hospital services, with the aim of bringing services as close as possible to the citizen. However, the practical implementation of reforms is difficult due to insufficient human resources in some areas, low financial funds, limited capacities, at all levels of the system, to meet the needs of the population.

Over the past two decades, the Republic of Moldova has significantly improved the financing of the health system, successfully implementing mandatory health insurances. Thus, public expenditures increased from 1105,2 mil. Lei in 2003 at 13527,9 mil. lei in 2021. The introduction of compulsory health insurance ensured more equal access to health services and was an important step towards universal coverage. At the same time, public expenditures in general and the share of public expenditures for health have not kept pace with the economic growth of the last 10 years, placing the Republic of Moldova among the last countries in Europe in terms of the share of public expenditures in the total expenditures for health. The country's population is forced to compensate for this deficit through its own resources, in order to satisfy its need for medical goods and services. About 53.7 % of people believe that mandatory health insurance does not provide an adequate level of medical services.

A number of systemic factors, such as the scarcity of health professionals, qualified managers in the health service system, including due to migration, undermine the work of the whole system. The lack of attractiveness of the career in medicine, especially for young people, is caused by the salary level of specialists well below the level of developed European countries, by the overloading of the staff in medical institutions with multiple bureaucratic activities and by the management system oriented, to an insufficient extent, towards the evaluation and appreciation of performances. Many of the talented young specialists prefer a career abroad. The aging of the medical staff is advancing, about 29 % of doctors and 17 % of nurses are already at retirement age.

As the health of the population is influenced by socio-economic factors and the environment outside the health sector, cross-sectoral cooperation is essential for the prevention of diseases and for the promotion of health. Thus, several national prevention programs (tobacco, alcohol, nutrition, etc.) have been developed with the participation of authorities in the education, environment, social, agriculture, economy and finance sectors. At the same time, the notion of healthy and active ageing is not integrated into sectoral policies. Policies do not address vulnerable groups fairly and do not combat the stigma and discrimination faced by certain social groups. Activities to prevent and reduce public health risks are underfunded, as are those to promote healthy lifestyles. Pupils and students are not sufficiently informed about the healthy way of life.

In order for cross-sectoral cooperation to work more efficiently, it is necessary to increase the capacities, at national and local level, of social and medical professionals, law enforcement officers and those in the educational field, creating appropriate communication mechanisms.

The Covid-19 pandemic has had a complex effect on the health system and continues to affect it in the post-pandemic period. Certain measures introduced during the response – such as disease surveillance, public-private partnerships and telemedicine – have the potential to strengthen the system in the long term. Difficulties or complete lack of contact between doctor and patient, delays in diagnosis and lack of access to treatment, all highlighted the need to digitize health services and introduce telemedicine. The challenges arising from this health emergency have highlighted or deepened the more serious systemic and structural problems affecting the healthcare system, such as oversized, outdated and costly health infrastructure, reduced technical capacities and a lack of health professionals, especially in rural areas.

2.8. Solidarity and social protection

The Republic of Moldova is going through a continuous demographic transition, characterized by a reduction in the number of the population, aging, external migration and a high level of negative natural growth (the ratio between the number of births and deaths). In this context, the challenges for the social protection system are significant.

According to demographic forecasts, the country's population is to shrink, even in the most favorable scenario. Demographic change will be very profound and rapid. Thus, by 2040, the Republic of Moldova will have a small population, but also the structure of the population will be different (the share of young cohorts will be reduced, and the share of cohorts aged 65 will almost double).

In this respect, the need for a new paradigm of demographic, economic and social policies for the Republic of Moldova is obvious. Two approaches must be found at its core: (i) adaptation policies to manage the negative effects of demographic change such as an ageing population, a shrinking workforce, increased fiscal pressures, etc.; (ii) policies to mitigate demographic trends aimed at increasing life expectancy, reducing the gender gap in life expectancy and increasing fertility rates.

The social protection system of the Republic of Moldova, although it has undergone major transformations during the transition, remains vulnerable. Despite a seemingly high share of total budget spending (39 % in 2021, although lower than in other European countries), protecting the population from the risks of poverty and ensuring a smooth transition through unproductive periods of life remains a fundamental challenge.

The social protection system is composed of two major components: the social security system and the social assistance system.

The social insurance system has the function of providing an income to insured persons, who are unable to obtain salary income in case of certain risks (incapacity for work, maternity, old age, unemployment, etc.). In the Republic of Moldova, the main share in the expenditures for social insurance benefits belongs to social insurance pensions (mainly, old-age pensions). In 2022, old-age pensions represent 73 % of the value of social insurance benefits, disability pensions – 10 %, allowances for children – 10 %, allowance for temporary incapacity for work – 4 %, allowance for loss of provider – 2 %, and unemployment benefit – only 0.2 %.

The small size of pensions remains a major problem (Table 2), caused by the low level of wages, the low employment rate and the high share of the informal economy. Over the past decade, the average old-age pension has been consistently below the minimum level of existence. Due to the significant increase in the minimum pension and the introduction of a new mechanism for indexing and increasing pensions, the average old-age pension exceeded the minimum existence by 26 % in the first semester of 2022. This is also due to the financing of the insurance system through transfers from the state budget: the share of pensioners for whom the solidarity supplement is paid to reach the minimum old-age pension is 57 %.

Table 2

Key-indicators on the pension system

	2012	2014	2016	2008	2019	2020	First quarter	
							2021	2022
Number of insured persons	873.2	877.4	872.2	911.1	921.1	900.6	No data	No data
Number of people receiving pensions	658.4	679.9	700.2	716	703.9	696	679.9	673.3
<i>for old age</i>	<i>473.1</i>	<i>495.9</i>	<i>518.9</i>	<i>533</i>	<i>526.7</i>	<i>524.5</i>	<i>521.2</i>	<i>524.6</i>
<i>for old age in early retirement</i>	-	-	-	8.4	7.6	5.4	1.4	1.3
<i>predicted for long career</i>	-	-	-	-	-	-	-	3.9
<i>disability survivors'</i>	<i>136.6</i>	<i>137.3</i>	<i>137.2</i>	<i>131.9</i>	<i>128.4</i>	<i>126.1</i>	<i>115.7</i>	<i>102.7</i>
<i>other categories of pensions</i>	<i>23.2</i>	<i>20.6</i>	<i>17.2</i>	<i>14.7</i>	<i>13.6</i>	<i>12.7</i>	<i>11.0</i>	<i>11.1</i>
<i>other categories of pensions</i>	<i>25.5</i>	<i>26.1</i>	<i>26.9</i>	<i>36.4</i>	<i>35.2</i>	<i>32.7</i>	<i>32.1</i>	<i>35.0</i>
Number of insured persons/number of persons receiving pensions	1.33	1.29	1.25	1.27	1.31	1.29	No data	No data
Number of insured persons/number of people receiving old-age pensions	1.85	1.77	1.68	1.71	1.75	1.72	No data	No data
Share of retirees employed in the labor market, %	19.2	21.8	23.0	23.3	23.0	23.4	No data	No data
The average size of the old-age pension, lei	900.6	1049.9	1191.8	1456.9	1643.7	1843.0	2255.5	3140.5
Old-age/minimum living pension, %	63.5	64.5	66.2	77.0	80.9	88.2	106.1	126.4

Source: Ministry of Labor and Social Protection

Along with low employment and the high share of the informal economy, other factors eroding the sustainability of the pension system are the ageing and emigration of the population. The ratio between the number of those who contribute to the pension system and those who receive pensions is decreasing. During 2010–2020, the number of insured persons increased by only 4 %, while the number of beneficiaries of old-age pensions increased by 15 %. In the context of a low real-income base that forms the resources of the pension system, the level of pensions remains low.

The social assistance system includes two major components: social benefits and social services. In 2022, social benefits represented 35 % of the total expenditures for social protection, and social services – only 5 %.

Social benefits are social payments linked to:

1) uninsured events: the birth of the child, the care of the child up to the age of two, etc.;

2) special merits: for veterans, victims of political repressions, etc.;

3) insufficiency of social security: solidarity supplement for minimum pension, state social allowance, etc.;

4) a socio-economic context: compensations for the increase of energy tariffs, for transport, for the loss of money deposits, the single anti-inflation aid, etc.;

5) government programs to reduce poverty: social aid, winter aid.

In the last 20 years, a complex system of social benefits has been developed in the Republic of Moldova, the financing and payment of which is made through various mechanisms. A large part of the social benefits are included in the state social insurance budget, administered by the National Social Insurance House, although they are not social security rights. Some benefits, such as social aid and winter aid, are determined by the social assistance system, but are paid by the National Social Insurance House. Other benefits are managed by the National Agency for Social Assistance (payments financed from the Population Support Fund) or directly by the local public authorities (transport compensation for people with disabilities). The complexity of the system of financing and payment of social benefits makes it difficult to plan and analyze the effectiveness of these measures.

The social assistance program, which accounts for 10 % of social benefits, requires systemic reform, as its original purpose – to help eradicate poverty by stimulating poor families – is not achieved. Analyses show a large share of families who have become dependent on this program. In recent years, social aid has also been used to compensate for the small amount of other social benefits: two thirds of households that received social aid in 2021 had people over the age of 62 in their composition, and one third of households had people with disabilities. On the other hand, in almost 70 % of families benefiting from social aid there is at least one non-pensioner, without disabilities. The reform initiated

in 2022 aims to stimulate the employment of people able to work who benefit from the social aid system.

State social allowances are social protection benefits offered to persons with disabilities or persons who have reached retirement age but who are not socially insured. The number of people in this situation has steadily increased lately, from 56 thousand in 2016 to almost 77 thousand in 2022, an increase of 37 % in 6 years (Table 3). This development is mainly due to the increase in the number of people who have reached the retirement age without completing a contribution period of at least 15 years, which would entitle them to old-age pension (+9 thousand people), as well as the number of people with disabilities without a contribution period, which would give them the right to disability pension (+10 thousand people).

The amount of state social allowances increased considerably in 2022 (+90 % in July compared to the same month of the previous year) due to the fact that they are related to the minimum pension.

Table 3

The number of beneficiaries of social allocations and the average amount of social allocations, as of July 1st

	2015	2016	2017	2018	2019	2020	2021	2022
<i>Number of beneficiaries of state social allocations, thousands of people</i>								
People with disabilities	6.9	6.9	8.2	10.1	11.8	13.8	14.9	17.3
People with disabilities from childhood	27.1	26.8	27.0	27.1	27.5	27.8	27.8	28.1
Children with disabilities up to 18 years old	13.1	12.0	11.9	11.3	11.1	10.9	10.6	11.1
Children who have lost their provider	4.2	4.3	4.8	5.3	5.9	6.2	6.3	6.3
Persons who have reached retirement age	5.2	6.1	7.0	7.9	8.8	9.7	11.5	14.0
<i>Average performance, lei</i>								
People with disabilities	162.4	178.4	197.9	262.1	272.5	564.7	586.5	1112.7
People with disabilities from childhood	443.6	487.5	543.2	677.4	712.5	746.1	783.2	1494.5
Children with disabilities up to 18 years old	452.4	500.7	561.9	701.0	735.3	767.2	806.7	1539.6
Children who have lost their provider	363.8	401.7	434.5	577.3	603.6	625.0	647.5	1232.3
Persons who have reached retirement age	129.0	141.8	153.6	204.1	215.5	563.6	593.2	1138.1

Source: Ministry of Labor and Social Protection

The social protection of families with children is at the confluence of the two systems: social security and social assistance. At the birth of the child, the family receives both uninsured social assistance benefits – childbirth allowance,

childcare allowance up to the age of 2, and social security benefits: maternity, paternity and child-raising benefits. During 2020–2022, the Republic of Moldova allocated, on average, 1.2 % of the GDP for the social protection of families with children (including 0.9 percentage points for social insurance benefits and 0.3 % for uninsured benefits), a smaller share compared to the European average of 2.3 % (https://ec.europa.eu/eurostat/statistics-explained/images/e/e9/Expenditure_on_social_protection_benefits_2020_25_relative_to_GDP_29.png).

In order to respond to demographic challenges, it is imperative to diversify the benefits and services offered to families with children, especially in relation to young childcare services.

Social services cover a small part of social protection. In 2022, out of over 38 billion lei allocated for social protection, only 1.8 billion lei went to social services. From the total resources dedicated to social services:

- 1) 69 % are intended for people with disabilities: personal assistance, placement centers, sheltered housing, etc.;
- 2) 21 % are intended for children: professional parental assistance, guardianship/trusteeship, placement centers, etc.;
- 3) 5 % finance sanatorium services;
- 4) 2 % cover the expenses of social canteens;
- 5) 2 % provide other services: for victims of human trafficking, domestic violence, HIV/AIDS patients, etc.

The social services offered to people with disabilities or children at risk/lacking parental care are part of a comprehensive strategy of deinstitutionalization, but which is implemented unevenly.

For the deinstitutionalization of persons with disabilities, the authorities in the field have assumed concrete objectives until 2026, including the closure of three out of six residential institutions and the reduction by 60 % of the number of institutionalized persons with disabilities. Although these objectives were announced in 2018, the progress made is modest (Report on the implementation in 2021 of the Action Plan on the implementation of the National Program for the deinstitutionalization of persons with intellectual and psychosocial disabilities from residential institutions managed by the National Agency for Social Assistance for 2018–2026, available here: RAPORT-DI-2021-FINAL.pdf (<https://anas.md>)).

In the field of deinstitutionalization of children, progress is much more visible, with more children being placed in family-type social services than in residential institutions. According to the data from 2021, 676 children were placed in the residential system, in professional parental assistance – 811 children, in personal assistance – 1362 children, in guardianship/trusteeship services – 9972 children, in custody – 7012 children (Changing the way we care, "Assessing the situation of providing social services for children and vulnerable families", 2021, Social Services (<https://bettercarenetwork.org>)).

In the Republic of Moldova, 29 types of social services are provided to prevent the separation of the child from the family and social care services. The family support service is the main tool used by the social assistance system to prevent the separation of the child from the family, but its funding has been inconsistent in recent years, as it has depended on the Population Support Fund.

In order to improve social protection, social services need to be developed for the population and the process of deinstitutionalization must be expedited. In the context of demographic developments, there is a need to diversify the social services for the elderly, with a focus on their active participation in social life.

Also, in the case of social services caring for persons with disabilities or children without parental care, a unified approach at national level is needed to ensure predictable and fair funding. In the context in which the implementation of the social services included in the Minimum Package of Social Services (Monetary Support Social Service, intended for disadvantaged families/persons, Social Support Service for Families with Children, Social Service "Personal Assistance") has experienced numerous gaps in recent years due to the underfunding of the Fund for support of the population, a reform is needed to ensure the direct financing of basic social services from the state budget, as well as better planning, reporting and monitoring of social services provided in the family environment.

Also, at sectoral level, there is a need to strengthen the social assistance system, to improve the practices of establishing the degrees of disability and incapacity for work, to make occupational policies and the work of labor inspection more efficient.

Pressures on the social protection system, and especially on the social security system, will increase against the background of an ageing population. In 2030, about 29 % of the country's population will be over 60 years old, and by 2050 the share of people over the age of 60 will reach 34 %. The vulnerability of the elderly will increase as a result of the increasing demographic burden, the high degree of dependence, the low hope for a healthy life and the insufficient quality of health services. These factors will have a major effect on both the state social security system and the social assistance system.

2.9. Trust in public administration

A decisive precondition for sustainable development is a professional, efficient, accountable and transparent public administration at all levels. The importance of such a system derives from the need to ensure inclusive, participatory and representative decision-making and the need to provide quality and accessible public services to all people. Structural reforms and public policies for sustainable development are designed and promoted by state institutions, even if their effective implementation requires the contribution of society as a whole. Trust in government and public administration institutions is of significant importance for mobilizing resources in society, directing the ideas, activities and

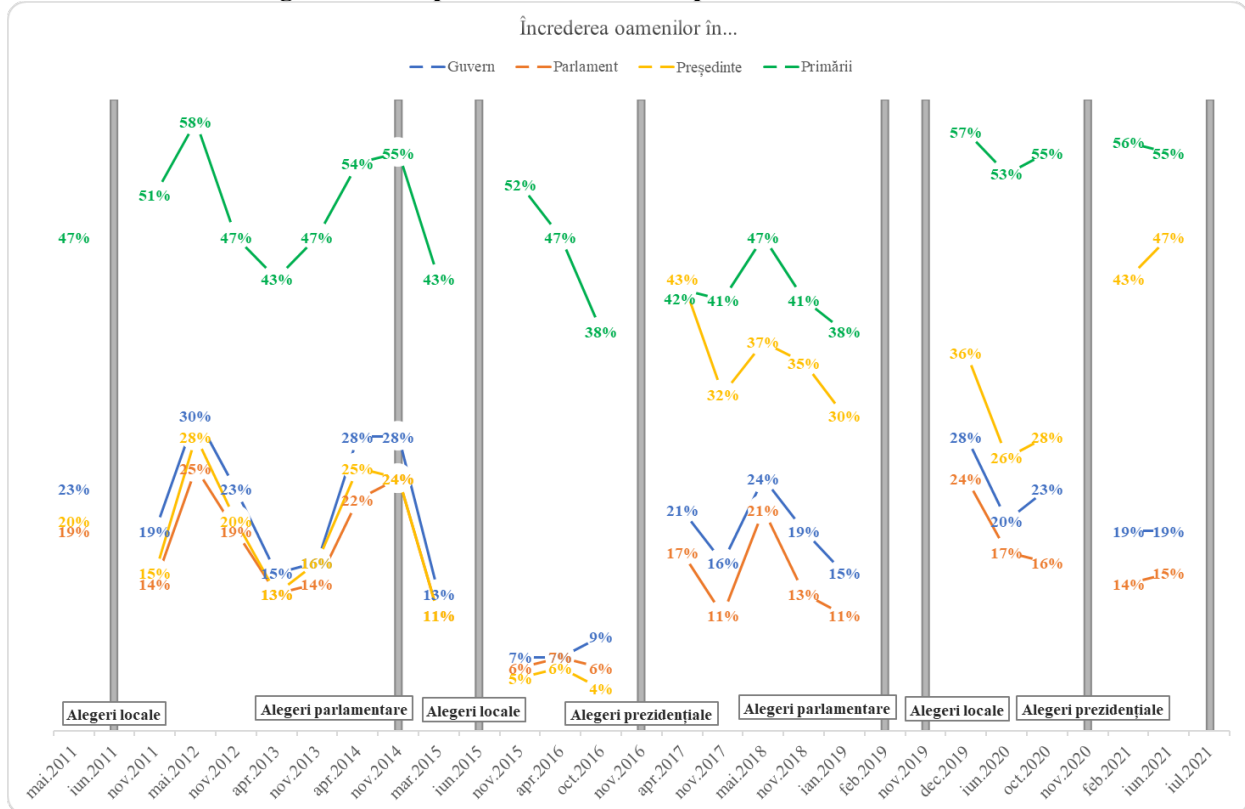
behavior of business, academia, civil society and for people to improve the quality of life.

The effectiveness of government is ultimately measured by the degree of trust people have in state institutions and central and local public administration. According to the Public Opinion Barometer (<http://bop.ipp.md>), from 2005 to 2020, the level of trust in the three supreme governing authorities (Parliament, Government, President) has had a downward trend, the lowest level being reached in 2015-2016, as a result of the political crisis of 2015. This could explain the unsustainability and low impact of reforms and actions promoted by public institutions over the years.

Citizens have the highest level of trust in local government - on average 55 % since the last local elections in November 2018 (figure 17). This is a clear sign that local government reform should be taken forward to empower local authorities to take decisions in line with citizens' expectations.

Trust in public authorities is one of the most important foundations on which the legitimacy and sustainability of administrative and political systems are built. A high level of trust in state institutions, in particular the government, is an indicator that public institutions are functioning properly and efficiently, i.e. the rule of law is ensured, quality services are provided, infrastructure is developed. Trust in public institutions also influences individual behavior in ways that could support desired government outcomes, improving compliance with existing rules and regulations and reducing enforcement costs. Trust in public institutions can also help authorities implement structural reforms with long-term benefits and could contribute to increased confidence in the economy. People's perception is confirmed by the Prosperity Index for 2021 (this measures a country's governance performance based on six dimensions: executive constraints, political accountability, governance effectiveness, governance integrity, rule of law and regulatory quality, calculated by Legatum Institute, <http://prosperity.com/rankings>), which places governance in the Republic of Moldova in 89th place out of 167 countries, seven places lower than in 2018, and among Eastern European countries - in 19th place out of 23.

Figure 17. People's level of trust in public administration



People's negative perception of how state institutions work reflects the multitude of problems in the functioning of public administration, both at central and local level. These relate to the decline in the prestige and attractiveness of the position of civil servant due to uncompetitive salaries, the politicization of state institutions, the promotion of obscure interests through public institutions, the multitude of restructuring and "reforms" that have induced uncertainty and continuously undermined the capacities of central and local public administration. At the local level, the problem is even more serious because of the permanent postponement of territorial-administrative reform and the continued erosion of local financial autonomy. These capacity and reputational problems are compounded by the poor quality of governance, manifested by frequent violations of the principles of transparent decision-making, mismanagement of public assets and endemic corruption.

Poor pay in the public administration system has led to a high staff backlog, and low accountability for mismanagement of public resources, low professionalism and insufficient training of civil servants in central or local government have led to less effective governance. The unintended "reform" of the central public administration in 2017 has also had a negative impact. This state of affairs is aggravated by the tolerance of integrity lacking in representatives of public institutions and the impunity of public officials.

The Public Administration Reform Strategy for 2016-2020 and the National Decentralization Strategy for 2012-2018, which aimed to significantly

improve the quality of public administration at all levels in line with EU requirements and for which significant resources have been allocated by development partners, have been implemented only up to 25 %. Many of the activities carried out have not been sustainable. In this context, a thorough rethink of the functioning of public administration and administrative processes is needed to ensure full integrity of policy makers and civil servants, professionalism of state institutions and accountability of authorities for the decisions they take.

At the same time, according to the Economic Freedom Index for 2021(<https://heritage.org/index/country/moldova>), the Republic of Moldova accumulates, in the category "Government Integrity", 38.7 %, an increase of 13.3 percentage points, after a continuous decrease since 2016. This may be a favorable premise for accelerating qualitative transformations in society.

2.10. Trust in the justice system

The day-to-day work of state institutions must be based on respect for the principles of the rule of law, complemented by efforts to promote the rule of law, equal access to justice and the fight against all forms of corruption. According to the Public Opinion Barometer, the highest level of trust in the justice system was reached in 2005 - 41 %. Lack of trust in the justice system peaked at 92 % in 2016. In recent years, people's trust in the justice system has slightly improved, with 19 % of citizens now feeling this way. The prevailing lack of trust in the justice system leads to a low level of trust in the state and its institutions, creating a vicious circle in the relationship between the state and the people. It also severely reduces the productive capacity of the economy and the creative potential of society, and distrust in the justice system also reduces people's motivation to enter into contractual transactions and to initiate long-term projects.

Justice is still perceived in society as a corrupt repressive mechanism, ineffective in protecting people's interests. This perception needs to be replaced by an image of justice that is citizen-friendly to those who are not in conflict with the law and those who have suffered as a result of illegal actions. Justice must become restorative (restoring rights and interests that have been violated), re-socializing people in conflict with the law and only then repressive (punishing the guilty). Although people's confidence in the courts is at a low level, alternative (extra-judicial) dispute resolution remains unpopular, accounting for less than 1 % of all disputes.

The vulnerability of state institutions to political interference, especially the institutions of law, directly affects the independence of the judiciary from the legislative and executive powers. At the same time, the workload of judges continues to be a challenge to the efficient delivery of justice. In 2018, the average monthly workload actually carried out by a judge was around 60 court files and materials per judge, with limited assistance to judges in their proper management. The high caseload, especially in some courts, directly results in low efficiency of the courts.

Ensuring access to justice for all remains a major problem. There are not enough professionals (prosecutors, judges, lawyers) specialized in cases involving children, including violence against children. People with disabilities also have limited access to justice, caused by the limited capacity of public legal aid providers to offer specialized legal assistance on disability rights, on the one hand, and the inability of people with intellectual or psychosocial disabilities to access legal aid services independently, on the other. People with disabilities seek legal assistance in matters relating to: discriminatory treatment on the grounds of disability; violation of the right of access to social and health services; violation of their rights by employees of residential institutions; violation of property rights; violation of the right to live in the community (people isolated at home or in residential institutions); limitation of the right to free movement; discrimination in employment; physical inaccessibility of court premises. The access to justice for Roma is also limited as they face multiple barriers to accessing justice due to poverty, low education, discrimination, exclusion, lack of knowledge about their rights and lack of financial means to seek legal assistance.

According to the Economic Freedom Index for 2021 (<https://heritage.org/index/country/moldova>), the "Efficiency of Justice" in our country accumulates 29.9 %, well behind the average of 60 % recorded in European countries. The reason for this modest score, which qualifies the justice system in Republic of Moldova as "repressed", is the high level of corruption. Respectively, one important aspect in the process of consolidating efficient, accountable and transparent governance is fighting corruption and ensuring the integrity of political decision-makers and civil servants.

The fight against the scourge of corruption has been an ongoing process since the declaration of independence of the Republic of Moldova, being considered a priority especially in recent years, with the negotiation and signing of the Association Agreement between the Republic of Moldova and the European Union. Corruption, present in society at all levels, is one of people's major concerns, along with unemployment, poverty and high prices. According to Freedom House (<https://freedomhouse.org/country/moldova/freedom-world/2021>), in 2021 corruption remained entrenched at all levels of government and existing anti-corruption laws were inadequately enforced.

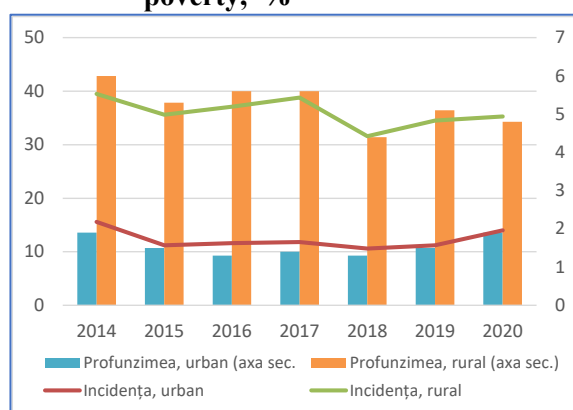
2.11. Human security

Despite all the hardships people face, the Republic of Moldova remains a peaceful society, with no communal religious or ethnic violence or internal terrorist threats. Destructive natural disasters such as earthquakes are extremely rare. In terms of human security, the most important risks are those to economic, food, energy and personal security.

The issue of economic security is reflected in poverty indicators. Poverty is an extreme form of economic insecurity reflecting the failures of market and

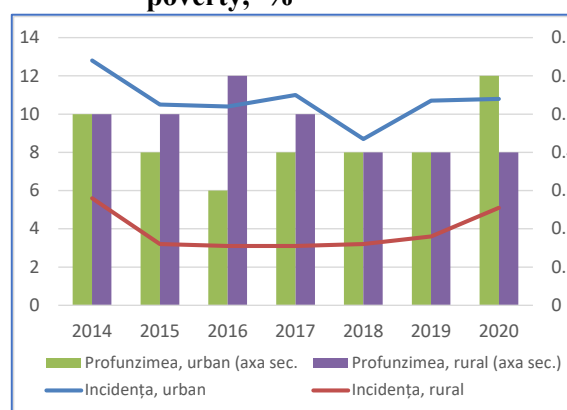
social protection mechanisms. The absolute poverty rate in 2014-2020 was high at around 25 % (with absolute poverty in rural areas three times higher than in urban areas and higher poverty rates in the south of the country compared to the national average), with a slight downward trend observed until the Covid-19 pandemic (figure 18). The overall depth of poverty is relatively low, at just under 4 %, indicating ongoing vulnerability rather than chronic poverty. With well-targeted support programmes, poverty can be virtually eradicated. Estimates for 2019 suggest that to raise the income of all poor people to the poverty line would require about RON 800 million. According to data for 2020, in rural areas the poverty rate and depth of poverty are substantially higher (35.3 % and 4.8 % respectively) compared to urban areas (14 % and 1.9 % respectively).

Figure 18. Rate and depth of absolute poverty, %



Source: National Bureau of Statistics

Figure 19. Rate and depth of extreme poverty, %



Source: National Bureau of Statistics

Food security remains a real problem for around 10 % of the population who were in extreme poverty in 2014-2020 (Figure 19), a situation which indicates a lack of resources to procure an adequate food basket. In rural areas, the risk of extreme poverty is 4 times higher than in urban areas. At the same time, there are major poverty risks for older people living alone and for households with many members, headed by people with lower levels of education and whose main source of income comes from farming. Widespread price increases in 2021 and inflationary risks are putting great pressure on household budgets and increasing food insecurity (Table 4). In 2022, expenditure on food and non-alcoholic beverages could reach 48.8 % of total expenditure by rural households and 41.9 % - by urban households.

Table 4

Structure of household consumption expenditure by background of residence, during 2019-2022, %, unless otherwise indicated

Destination of expenditure	Rural				Urban			
	2019	2020	2021	2022	2019	2020	2021	2022
RON, Total consumption expenditure	2336	2331	2517	3108	3469	3489	3834	4575

Food and non-alcoholic beverages	44.5	47.2	45.8	48.8	36.6	39.8	3	41.9
Alcoholic beverages and tobacco	2.0	1.8	1.9	1.5	1.6	2.2	2.1	1.9
Clothing and footwear	9.9	9.3	9.5	8.5	9.4	8.4	8.6	7.8
Housing, water, electricity and gas	16.6	16.6	16.2	18.4	15.8	15.6	14.1	17.6
Furniture, equipment and home maintenance	5.5	5.7	6.2	6.1	4.7	5.5	5.3	6.0
Health	4.8	4.1	4.3	3.5	5.6	5.3	7.1	4.6
Transport	5.4	4.7	5.1	4.0	6.9	6.3	7.9	5.5
Telecommunications	4.6	4.9	4.7	3.8	4.5	4.5	4.3	3.6
Recreation and culture	1.4	1.2	1.2	0.9	4.3	3.6	3.0	2.8
Education	0.7	0.5	0.6	0.4	1.6	1.0	1.3	0.8
Restaurants and hotels	0.8	0.6	0.5	0.6	4.4	3.3	3.8	3.0
Various products and services	4.0	3.6	3.9	3.5	4.6	4.5	4.4	4.5

Source: National Bureau of Statistics, 2022 authors' prediction

Energy security can be operationalized through the concept of energy poverty, i.e. the inability of people to afford the energy costs necessary for a decent living. In the Republic of Moldova, the problem of energy poverty is particularly acute in the winter months and has been brought to the forefront by the natural gas supply crisis experienced by our country in the 2021-2022 cold season and the general increase in energy prices. Energy poverty statistics are not yet sufficiently developed, but expert estimates suggest that about 65 % of households face energy poverty (Alexandru Ciudin, "The Republic of Moldova and Energy Poverty", commentary, <https://aee.md/index.php/en/news/comentariu-alexandru-ciudin-director-aee-republica-moldova-si-saracia-energetica>). On the basis of price rises it can be estimated that the share of expenditure on housing maintenance, energy, hot water and gas will increase in urban areas to 17.6 % in 2022 and in rural areas to 18.4 % (Table 4).

Personal security refers to risks and vulnerabilities to crime, accidents and hazards. The period 2014-2021 saw a visible decrease in the absolute number of crimes (from 41783 to 27159) and in the crime rate (from 1469/100 thousand people to 1057/100 thousand), including serious crimes against human life and health. Another positive development is the decrease by about 1/3 of crimes committed by minors. Although empirical research is lacking, possible reasons for this decrease could include the increase in the number of surveillance cameras in public and private places, less and less time spent by minors in groups of influence (and more and more time spent on the internet) and possibly the impact of increased police efficiency and presence. At the same time, in a number of administrative-territorial units, the dynamics of crime over the last decade are clearly unfavorable - Cahul, Floresti, Rascani, Nisporeni, Cantemir, Cimislia, Drochia.

In the years 2014-2019, the absolute number of road traffic accidents and the number of people who suffered as a result (fatalities and injuries) did not show a clear trend, but the rate showed a clear increase. The restrictive measures adopted in 2020 to combat the Covid-19 pandemic restricted people's movement and improved road safety indicators, but in 2021 they worsened again. The unfavorable dynamics and outlook are caused by an increase in the number of cars, the average journey, a worsening driving culture, and a number of infrastructure problems (insufficient street lighting, absence of road markings, pavement defects, etc.). The increase in road traffic violence is worrying and reflects a very high level of daily stress in society.

Fire statistics, as well as the associated property losses and casualties, show a persistent vulnerability of the population. Despite a decrease in the number of reported fires over the last decade and the associated death rate, property losses are increasing. Unexploded ammunition left on the territory of the country as a result of military conflicts is a constant source of threat to human life and health. Also worrying is the statistic of exceptional situations occurring in residential houses (explosions and house collapses). People also remain vulnerable to a multitude of natural disasters, with heavy rain, hail, floods, frosts and droughts being exceptional situations that cause particularly high damage on a national and local scale. Thus, the drought of 2020 caused direct material damage estimated at around RON 5.9 billion, and the frosts in the spring of the same year - around RON 248 million, with cumulative damage amounting to 3.1 % of GDP.

2.12. Environmental quality

Environmental components have a direct impact on people throughout their lives, determining their health, labor productivity, potential for economic growth, etc. Low living standards make people unaware of the importance of natural resources and a clean environment for their health and well-being, putting social and economic problems to the fore, contributing to pollution and non-compliance with environmental legislation. In addition to the poor environmental education of the population, the past habit of disposing of cheap energy or water resources has stimulated wasteful behavior.

Water is one of the most important natural resources that sustains life and ensures its quality. On the territory of the Republic of Moldova there are available surface water resources comprising about 12 km³, including the Nistru river basin - 9.8 km³ and the Prut river basin - Danube and Black Sea - 2.7 km³. Up to 75-80 % of the volume of surface water runoff on the territory of the Republic of Moldova is formed on the territory of Ukraine. The status and development of surface water is determined by natural (climate change) and anthropogenic (hydro-technical constructions and non-rational use) factors. In this context, the expansion of the Novodnestrovsk hydro-technical node and the further development of this project by Ukraine is a major concern from the point of view of providing our country with water.

Thus, a problematic issue facing the population of the Republic of Moldova is the amount of water available for use. The volume of water available is about 500³ per capita per year or even less. International standards define a volume of 1700 m³ per capita per year as the threshold of safety in the availability of renewable freshwater. At less than 1000 m³ per capita per year, the lack of water can hinder economic development and affect the health and life of the population (Environmental Strategy for 2014-2023 and Action Plan for its implementation, approved by Government Decision No 301/2014).

Water quality is determined by the sources of pollution and how these sources are managed. The main sources of water and soil pollution in the Republic of Moldova are untreated or partially treated wastewater, municipal waste and chemicals. A major risk factor for people's health are mine wells, which are an essential source of water in rural areas. According to data from the National Agency for Public Health, 84 % of wells have water that does not meet legal health standards. Developments in recent years are not encouraging in terms of ensuring water quality. Due to financial constraints, the expansion of public water supply networks in Republic of Moldova is not accompanied by a corresponding expansion of public sewerage networks: between 2010 and 2020, the length of water supply networks increased by 81.4 %, while the length of sewerage networks increased by only 14.8 %. This discrepancy means that only part of the water collected for human needs is returned in treated form to the natural circuit, putting additional pressure on natural resources, increasing water treatment costs and creating additional health risks for the population.

In 2020, the 15.3 thousand km of aqueducts and public water distribution networks will be replaced by only 2.9 thousand km of public sewerage networks. Some 71 % of public sewerage systems are equipped with treatment plants. Of the 92 treatment plants, only 81 are operational (<https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6997>). Most of the treatment plants, having been in operation for 25-30 years, are highly worn and operate at low capacity, discharging untreated wastewater directly into rivers. The results of controls carried out in recent years show that the number of plants with insufficient treatment is increasing. The volume of discharges depends directly on the demographic and economic size of the territorial-administrative units (http://ipm.gov.md/sites/default/files/2021-09/IPM_ANUAR_2020.pdf).

The quality of the environment depends largely on waste management practices. Disposal of municipal waste is currently mainly landfilled. In 2020 there were 1136 landfills in operation with a total area of 1220 ha (http://ipm.gov.md/sites/default/files/2021-09/IPM_ANUAR_2020.pdf). Landfills are organised by local public authorities and generally do not comply with environmental protection standards, and in some cases landfills are located right in the protection zone of aquatic objectives or in the sanitary zone of the housing sector. The amount of municipal waste collected from the population, institutions and economic agents is constantly increasing, from 2130.8 thousand

m³ in 2008 to 2925.0 thousand m³ in 2016 and 3336.3 thousand m³ in 2020 (https://statbank.statistica.md/PxWeb/pxweb/ro/10%20Mediul%20inconjurator/10%20Mediul%20inconjurator_MED040_Municipale/MED060300reg.px/?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a77). About 90 % of the municipal waste collected by sanitation services was disposed of by landfilling, selective collection is partially organized in Chisinau municipality and some district centers. Waste recycling and recovery rates are still very low (IPM Yearbook - 2020 "Environmental Protection in the Republic of Moldova", 2021).

Chemicals are a major source of risk to the environment. Most of the chemicals used in the Republic of Moldova come from imports. Significant quantities of chemicals are used in all sectors of the national economy, including the agricultural sector (plant protection products and fertilizers). From 2009 to 2017, the amount of chemicals used in agricultural enterprises and large (farm) households increased almost 4 times, from 17.0 thousand tonnes to 65.6 thousand tonnes, which is 69.1 kg per hectare of seed (<http://statistica.md/pageview.php?l=ro&idc=315&id=2279>). The trend of intensive exploitation has continued in recent years and in 2020 this indicator will exceed 100 thousand tonnes for the first time (100.9) (https://statistica.gov.md/public/files/publicatii_electronice/Anuar_Statistic/2021/16_AS.pdf). The reduction of risks associated with the lifelong use of chemicals and the use of plant protection products requires the effective functioning of the process of authorization, classification, labeling, restriction and even management of these substances in line with EU standards.

The land resources of the Republic of Moldova are being intensively exploited. The share of agricultural land is one of the highest in the world (61.8 % of the territory on 1 January 2020), while areas with natural vegetation (forests and other wooded land) occupy only 13.4 % of the territory (https://statbank.statistica.md/pxweb/pxweb/ro/10%20Mediul%20inconjurator/10%20Mediul%20inconjurator_MED050/MED050100.px/?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a774). Soils that have a high level of quality and productivity are subject to degradation processes, the most serious of which is erosion. Reforms in the agrarian sector and the change of land ownership have intensified the process of soil degradation. Every year, about 6400 ha of agricultural land are degraded and lose their fertility (production potential) or are taken out of agricultural use.

Forests and other wooded land covered only 13.4 % of the total area of the Republic of Moldova as of 1 January 2020, a minor increase of only 0.4 % since 2010 (http://statbank.statistica.md/pxweb/pxweb/ro/10%20Mediul%20inconjurator/10%20Mediul%20inconjurator_MED050/MED050200.px/table/tableViewLayout1/?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a774). In EU countries, forests and other

wooded land cover more than 40 % of land area (https://eur-lex.europa.eu/resource.html?uri=cellar:2c1c71af-8384-11e3-9b7d-01aa75ed71a1.0003.01/DOC_1&format=PDF). In addition, as a result of the use of inappropriate technologies in the forestry fund of the Republic of Moldova, areas of forest have been created that have degraded considerably and are currently present with degraded stands, and in many places the dominant and edifying species (conifers, allochthonous species, species planted in inappropriate stations, etc.) are drying out. The preservation and expansion of forest areas contribute to mitigating the effects of climate change, prevent erosion and continued soil degradation and restore the appropriate level of groundwater in the soil. Last but not least, forests are an alternative source of energy when used rationally and according to a rigorous consumption and regeneration planning of forested land.

Air pollution has an impact on life expectancy as its long-term effects lead to lung and heart disease. On a country average, 86.2 % of the total volume of harmful substances emitted into the air is accounted for by transport. The number of transport units is constantly increasing (in 2011 - 689 thousand transport units, in 2021 - 1128 thousand units), and the import of old, high-emission vehicles contributes enormously to air pollution (Environmental Protection Inspectorate yearbooks).

Climate change has a strong impact on resource availability and economic activities. In the last decade, the Republic of Moldova has experienced a series of extreme events, such as droughts and major floods, together with incremental effects caused by rising average temperatures and uneven distribution of precipitation throughout the year, which have had negative consequences for the country's economy, well-being and health of the population. Severe droughts are recurring with increasing frequency, causing significant economic losses. The increasing intensity of extreme events has also led to an increase in the frequency of high-risk situations. In this context, it is imperative to promote measures to adapt to climate change and reduce greenhouse gas emissions.

In the context of climate change, the neglect of environmental issues in recent years, mainly manifested by sacrificing environmental objectives to economic or narrow group interests, has made society even more vulnerable. Without stronger action, the impact of climate change on the agricultural sector, the environment and public finances will be increasingly severe.

The Republic of Moldova remains one of the European countries lagging behind in terms of public and private investments in environmental protection. Total expenditure on environmental protection barely amounts to 0.1 % of GDP (average total environmental protection expenditure for the period 2016-2020), compared to an EU average of 1.9 %. Existing environmental economic instruments (e.g. environmental taxes and permits) are not able to change the situation. Insufficient financial resources make it difficult for local public authorities to take all necessary measures to improve or build wastewater and

waste management infrastructure. The technical assistance provided by development partners in the field of water resources management and waste management is important, but it does not cover all the needs for significant improvements in environmental quality. The low level of household and farmer incomes keeps the car fleet outdated, with high air emissions. Also, although economic operators, by virtue of the work they do, should build local wastewater treatment plants so that the discharge of wastewater into the sewage system meets standards, the low level of competitiveness and poorly diversified access to funding means that this does not usually happen.

In general, climate change has been insufficiently addressed in policy documents, especially in policy initiatives in the agricultural sector. The agricultural sector, contributing around 11.2 % of GDP, is currently identified as the most vulnerable to climate change due to low adaptive capacity. The limited financial possibilities and institutional capacity of the Republic of Moldova to respond to natural climate hazards pose a risk to sustainable agricultural production and rural development in the future. With low productivity levels, a highly variable climate and a high dependence on rain-fed agriculture, the Republic of Moldova faces significant risks to sustainability and food security.

3. Development Vision 2030

SND's vision and major strategic objective are focused on quality of life. Thus, by 2030, the dimensions of quality of life in the Republic of Moldova will be tangibly and sustainably improved, in line with the European aspirations set out in the Republic of Moldova - European Union Association Agreement. At the same time, one of the general objectives of cooperation between the European Union and the Republic of Moldova, as set out in the provisions of the Republic of Moldova-European Union Association Agreement, is the commitment to achieving global policy goals, including the Paris Agreement on climate change and the implementation of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. In this way, cooperation and joint efforts “*will strengthen the rules-based international order and help build a stronger Europe worldwide*”.

Raising the quality of life will be based on several key elements, which will put people at the centre of public policy, reform and development processes and will ultimately aim to improve people's living standards and strengthen demographic resilience:

- 1) transparent, inclusive and effective governance at all levels;
- 2) equitable access to justice;
- 3) accelerated economic diversification, facilitating the transition from traditional to modern technological processes, including innovative technological entrepreneurship, and facilitating geographical mobility;
- 4) the use of high-performance technologies in all public and private areas;
- 5) creating decent jobs and increasing skills and productivity;

- 6) socio-economic inclusion, the economic system should provide opportunities for all people, including those from vulnerable groups;
- 7) fair redistribution of income, with the state having an obligation to create a fair and transparent tax and subsidy system;
- 8) relevant, inclusive and qualitative education and research system;
- 9) public health and safety;
- 10) promoting a proactive child protection policy for children and families with children;
- 11) sustainability of natural resources through their responsible use, minimizing environmental impact.

This combination of factors for development will enable the productive and creative forces that exist in society to be empowered and public and private resources to be directed to uses that will ensure maximum possible welfare gains for current and future generations.

4. Development Goals 2030

The general and specific development goals which the SND suggests for the perspective of 2030 reflect the aspirations of increasing the welfare of the people of the Republic of Moldova, improving the lives of citizens, Europeanization of state institutions, strengthening democracy, the rule of law, respect for human rights, as well as bringing the Republic of Moldova closer to European standards and values, which will ensure the process of accession of our country to the European Union. Thus, the SND will ensure the modernization of all areas of political and social-economic life, bringing the Republic of Moldova closer to European Union standards.

The operationalization of these goals is achieved by setting tangible targets on all relevant dimensions of the concept of quality of human life.

Overall objective 1. The increase of the income from sustainable sources and the mitigation of inequalities

Overall objective 1.1. Accelerated labor productivity growth

Overall objective 1.2. Develop opportunities for innovation and entrepreneurship

Overall objective 1.3. Improve working conditions and reduce informal employment

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

- 1) 50 % reduction in the level of absolute poverty and poverty in all its dimensions according to the national and international thresholds for men, women and children of all ages, with a focus on the most disadvantaged groups (Sustainable Development Goal (SDG) 1.2);

- 2) given the population's dependence on the agricultural sector and the large untapped potential of the sector, increase agricultural productivity and

incomes of small holder farmers through secure and equal access to inputs, knowledge, financial services and markets (SDG 2.3);

3) implement development-oriented policies that support productive activities, decent work, entrepreneurship, creativity and innovation and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services (SDG 8.3);

4) stimulating productivity growth through diversification, technological upgrading and innovation (SDG 8.2);

5) promoting green jobs as an effective way to combine social and environmental development and improve skills and business practices for sustainable and inclusive growth (SDG 8.4);

6) achieve, by 2030, a level of employment similar to the average of Central and Eastern European countries and promote productive employment and decent work for all women and men, including young people, older people and people with disabilities, and equal pay for work of equal value (SDG 8.5);

7) eradicate forced labor, trafficking in human beings and child labor (SDG 8.7);

8) protecting rights at work and promoting safe working environments for all employees; fostering fair pay for work by strengthening social dialogue, enforcing adequate minimum wages and tackling under-reported pay in line with European best practice (SDG 8.8);

9) increasing employee satisfaction by improving working conditions in all sectors of the Republic of Moldova economy.

In the short term, the impact of inflation on people's real incomes and, respectively, on their purchasing power and level of well-being needs to be minimized. To this end, mechanisms are needed to compensate for price increases in the most sensitive products (energy and food commodity tariffs), which are well targeted on the most vulnerable population groups. Compensation mechanisms are also needed for entrepreneurs, especially small ones, in the context of rising commodity prices (for energy resources, fertilizers, logistics services, etc.). At the same time, while respecting institutional independence, there is a need to ensure effective coordination of monetary policies promoted by the National Bank of Moldova and economic and fiscal policies promoted by the Government to ensure the necessary policy mix to mitigate the impact of inflationary shocks and stimulate rapid economic recovery.

In the medium to long term, sustainable income growth can be achieved by increasing the competitiveness of firms, raising labor productivity and integrating marginalized people and groups into the processes of economic value creation. The basic prerequisite for this is for the state to encourage people to realize their aspirations and professional potential, both as employees and as employers by developing opportunities for innovation and entrepreneurship as well as professional development. It is crucial to actively support the entry of young people and women into entrepreneurship and to adopt relevant innovations as

widely as possible. Last but not least, income growth must be based on formal economic and employment activities, with tax compliance and the transition from the informal to the formal sector encouraged, while discouraging and, where appropriate, penalizing informal economic and employment practices. In order to mitigate inequality, public policies will focus on economic empowerment of low-income people.

Overall objective 2. The improvement of living conditions

Overall objective 2.1. Increase mobility through efficient, sustainable and safe transport systems

Overall objective 2.2. Ensure universal access to Internet and e-services

Overall objective 2.3. Ensure universal access to safe water and sanitation systems

Overall objective 2.4. Improve housing conditions

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) universal access to adequate and equitable sanitation will be ensured for 65 % of the population and communities, with special attention to the needs of women and girls and people in vulnerable situations (SDG 6.2);

2) the development of quality, reliable, sustainable and secure infrastructure will be ensured throughout the country to support economic development and increased well-being of the population, with a focus on broad and equitable access for all (SDG 9.1);

3) access to safe, affordable, accessible and sustainable transport systems for all will be ensured, road safety will be improved, in particular by expanding public transport networks (SDG 11.2).

The objectives of increasing people's material well-being targeted by the SND are based on several pillars. The amount of financial resources allocated to public infrastructure projects must increase in a sustainable and programmed way. Another prerequisite is the right strategic selection of priorities, giving priority to projects capable of increasing local, regional or national economic potential and interconnecting existing communities, production processes, services and infrastructure. The third pillar is the essential improvement of the quality of management for each individual project, with a particular focus on ensuring quality and sustainability, and for the project portfolio as a whole. Innovative technical solutions that best meet the needs of the respective communities will be selected for each project. Finally, the policies will favor the contribution of private resources (co-financing from beneficiaries) and the supply response from local producers for programs to improve living conditions (thermal insulation of blocks and houses, replacement of slate with safe materials, safe sewerage solutions, etc.).

Overall objective 3. Ensuring appropriate and quality education for all throughout life

Overall objective 3.1. Comprehensive development of children in early education for lifelong learning and well-being

Overall objective 3.2. Develop transformative competences in the education system, focusing on future knowledge needs and skills

Overall objective 3.3. Develop an accessible, flexible and relevant system of continuing adult education in the perspective of lifelong learning

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) the conditions will be provided for all girls and boys to complete free, equitable and quality primary and secondary education leading to relevant and effective outcomes (SDG 4.1);

2) increase enrollment in accessible and quality technical vocational education and higher education (SDG 4.3);

3) substantially increase the number of young people and adults with appropriate skills for employment (SDG 4.4);

4) equal access of vulnerable people, including people with disabilities, children in vulnerable situations and Roma children to all levels of education and training will be ensured (SDG 4.5);

5) all pupils/students will acquire the knowledge and skills to promote sustainable development and sustainable lifestyles, environmental protection, healthy living, human rights, gender equality, culture of peace and non-violence, global citizenship, and appreciation of cultural diversity, and to promote the contribution of culture to sustainable development (SDG 4.7).

The strategic aim in education is to provide opportunities for all people to develop, from an early age and throughout life, the skills, knowledge, abilities, and competences needed to make the most of their potential in both their personal and professional lives. Quality education from an early age is associated with a range of non-economic benefits, such as improved health, civic and social engagement, better security and social comfort, environmental protection, intolerance of corruption, which implicitly also makes a major contribution to increasing the productivity of the national economy. Modernization of the infrastructure of technical vocational education will increase its attractiveness, facilitating the integration of at least 70 % of graduates into the domestic labor market. The quality of the educational process and the skills developed by the school, not just the qualifications and certificates, will make people better prepared in their professional and private lives, more resilient and more adaptable to changes around them. After leaving the formal education system, people will have opportunities for lifelong learning, linking learning and skills acquired in formal education institutions with skills developed in non-formal and informal contexts, especially in the workplace. Reform of the education system will thus

be vital to accelerate the implementation of the other long-term objectives of this strategy.

Overall objective 4. Raising the level of culture and personal development

Overall objective 4.1. Increasing access to cultural opportunities and activities

Overall objective 4.2. Enhancing heritage, traditions, and cultural diversity

Overall objective 4.3. Provide opportunities for personal development and active citizenship

According to the Sustainable Development Commitments, the following strategic target is to be implemented by 2030:

developing and implementing policies to promote sustainable tourism, facilitating the creation of public-private partnerships, developing the institutional capacities of local public authorities in the field, and creating jobs and promoting local culture and products (SDG 8.9).

This objective is to be achieved by increasing the accessibility, quality, and timeliness of the cultural offer, which implies higher, better targeted and more efficiently used current and investment expenditure at the level of each cultural institution and organization. By contributing to the development of culture as an intrinsic value, these resources will produce important economic and social returns. A more intense, qualitative, and diverse cultural environment will provide people with greater life satisfaction, new benchmarks for personal development and aspiration, and strengthen the sense of belonging and community. Ensuring that culture reaches the 'masses', including in rural and peripheral areas of the country, is of paramount importance for this. Properly promoted and integrated into the education system, culture will strengthen the creative economy and produce important socio-economic effects through direct and indirect job creation, by increasing the tourist attractiveness of communities and the country as a whole, by diversifying opportunities for relaxation and leisure, and by reducing conflict, tension, violence and social deviance.

Overall objective 5. Improving the physical and mental health of the population through the active contribution of a modern and efficient health system that meets the needs of each individual

Overall objective 5.1. Ensure universal coverage with high quality health services contributing to an improved quality of life

Overall objective 5.2. Reduce the burden of communicable and non-communicable diseases through a comprehensive and cross-sectoral approach to health determinants

Overall objective 5.3. Increasing the resilience of the health system in situations that endanger people's health

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) 30 % reduction in premature mortality from non-communicable diseases through prevention and treatment (SDG 3.4);

2) methods of prevention and treatment of the abuse of narcotic drugs, psychotropic substances, their precursors, and alcohol abuse will be strengthened (SDG 3.5).

3) ensure universal access to sexual and reproductive health services, including family planning, information and education (SDG 3.7);

4) achieving universal health coverage, access to quality essential health services, including protection from financial risks associated with these services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all (SDG 3.8).

In order to improve long-term physical and mental health, the main focus will be on promoting a healthy and active lifestyle throughout life. To this end, the health system must develop ongoing collaboration with other sectors to popularize a healthy lifestyle through information/communication and education and to reduce the influence of risk factors such as environmental pollution, unhealthy food, poor working conditions, stressors, risky sexual behavior, creating the best coping mechanisms for their influence on the health status of the population. In addition to the promotion of healthy lifestyles, prophylaxis/prevention through vaccination and/or screening, early diagnosis, and quality treatment, and early and continuous specialized help, especially in diseases with a higher incidence in society, taking into account the specificities of each vulnerable group, remain a priority. This will significantly improve people's health, quality of life and life expectancy in the long term, which will reduce the pressure on the health care system. At the same time, the quality of health services will be improved for all those in need, reducing health inequalities, especially in terms of access to health services in rural areas for the most vulnerable and marginalized population groups, and improving coverage with compulsory health insurance. The human-development-peace nexus approach will be applied, while ensuring the continuity of universal access to quality health care, including life-saving sexual and reproductive health services.

Overall objective 6. A strong and inclusive social protection system

Overall objective 6.1. Provide a range of quality and appropriate social assistance services

Overall objective 6.2. Strengthen the sustainability of the social security system

Overall objective 6.3. Ensure a child protection system that responds promptly and effectively to the needs of every child

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) implementing an adequate social protection system at national level for consistent coverage of the poorest and most vulnerable (SDG 1.3);

2) building resilience of the poor and those in vulnerable situations and reducing their exposure and vulnerability to extreme climate-related events, including drought and floods (SDG 1.5);

3) ensuring an appropriate national policy framework, based on poverty- and gender-sensitive strategies and respect for human rights, that would support investments in poverty eradication (SDG 1.b).

The strategic goal is to develop a sustainable and socially responsible social protection system that adequately supports people to overcome risk situations, to become resilient and to adapt to various shocks and risks at individual, household and community level, and the long-term objective remains to alleviate poverty and ensure equal opportunities for vulnerable groups in society. To this end, the social protection system must provide a comprehensive and coherent set of protection measures for all people throughout their lives: 1) at birth (and maternity) - financial support, pre- and post-natal care; 2) in nursery/kindergarten - cognitive development and prevention of malnutrition; 3) at school - adequate support for inclusive education, care for children in need, improvement of living conditions; 4) at university - programs for skills development, financial support; 5) in the family - poverty reduction schemes, maternity support, childcare payments and other measures to prevent child abandonment, policies against violence against women, domestic violence, violence, child neglect and exploitation, discrimination and social exclusion, and policies on reconciliation of family and working life; 6) in the economically active period - support for unemployment, disability or illness, medical and vocational rehabilitation services, etc.7) after retirement - old age pension, care and inclusion services; 8) addressing discrimination and social exclusion throughout life.

Overall objective 7. Ensuring effective, inclusive and transparent governance

Overall objective 7.1. Building an honest, accountable, efficient, transparent, and open public administration for citizen participation in decision-making processes

Overall objective 7.2. Focus public services on people's needs

Overall objective 7.3. Integrating science, technology, and data in the governance process

Overall objective 7.4. Ensure civil and political rights and freedoms, including freedom of expression, assembly and association, the right to information and the right to vote and stand for election

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) significantly reduce corruption and bribery in all its forms (SDG 16.5);

2) developing the efficiency, accountability and transparency of institutions at all levels (SDG 16.6);

3) ensuring responsive, inclusive, participatory, and representative decision-making at all levels (SDG 16.7).

Good governance starts with the application of the rule of law, where central and local public authorities fully respect the legal framework, and where decisions and regulations are approved in strict accordance with procedures laid down by law and implemented impartially. Thus, public administration reform is a precondition for the promotion of quality policies and reforms in any sector, as set out in the SND, and for the implementation of the important commitments made in both national and international strategic documents. Public administration reform will aim to create a modern, professional public administration geared to providing quality public services in line with the needs and expectations of the people and of social and economic entities. To this end, administrative authorities and public institutions at all levels will be made accountable for taking decisions in line with people's needs and for the efficient management of public resources; decision-making will be made transparent and organized closer to the people, ensuring its coherence, efficiency and predictability; access to public services provided at central and local level will be improved through various means, including digitization; the quality and efficiency of public services will be improved in line with beneficiaries' needs and requirements.

Overall objective 8. Creating a fair, incorruptible and independent justice system

Overall objective 8.1. Develop out-of-court dispute resolution mechanisms

Overall objective 8.2. Promote the rule of law and ensure equal access to justice

Overall objective 8.3. Significantly reduce corruption in all its forms and build a transparent and accountable justice system for citizens

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) promoting the rule of law and ensuring equal access to justice for all women, men and children, especially those in vulnerable groups (SDG 16.3, SDG 5.2);

2) significantly reduce corruption and bribery in all its forms (SDG 16.5.)

Given that access to justice can sometimes be costly and that overburdening courts with cases leads to inefficiency, the focus will be on developing and promoting the practical application of out-of-court mechanisms to ensure fair access to justice. Extra-judicial administrative bodies such as equality and anti-discrimination bodies, human rights institutions, the Ombudsman, the personal data protection authority, and others can facilitate

access to justice by providing quicker ways to obtain redress or by allowing collective action. At the same time, alternative dispute resolution procedures such as mediation and arbitration, which offer alternatives to access to justice through ordinary judicial channels, will be strongly promoted. This will reduce pressure on the courts and justice sector reform will focus on strengthening the independence, accountability, impartiality, efficiency, and transparency of the judicial system and ensuring equal access to justice. At the same time, the principle of "zero tolerance" of corruption, in particular in the judiciary and public administration, will be applied with the aim of rooting out corruption in all its forms.

Overall objective 9. Promoting a peaceful and secure society

Overall objective 9.1. Reduce violence in society in all its manifestations and aspects

Overall objective 9.2. Reduce vulnerability to threats and risks of all kinds

Overall objective 9.3. Enhance security in the operation of critical infrastructures and systems

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

1) the continuing and dynamic reduction of all forms of violence, in particular domestic violence and sexual violence (SDG 16.1);

2) ending abuse, neglect, exploitation, trafficking and all forms of violence and torture of children (SDG 16.2);

3) fighting all forms of organized crime and arms trafficking (SDG 16.4).

Ensuring all preconditions for promoting and maintaining a peaceful and safe society starts from de-motivating deviant behaviors that lead to violence in society, with a major focus on preventing domestic violence, sexual violence and violence against children (including by addressing gender and social non-discriminatory norms) and addressing the problems of survivors of violence in an integrated manner - in humanitarian as well as in regular contexts, applying the nexus approach: "humanitarian aid - development aid - peace and security". Protecting children from direct and indirect sources of violence will, in the long term, ensure a social stratum less fertile for aggression. In essence, protecting the legitimate interest of the citizen and the provision of quality services will be the main challenges in the implementation of the European security concept, which will reduce the development of import-export corridors of crime. At the same time, a comprehensive and balanced approach to gender equality will be implemented in order to reduce vulnerabilities to threats and risks of any kind, to increase the security of the functioning of critical infrastructures and systems, which will contribute to the creation of an environment where citizens, regardless of age, gender, ethnicity or religion, feel protected and safe.

Following the ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence, alignment with its provisions will continue, both in terms of the legal framework and concrete practical measures, in order to provide the most effective and appropriate actions and prompt response by state authorities, together with civil society and international partners, to prevent and combat cases of violence against women and domestic violence.

Overall objective 10. Ensuring a healthy and safe environment

Overall objective 10.1. Improve water, air, and soil quality

Overall objective 10.2. Sustainable increase in the area of forests and protected areas

Overall objective 10.3. Ensure responsible consumption of natural resources

Overall objective 10.4. Active transition to the green and circular economy

According to the Sustainable Development Commitments, the following strategic targets are to be implemented by 2030:

- 1) ensuring resilience to climate change by reducing climate change risks (SDG 13.1);
- 2) reducing water pollution, including from land-based activities (SDG 14.1);
- 3) combating land degradation (SDG 15.3);
- 4) mainstreaming biodiversity values into policies (SDG 15.9);
- 5) implementing sustainable forest management and increasing afforestation and reforestation (SDG 15.2).

The objective of tangible improvements in the quality of environmental components will be achieved by actively promoting the “polluter pays” principle and by enforcing the internalization of the negative effects of economic activities, including through fair taxation and charging, and by subsidizing environmentally friendly practices. The integration of measures and principles of the circular economy into the production processes of the national economy will contribute to improving the quality of the environment and the standard of living of the Republic of Moldova population. Innovative integrated waste management ideas, solutions and projects will be supported. This will allow a real decoupling of economic growth from environmental degradation. At the same time, active encouragement and involvement in collaborative efforts between the Government and employers' and employees' organizations will be promoted, with the support of international organizations, in order to effectively embed policies that enable a transition to a sustainable environment.

5. Policy directions and priority interventions

The priority directions and interventions included in the SND will contribute to the achievement of the objectives and priorities corresponding to the commitments of the Republic of Moldova - European Union Association Agreement and other agreements concluded with the European Union, including measures aimed at preparing the country for accession to the European Union. The link between the priority interventions and the specific objectives to which they contribute is shown by the inclusion in brackets of the numerical code of the specific objective.

5.1. Strengthening the parliamentary institution

- 1) Strengthen capacities for *ex-ante* and *ex-post* analysis, monitoring and evaluation of the impact of policies, including gender equality (O7.1).
- 2) Strengthen the parliamentary oversight function, including oversight of independent regulators (O7.1).
- 3) Ensure compliance with legislation on transparency in decision-making and *ex-ante* impact assessment of legislative initiatives (O7.1, O8.2, O8.3).
- 4) Ensure compliance with the provisions of the legislation on transparency and the principle of gender equality in decision-making (O7.1, O8.2, O8.3).
- 5) Strengthen permanent structures of territorial parliamentary presence (O7.1, O8.3).

5.2. Public administration reform

- 1) Ensure transparent, responsive, inclusive, participatory, , representative and effective decision-making at all levels (O7.1).
- 2) Ensure a clear mechanism for implementing decisions in accordance with the principles of subsidiarity and for monitoring their implementation (O7.1).
- 3) Implementation of systems for monitoring the work of public authorities by citizens, including mechanisms for reporting citizens' satisfaction with the services and information provided (O7.1).
- 4) Reform of the system for hiring and professional development of civil servants at all levels, monitoring and evaluation of their performance, and making them more accountable, while rethinking the pay and motivation system (O7.1).
- 5) Create an efficient and people-friendly local public administration capable of delivering positive change in communities, adopting an optimal model based on administrative decentralization (O7.1).
- 6) Increasing the inclusiveness, accessibility and quality of public services that meet the individual needs of people, including people belonging to vulnerable groups, at every stage of life (O7.2).
- 7) Strengthen integrity in the public sector, ensured by cultivating a climate of “zero” tolerance to corruption through increased accountability, transparency and resilience to corruption risks of public officials (O8.3).

8) Co-opting managers from private institutions and development agencies to transfer managerial experience to the public sector (O1.1, O7.1, O8.3).

9) Stimulate competition, including by facilitating imports of critical services for infrastructure projects (O1.1, O7.1, O8.3).

10) Implementation of best practices of international development agencies in the conduct of public procurement (O1.1, O7.1, O8.3).

11) Introduction of the subjects of systemic evaluation and feasibility studies in the initial training programs of the Academy of Economic Studies of Moldova, the Technical University of Moldova, the State University of Moldova and in the continuous training programs (O1.1, O7.1, O8.3).

12) Improve mechanisms for state cooperation with civil society, including through the development of communication and coordination platforms, direct funding of civil society organizations and social contracting (O7.1, O7.4).

13) Improve access to information legislation in line with best practice, including through the adoption of an appropriate enforcement mechanism. Improve and diversify mechanisms for consultation and involvement of citizens in decision-making processes (O7.1, O7.4).

5.3. Electronic transformation of government, society, and the economy

1) Promote full digitization of public services (O1.1, O1.2, O2.2, O7.1, O7.2, O8.3).

2) Mandatory interconnectivity and interoperability, ensuring access to administrative data sources for all authorities and excluding the obligation for citizens and entrepreneurs to submit official documents on physical media (O1.1, O1.2, O2.2, O7.1, O7.2, O8.3).

3) Increase accessibility of public administrative services, including through alternative, socially inclusive local access points and open government data (O7.2).

4) Promote the principles of transparency and traceability of open data and official information and the responsiveness of public authorities/institutions to requests from citizens and business (O7.2).

5) Develop and promote a unified electronic mechanism for receiving petitions and requests for information (O7.2).

6) Full digitization of administrative processes in central and local public administration, paperless document circulation and issuance of paper documents only at the explicit request of the applicant (O1.1, O1.2, O2.2, O7.1, O7.2, O8.3).

7) Enhancing the capacities of justice institutions in the field of new technologies (artificial intelligence, cyber-security, protection of human rights in the digital space, etc.) (O8.1-O8.3).

8) Develop the conditions for increased competitiveness, diversification of the IT industry, stimulation of start-ups and a focus on digital innovation in all sectors of the economy (O9.5).

9) Review the regulatory framework for customs procedures, postal and courier services and online payments to facilitate e-commerce (O1.1, O1.2, O2.2, O7.1, O7.2, O8.3).

10) Ensure affordable broadband Internet access for all sections of the population in every locality and legislate the right to Internet for everyone (O2.2, O7.2).

11) Unify the administrative register system, ensure interoperability and compatibility of information systems, ensure access to administrative data by statistical and fiscal authorities (O1.1, O1.2, O2.2, O7.1, O7.2, O8.3).

12) Digital literacy of the population, in particular the elderly population, respecting the principle of "Leave no-one behind" (O1.1, O1.2, O2.2).

13) Strengthen cyber-security infrastructure, critical data infrastructure security and ensure confidentiality of personal data; strengthen and adjust advanced curricula in cyber-security and cyber-crime investigation for training of specialists (O2.2).

14) Promote the digitization of administrative processes in the private sector (companies, non-governmental organizations, etc.) and minimize the bureaucratic burden in the management of these entities (O1.1-O1.3).

15) Implement the principle of developing government digital products on open source and non-proprietary tools and the standardized single principles for the development of digital services (O2.2, O7.1, O7.2).

16) Implementation of the principle that public service recipients provide data requested by public authorities and institutions only once (O7.1, O7.2).

17) Implementation and continuous development of the Local Public Administration Portal of the Republic of Moldova (e-APL) (O2.2, O7.1, O7.3).

18) Develop a centralized, standardized and secure mechanism for archiving public documents and data in electronic format for all institutions, allowing access, analysis and re-use (O7.1, O7.2).

19) Stimulate e-commerce by connecting the national economy with international online payment subjects and systems (O1.1, O1.2).

20) Ensuring the protection of personal data of beneficiaries of products/services generated by automated systems implemented by the state, as well as ensuring the security and safety of users of digital devices focusing on vulnerable groups (O7.2).

5.4. Budgetary and fiscal policy and management

1) Transition to a simple, universal, fair tax system with minimum exemptions, eliminating the incentives for taxpayers to evade and tax authorities to abuse (O1.1-O1.3, O7.1, O8.3).

2) Develop mechanisms to ensure that local public authorities have access to budgetary resources for co-financing local development projects supported by development partners (O2.3, O7.1, O10.1).

3) Strengthen macro-financial forecasting and planning capacities (O7.1).

4) Integrate demographic forecasts into the budgetary process, including the medium-term budgetary framework (O7.1).

5) Comprehensive reform of the financial management of state-owned enterprises (O7.1, O7.3).

6) Development of human resources for the professional management of public procurement (O7.1, O7.3).

7) Comprehensive review of the regulatory and institutional framework to ensure transparency of beneficial ownership rights (O1.3, O7.1, O7.3).

8) Fair taxation of beneficial owners of large wealth and luxury properties who have not fully met their tax obligations to ensure recovery/compensation of missed tax revenues from tax evasion (O1.3, O7.1, O7.3).

9) Improve the regulatory framework and electronic tools to ensure transparency in public procurement (O7.1, O7.3).

5.5. Effective governance based on evidence and science

1) Integration of official statistical data, national and local population forecasts, other evidence across the science-based public policy cycle and the budgetary framework (O7.1, O7.3, O2.1-O2.4).

2) Production of quality statistical data (timely, relevant, reliable, accessible, disaggregated, coherent, internationally comparable and harmonized with European Union requirements) and new data sets needed for evidence-based information on public policies, decision-making processes and society (O7.1, O7.3, O2.1–O2.4).

3) Ensure legal treatment and fair access of research and innovation organizations to funding opportunities under national and international programs (O7.1, O7.3).

4) Participatory, transparent and documented monitoring and evaluation of the effects of regulatory acts (O7.1, O7.3, O8.3).

5) Promote the principle of mandatory and independent impact assessment of legislation, policies, development projects, subsidies, state aid and regulations (O1.1, O1.2, O7.1, O7.3, O8.3).

6) Develop procedures and capacities to integrate demographic perspective into sectoral public policies; assess the impact of public policies on the demographic situation (O7.1, O7.2).

7) Regional cooperation and interconnection of data and public services and adjustment of the legal framework to European Union rules and to the policies and mechanisms of other international organizations, such as the Organization for Economic Cooperation and Development and the Organization for Security and Cooperation in Europe (O7.1).

8) Integrate the human rights and gender equality approach as a prerequisite for development into the development and implementation of state policies (national, regional, sectoral etc.) (O7.1, O7.2).

9) Improve and integrate indicators on respect for human rights and gender equality in the collection of administrative data and national statistics (O7.1, O7.2).

5.6. Justice reform

1) Promote public legal education and popularize out-of-court dispute resolution practices (O8.1).

2) Ensure the professionalism, independence and integrity of judges and prosecutors to respond adequately to the challenges in society, to ensure the rule of law and to increase confidence in the judicial system (O8.2).

3) Ensuring quality in the enforcement of criminal judgments and increasing correctional services (O8.2).

4) Building a fair and accessible justice system adapted to the needs and level of development of all categories of people, especially vulnerable groups (O8.2).

5) Specialization of judges to examine cases relating to the protection of children's rights (O8.2).

6) Development of new genres of forensic expertise (in the field of intellectual property, culture and art, ecology, linguistics, etc.), including the development of scientific research activity in forensic institutions (O8.2).

7) Socialreintegration of persons in the probation and prison system (O8.2).

8) Review the punitive system to ensure fairness and proportionality of criminal penalties and to humanize them (O8.2, O8.3).

9) Transparency of the justice system, including through the development of communication mechanisms between justice institutions and citizens (O8.1-O8.3).

5.7. Supporting and involving the diaspora

1) Promote the transfer of knowledge and skills of diaspora and migrants by building partnerships between central public authorities, local public authorities, communities, diaspora, and native associations (O7.1).

2) Effective reintegration of returnees and harnessing the skills and qualifications potential of the diaspora by developing tools to stimulate business creation, ensuring transferability of benefits and recognizing acquired knowledge and qualifications (O1.1, O3.3, O7.1).

3) Promote new ways of lifelong learning in the public service by providing technical support from professionals in the diaspora of the Republic of Moldova (O3.3).

4) Implementation of digital tools and mechanisms to involve citizens from the diaspora in public and civic participation in the Republic of Moldova (O7.1).

5.8. Culture and cultural policies

- 1) Documenting, unifying and digitizing the book stock in public libraries (O1.2, O4.1–O4.3).
- 2) Rethinking the organizational model, advancing the role of community integrator of public libraries (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 3) Ensuring fair access for all cultural service providers to public places and spaces (O1.2, O4.1–O4.3, O7.1, O8.3, O9.1).
- 4) Supporting independent artistic initiatives, including by identifying spaces for workshops, rehearsals, performances, residencies and other activities, as well as developing sustainable financial mechanisms for supporting the independent scene (O4.1–O4.3).
- 5) Establishing a national mechanism to support the process of restoration and enhancement of the cultural heritage (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 6) Creating and strengthening an educational system on cultural heritage, its training, research and innovation (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 7) Encouraging the initiatives of local communities and authorities to restore the cultural heritage (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 8) Developing and diversifying the national tourist product (agrotourism, ecotourism, rural, wine-making, gastronomic and cultural tourism), strengthening the role of local communities and involving the diaspora (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 9) Strengthening the investments in the development of the tourist infrastructure (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 10) Digitalization of tourist products and services (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 11) Qualitative development of the workforce and educational programs (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 12) Formation and consolidation of tourist destinations, including through actions to promote, preserve and restore historical monuments (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 13) Strengthening the tourism brand of the country and continuing its promotion activities in the source target markets (O1.2, O4.1–O4.3, O7.1, O7.3, O9.1).
- 14) Integrating the cultural and creative sectors into rural and urban development policies and national tourist routes (O1.1–O1.3, O4.1–O4.3, O7.1, O8.3, O9.1).
- 15) Professionalizing the managers in the cultural and creative sectors by improving the initial and continuing training offer (O1.1, O1.2, O4.1–O4.3, O7.1, O8.3).
- 16) Actively supporting the internationalization of the cultural and creative sectors, including by capitalizing on the capacities and presence of the diaspora (O4.1–O4.3).

17) Developing the support measures for the entrepreneurial initiatives in the cultural and creative sectors (O1.1, O1.2, O4.1–O4.3, O7.1, O8.3).

18) Defining the accessibility and geographical mobility standards for public providers of cultural products (O1.2, O4.1–O4.3, O9.1).

19) The collaboration of the cultural and creative sectors with the scientific environment in order to implement and to promote the scientific results in the field (O7.1–O7.3).

20) Using the results of the scientific research in the rural and urban development policies, as well as in the national/international tourist routes (O7.1–O7.3).

21) Facilitating the development of independent media at central and local level in the context of achieving the right to information for all the citizens of the country (O4.3, O7.1, O9.2).

5.9. Policies and management in the macroeconomic and economic development field

1) Combating the informal economy phenomenon (O1.1–O1.3).

2) Discouraging cash transactions (O1.1–O1.3, O7.1).

3) Encouraging the transition to formal employment through business support mechanisms (O1.1–O1.3, O7.1).

4) Reviewing the state policy relating to state-owned enterprises to establish the conditions for the participation of the state in the activity of companies, as well as to increase the social and environmental impact, economic, financial and fiscal efficiency and transparency of state-owned enterprises (O1.1, O1.2, O7.1, O8.3).

5) Unequivocally separating the policy-making functions from the functions of public property management and supervision of state-owned enterprises within public authorities (O1.1, O1.2, O7.1, O8.3).

6) Strengthening the corporate governance in state-owned enterprises and in companies with state capital by professionalizing the boards of directors, by increasing the transparency of companies and by streamlining their activity (O1.1–O1.3, O7.1, O8.3).

7) Promoting the improvement of corporate governance in privately owned companies (O1.1–O1.3).

8) Improving the legal framework and ensuring the control procedures for the transparency of the procurement process of state-owned enterprises (O1.1–O1.3, O7.1, O8.3).

9) Clear separation of commercial and non-commercial objectives in the activity of state-owned enterprises (O7.1, O8.3).

10) The correct assessment and record of the state property, its integration in the economic circuit (O1.1–O1.3, O7.1, O8.3).

11) The recognition and registration by the state of the ownership right of the Republic of Moldova over properties located in other states (O1.1–O1.3, O7.1, O8.3).

12) Minimizing the regulatory burden on the business environment by simplifying the procedures, regulations and processes within the state institutions to reduce the indirect costs incurred by the business environment (O1.1–O1.3, O2.3, O7.1, O8.3).

13) Adjusting the legislative framework to allow the emergence of alternative funding sources for the private sector (O1.1–O1.3).

14) Promoting the integrity in the private sector, including by facilitating the takeover by companies (but also by public institutions) of the international standard for anti-corruption management systems SM ISO 37001 (O1.2, O1.3).

15) Ensuring “the de-oligarchizing” of the political and economic systems in the country according to good international practices (O1.2, O1.3, O7.1, O8.2, O8.3).

16) Promoting a smart specialization by directly creating an effective institutional framework (O1.1–O1.3).

17) Greening small and medium-sized enterprises, creating green jobs, promoting eco-innovations and eco-labeling for products and services offered by small and medium-sized enterprises (O1.1–O1.3, O10.4).

5.10. Supporting the development of entrepreneurship

1) Developing a business-friendly regulatory framework, including to stimulate the creation of small and medium-sized enterprises (O1.1–O1.3, O2.3, O7.1, O7.2, O8.3).

2) Strengthening the entrepreneurial culture and capacity (O1.1–O1.3, O2.4, O3.3, O4.3, O7.1, O7.2).

3) Improving competitiveness and access to outlets (O1.2, O7.1, O8.3, O9.1, O9.2).

4) Improving access to financing for entrepreneurs (O1.1–O1.3, O7.1).

5) Facilitating the transfer of technologies and innovations (O1.1, O1.2, O7.3).

5.11. Protection of competition and state aid

1) Regulating the regular external evaluation principle of the market regulatory authorities in terms of efficiency, neutrality and integrity of regulations (O7.2, O8.3).

2) Reviewing the system of administrative restrictions on entry into the market with a focus on pharmaceutical activities, telecommunications and retail with oil products (O1.2, O7.1, O8.3).

3) The transition from price and margin control system to substantial direct payments to vulnerable populations (O1.2, O6.1, O7.1, O8.3).

4) Prohibition of the participation of companies from non-cooperative jurisdictions for tax purposes in the social capital of entities in critical sectors – financial, energy, civil infrastructure, media (O1.2, O6.1, O7.1, O8.3, O9.1–O9.3).

5) The gradual transition from the subsidies granted to economic/business sectors to subsidies based on the principles of innovation, business sustainability and social inclusion (O1.1–O1.3, O7.1).

6) Gradually reorienting and/or prioritizing company subsidies for current expenses toward capital/investment expenses (O1.1–O1.3, O7.1, O8.3).

7) Reducing corruption when allocating the subsidies by automating and anonymizing the initial assessment process of the files (O1.1–O1.3, O7.1, O8.3).

8) Minimizing the competition between state-owned enterprises or joint-stock companies with a majority state-owned capital and private companies (O1.1–O1.3).

9) Carrying out an exhaustive assessment of the size, forms, opportunities and impact of state aid in the Republic of Moldova and the connection to the practices of the European Union, as well as to the priorities of economic growth and development of the Republic of Moldova (O1.1–O1.3).

5.12. Promoting investment opportunities

1) Creating an investment climate characterized by clear, transparent and predictable rules, including through prior consultation of the new regulations with the business environment (O1.1–O1.3).

2) Strengthening the capacities of the public authorities to promote investment opportunities and to develop an effective and sustainable economic diplomacy (O1.2, O7.1).

3) Comprehensive assessment of legal proceedings and precedents, as well as the regulatory and institutional framework to ensure the legal protection of private investment (O1.2, O8.2, O8.3).

4) Developing the stock market and increasing the variety, accessibility and quality of financing instruments, including through the annual organization of investment forums, in collaboration with Romania (O1.1–O1.3).

5) Developing the policies, programs and innovative financial instruments to direct remittances and emigrants' economies to financing private and public infrastructure investments (O1.2, O2.1–O2.4).

6) Identifying the priority sectors for foreign and domestic investments, stimulating innovative and environmentally friendly investment projects (O1.1, O2.4, O9.2, O9.3, O10.1, O10.3).

7) Strengthening the capacities of the institutions responsible for promoting the country as an investment destination (O1.1, O2.4, O9.2, O9.3, O10.1, O10.3).

8) Improving and actively promoting the image of the Republic of Moldova abroad (O1.2).

5.13. Sustainable development of agriculture

1) Supporting farmers' efforts to ensure the sustainable value chain by developing the infrastructure for post-harvest and storage of agricultural production (O1.1–O1.3).

2) Implementing the quality and harmlessness standards of the agri-food products in order to comply with the requirements of the European Union for food safety (O1.1–O1.3, O9.2, O9.3).

3) Strengthening the capacities of labs in the sanitary-veterinary and phytosanitary fields (O 9.1, O9.3).

4) Defining an integrated agricultural financing system based on certificates of deposit (O1.1, O1.2, O7.1, O9.2).

5) Promoting organic farming by implementing the principles of organic farming and sustainable agriculture (O1.2, O10.1–O10.4).

6) Sustainable management of the lands and soil, the implementation of the mandatory protocols for the sustainable management of the soil (O1.1, O1.2, O7.3, O10.1–O10.4).

7) Priority financing of developing technological solutions adapted to the national agricultural system to reduce soil erosion and degradation (O1.1, O1.2, O7.3, O10.1–O10.4).

8) Ensuring long-term research funding for the development of new indigenous varieties, resistant to climate change (O1.1, O1.2, O7.3, O10.1–O10.4).

9) Restoration of the national ecological network of natural areas, restoration of river protection areas, stimulation of private forest planting on private agricultural land, connection of municipal rainwater sewerage systems (O1.1, O1.2, O7.3, O10.1–O10.4).

10) Promoting sustainable agricultural practices by reducing the consumption of plant protection products and fertilizers through the implementation of rational practices with a greater diversity of crops, through the implementation of innovative farming systems, by increasing carbon retention in the soil and by reducing the consumption of non-renewable energy resources and their derivatives (O1.2, O10.1–O10.4).

11) Encouraging the association of farmers in agricultural cooperatives and other producer organizations (O1.1, O1.2, O9.2, O9.3).

12) Diversifying domestic food products, including the substitution of certain imports of products, in order to increase the accessibility to food and ensure food security (O1.1, O1.2, O9.2, O9.3).

13) Promoting the consumer culture of domestic products by raising awareness of the need for the development of the local economy (O1.1–O1.3).

5.14. Policies and management in the forestry sector

1) Implementing the national afforestation program and the extension by at least 100 thousand hectares of forested areas by capitalizing on the degraded land

from the agricultural land fund and other categories of land, by regenerating the land from the forest fund (O1.1, O1.2, O4.3, O5.1, O9.2, O10.1–O10.4).

2) Developing the national programs for the regeneration and sustainable use of forest fund, development of forest semeiology and nurseries, for forest protection, development of the hunting farms, etc. (O10.1–O10.4).

3) Reducing the administrative barriers and creating subsidy mechanisms for the establishment of forest plantations on private land and for the involvement of the population, civil society and the private sector in the expansion of forest areas and their proper management (O1.1, O1.2, O4.3, O5.1, O9.2, O10.1–O10.4).

4) Creating highly productive and stable forest ecosystems in compliance with all stages of the key sustainability principles – adaptive potential, the capitalization of the local genetic background, the maximum representativeness of the population genetic diversity etc. (O9.2, O10.1–O10.4).

5) Improving the methods and techniques of care, regeneration, conservation and ecological reconstruction, for the rational use of forest wood products and forest management, and creating interconnectedness corridors between forest bodies (O9.2, O10.1–O10.4).

6) Completing the transmission of the forest fund managed by local public authorities under the subordination of state forestry bodies and the creation of fast-growing tree plantations for the energy needs of the population (O7.1, O8.3, O9.2, O10.1–O10.4).

7) Maintaining the existing forest strips and counteracting the practices for their deforestation (O10.1–O10.4).

8) Creating a new mechanism for funding sustainable forest management, developing a mechanism for compensating forestry losses and payment for ecosystem services (O10.1–O10.4).

5.15. Energy security and efficiency, energy from renewable sources

1) Facilitating the creation of regional Eco-energy centers in order to increase energy autonomy at local level through the use of renewable energy resources (O1.1, O2.4, O9.2, O9.3, O10.1, O10.3).

2) Ensuring the necessary conditions for the installation of around 410 MW of new renewable electricity generation capacities and accelerating their installation rate.

3) Complementing the current payments under the winter aid scheme with subsidies for the implementation of energy efficiency measures (O1.2, O2.4, O5.1, O6.1, O7.2, O9.3, O10.1–O10.3).

4) Accelerating the implementation of the project “Interconnection of electricity networks between the Republic of Moldova and Romania” and the creation of joint natural gas deposits of the Republic of Moldova and Romania (O1.1, O1.2, O2.4, O9.2, O10.1, O10.3).

5) Ensuring the necessary conditions for the deployment of the investments for the storage of the energy from renewable sources in line with the emergence of new generation capacities (O1.1, O1.2, O2.4, O9.2, O10.1, O10.3).

6) Using the green mass of perennial leguminous crops on arable land for the purpose of fixing biological nitrogen (for replacing technical nitrogen from mineral fertilizers) for the production of biogas by ‘methanation’ (O1.2, O10.1–O10.4).

7) Ensuring the conditions for the creation of energy crops intended to produce wood biomass in industrial quantities and developing the production capacities of various types of biofuel, including wood briquettes and pellets (O1.2, O10.1–O10.4).

8) Promoting sustainable enterprises and creating decent jobs for all by promoting green entrepreneurship, setting up green businesses, green enterprises and by sectoral interventions in construction, waste, energy, tourism, forestry and agriculture (O1.2, O10.1–O10.4).

5.16. The development of the industrial sector

1) Developing policies for the development of the resilient, competitive and sustainable industrial sector (clean industry) (O1.1, O1.2, O3.2, O7.3, O10.1–O10.4).

2) Based on the relevant universities and colleges, creating regional centers for the improvement of the resource use and competitive industrial production (O1.1, O1.2, O3.2, O7.3, O10.1–O10.4).

3) Creating preferential mechanisms/support instruments/credit lines for industrial enterprises for projects to streamline resource use and competitive industrial production (O1.1, O1.2, O10.1–O10.4).

4) Attracting multinational companies from the industrial sector and functional re-specialization for the integration of companies into global value chains (O1.1, O1.2, O10.1–O10.4).

5) Legislative provision on the universal application of the principle of extended responsibility of the manufacturer (O10.1–O10.4).

6) Developing the industrial infrastructure and financial instruments to stimulate small industrial producers at local level (O1.1, O1.2, O10.1–O10.4).

7) Stimulating the development of industrial enterprises with a high potential for innovation and growth, implicitly in the electronics, pharmaceutical, creative industries (O1.1, O1.2, O7.1, O8.3).

8) Developing the programs supporting and promoting the domestic production and processing of domestic raw materials, without prejudice to the commitments under the Association Agreement between the Republic of Moldova and the European Union and the commitments to the World Trade Organization (O1.1, O1.2).

9) Launching partnership programs between the industry and the academic or university field (O1.1–O1.3).

5.17. Policies and management in the field of regional, local and construction development

1) Increasing the competitiveness and employment of regions by strengthening the role and functions of cities as engines for increasing the competitiveness of regions, by improving the entrepreneurial environment in the regions (O1.1–O1.3, O2.3, O2.4, O7.2).

2) Enhancing territorial cohesion and preventing exclusion by improving basic technical and building infrastructure, supporting the regions facing climate change, preventing the risks and resisting against disasters (O2.3, O2.4, O10.1–O10.4).

3) Improving the mechanisms and instruments for the coordination and implementation of the national regional development policy, through the operational efficiency of the implementation framework, by strengthening the mechanism for funding the programs and projects for regional development (O7.1–O7.2).

4) Extension of water supply and sanitation infrastructure based on extensive criteria to ensure the feasibility of the projects: community consensus and commitment, credible evidence of the state of water resources and the state of the existing infrastructure, the demographic and consumption potential of the community, financial sustainability, etc. (O2.3, O2.4, O10.1–O10.4).

5) Comprehensive and participatory review of the regulatory and institutional framework for eliminating the bureaucratic barriers in order to obtain the documents authorizing the constructions (O1.1, O1.2, O7.1, O7.2, O8.3).

6) Harmonization of technical regulations and national standards with the European legislation and standards in the field of construction (O1.1, O1.2, O7.1, O7.2, O8.3).

5.18. Policies and management in the field of transport and road infrastructure

1) Developing the long-term mobility strategy in the fields of transports and road infrastructure (O1.1, O1.2, O2.1, O7.1).

2) Developing the multi modal logistics centers in the regions of the country (O1.1, O1.2, O2.1, O7.1).

3) Developing the policy documents on the road safety, promoting the policies on the development of road infrastructure adapted to the traffic of cyclists and other means of individual mobility (O1.1, O2.1, O4.3, O10.1).

4) Modernizing vehicles used in road transport through regular services in local/municipal traffic and migration to non-polluting vehicles and alternative transport (O2.1, O10.1).

5) Promoting the gradual/staggered elimination of polluting means of transport, the introduction of staggered restrictions on the import of these means

of transport, as well as the gradual introduction of charging mechanisms depending on the level of pollution of vehicles (O2.1, O10.1).

5.19. The development of roads and road transport

1) Increasing the budgetary allocations to ensure a safe road infrastructure, including for the rehabilitation of signs, markings and pedestrian crossings (O2.1, O7.1, O9.2).

2) Ensuring the continuity and efficient use of external financing support for road modernization and rehabilitation (O2.1, O7.1).

3) Increasing the volume of resources allocated to the road fund for the maintenance, rehabilitation and modernization of transport infrastructure (O2.1, O7.1).

4) Integrating the accessibility standards for people with disabilities into infrastructure and transport policies (O1.1, O1.3, O6.1, O9.2).

5) Elaborating and integrating the national project “Construction of the Chisinau-Iasi highway” in order to integrate it into the European transport network (O1.1–O1.3, O2.1, O7.1).

6) Rehabilitation/consolidation and construction of border bridges over the Prut river, including in Ungheni, Sculeni, Nisporeni, Leuseni, Leova, Cantemir and Cahul, according to the agreements signed between the Government of the Republic of Moldova and the Romanian Government (O1.1–O1.3, O2.1, O2.4).

7) Establishing partnerships with the organizations of the civil society and with schools to conduct campaigns to promote road safety, to discourage aggressive driving, to promote solidarity and the rules of safe driving (O4.3, O5.1, O7.1, O8.2, O9.1).

8) Stimulating the renewal of the fleet of vehicles carrying out the transport of passengers through regular services.

9) Identifying the mechanisms supporting the road transport operators carrying out regular services, especially those in district traffic.

5.20. The development of rail transport

1) Restructuring the railway sector in accordance with good governance standards and its financial and economic revitalization (O1.2, O2.1, O7.1, O10.1).

2) Elaborating and implementing the National Program “Extension of the railway network” to ensure the interconnection of the municipalities in the country (O1.1, O1.2, O2.1, O7.1, O10.1).

3) Elaborating a road map for the interconnection of railways of the Republic of Moldova and railways in Romania, starting with normal gauge railway Galati – Chisinau and Iasi – Chisinau (O1.1, O1.2, O2.1).

5.21. The development of shipping

1) Cleaning and planning Prut riverbed to ensure the navigation on the river from the estuary to Ungheni river port, the rehabilitation of port and dock elements (O1.1, O1.2, O2.1, O10.1).

2) Elaborating the reliability study for the extension of Giurgiulesti port (above bridges) and the construction of a dry port, examining the possibility of connection to the railway infrastructure (O1.2).

3) Elaborating the legal base in the port field (Harbors' Act) and the development of internal shipping (O2.1).

5.22. The development of air transport

1) Increasing people's access to air transport services by opening a regional airport (O1.1, O1.2, O2.1, O7.1, O7.2).

2) Continuing the Open Sky policies to diversify destinations according to socio-economic interests (O1.1, O1.2, O2.1, O7.1, O7.2).

3) Developing an air cargo terminal that would provide services at the level of international standards (O1.1, O1.2, O2.1, O7.1, O7.2, O9.2, O9.3).

5.23. Policies and management in the field of environmental protection

1) Promoting the climate change adaptation policies and minimizing the impact of anthropogenic activity on the environment, including through activities based on the results of scientific research and promotion of "green" economy (O10.1–O10.4).

2) Strengthening the dialog with Ukraine for the adoption and implementation of measures to ensure the ecological functioning of the Dniester Hydrotechnical complex (Novodnestrovsk) in accordance with the international ecosystem protection standards (O9.2, O9.3, O10.3).

3) Strengthening the collaboration with Romania to ensure the optimal functioning of the Costesti-Stanca Hydro technical Node (O9.3, O10.3).

4) Developing and implementing the rehabilitation project of Beleu Lake within "Prutul de Jos (Lower Prut)" nature reserve. (O10.1–O10.4).

5) Developing and implementing the national projects on the unclogging of strategic lakes (O10.1–O10.4).

6) Elaborating and implementing the national project "Cleaning the Bac Riverbed" in order to reduce the anthropic impact, to prevent the risk of flooding and the risk of erosion of the banks, in order to create protected natural and cultural areas in the Bac River basin (O2.3, O4.2, O4.3, O5.1, O10.1, O10.3).

7) Implementing the integrated management principles of water resources for all river basins and secondary basins, including through the application of environmentally friendly practices in all sectors of the national economy, the development of the monitoring and responsibility system for the use of water resources (O1.2, O10.1, O10.3).

8) Elaborating and implementing the national project “Construction and rehabilitation of sewerage systems and sewage treatment plants” in all localities with more than 15 thousand inhabitants (O2.3, O4.2, O4.3, O5.1, O10.1, O10.3).

9) Implementing a centralized system for automated monitoring of quality indicators of industrial wastewater discharged into centralized sewerage networks and water bodies by all economic agents (O2.3, O4.2, O4.3, O5.1, O10.1, O10.3).

10) Reducing and eliminating the impact of chemicals on the environment and on the health of the population by developing an integrated system for the management of chemicals from a legislative, institutional, technical and informational point of view (O5.1, O10.1–O10.4).

11) Creating integrated systems for the management of waste through the development of the necessary infrastructure and services, with the main objectives of preventing environmental pollution, reducing the amount of waste to be stored, increasing recycling rates and reducing the consumption of natural resources (O5.1, O10.1–O10.4).

12) Creating a system for the integrated management of air quality, reducing emissions of pollutants into the atmosphere and greenhouse gases compared to the reference year 1990 (O2.3, O4.2, O4.3, O5.1, O10.1, O10.3).

13) Promoting the modernization of the vehicle fleet by introducing the environmental tax differentiated according to the pollution level (O2.1, O5.1, O10.1–O10.3).

14) Integrating the principles for the sustainable development and adaptation to climate change across all sectors of the national economy, including in trade, public procurement, subsidy and state aid policies (O2.1, O5.1, O10.1–O10.4).

15) Implementing the environmental standards in the economic sectors (energy, agriculture, transport, industry, construction, trade, etc.) and alignment with the objectives of the European Green Deal (O2.1, O5.1, O10.1–O10.4).

16) Encouraging green enterprises and technologies (directly aimed at improving environmental conditions) by providing various facilities, including access to funding, attracting green investments and promoting green bonds (green bonds) (O1.1, O1.2, O2.1, O5.1, O10.1–O10.4).

17) Establishing a platform supporting the circular economy, which will include the research and support system for technology transfer and innovation, extension, information and facilitation, as well as financial support measures (O1.1, O1.2, O2.1, O5.1, O10.1–O10.4).

18) Promoting the implementation of Environmental Management and Audit systems (EMAS) within public institutions and organizations (O10.1–O10.4).

5.24. Policies and management in the fields of housing, communal services, public utilities and community development

1) Strengthening the capacity of sewer operators to provide water supply and sanitation services at a regional level based on inter-community cooperation (O1.1, O1.2, O2.1, O5.1, O7.1, O10.1–O10.4).

2) Developing locally adapted mechanisms for the inventory, delimitation, record keeping and updating of data sets relating to physical infrastructure (O1.1, O1.2, O2.1, O5.1, O7.1, O10.1–O10.4).

3) Developing and implementing the National Program “Ensuring modern and safe sanitary facilities for each school and kindergarten” (O1.1, O1.2, O2.3, O3.1, O5.1, O7.1, O10.1, O10.3).

4) Mobilizing the national and external funding resources for investments in water supply infrastructure and sanitation; better coordination between government institutions and subordinate structures, on the one hand, and local public authorities, on the other (O2.1–O2.4).

5) Establishing the integrated management of water resources through: i) coordination of different water requirements to maintain economic and social balance and an adequate water distribution between different sectors (agriculture, industry, etc.); ii) water supply, sanitation and ecosystem health; iii) inventory of water resources that can be used in the water supply and sanitation sector based on management plans at river basin district level; iv) introduction of water safety plans as a preventive management tool from capture to consumer (O1.1, O1.2, O2.3, O3.1, O5.1, O7.1, O10.1, O10.3).

6) Elaborating and achieving the national program “Universal coverage with street lighting service”, based on renewable energy (O1.1, O1.2, O2.4, O4.1–O4.3, O7.1, O9.1, O10.3).

7) Elaborating and achieving the National Program “Replacing slate with modern and safe materials” (O1.1, O1.2, O2.4, O5.1, O9.2).

8) Installing safe and adapted playgrounds in each community, applying the algorithm 1 field/20 children for the ages 3–6 years old, 7–12 years old and 13+ years old (O2.4, O9.1).

9) Ensuring public co-financing of decentralized and semi-centralized sewerage systems for sewage and wastewater treatment in small localities (O1.2, O2.3, O2.4, O10.1).

10) Elaborating and achieving the Program for the development of modern and competitive postal services (O1.2, O2.2).

5.25. Policies and management in the health care field

1) Strengthening the capacities and the resources necessary to prevent diseases caused, inter alia, by alcohol consumption, tobacco consumption, unhealthy diet, physical inactivity, risky sexual behaviors through effective interventions to promote healthy behaviors, adapted to the age and needs of population groups at risk (O5.1, O5.2).

2) Integrating and implementing health-friendly policies in all areas that generate health determinants, with a focus on reducing health inequalities (O5.2).

3) Strengthening the integrated control of the health risk factors in order to increase life expectancy and reduce premature mortality through priority non-communicable diseases such as cardiovascular diseases, cancer, diabetes, mental health, rare diseases (O5.2).

4) Reorienting health services, including primary care, so as to focus on disease prevention and health promotion at all stages of life (O5.1).

5) Improving the mechanisms for recruitment, maintenance and development of human resources in the health system and strengthening the capacity of national, local and institutional authorities involved in the management of human resources (O5.1, O5.2).

6) Improving communication between medical institutions and patients by creating a feedback mechanism focused on the quality of services provided/received, appeals, the circulation of information and its integration as a mandatory tool in periodic professional evaluations and for accreditation (O5.1).

7) Improving the patient flow in the health system and simplifying procedures to increase people's access to health services (O5.1).

8) Implementing a national program for the modernization of medical institutions, especially of regional ones, with a view to renovating, equipping and technical, logistical and informational restructuring to ensure fair access of the entire population to quality services (O5.1, O5.3).

9) Reviewing the policies in the field of medicines and their procurement to ensure fair and sustainable access to medicines for the population (O5.1).

10) Developing the concept of modernization and regionalization of the hospital service, equipping it with modern equipment, applying innovative methods, de-concentrating some services, as well as improving the quality and access of patients to hospital services (O5.1).

11) Building and proper equipping Balti and Cahul regional hospitals (O1.1, O1.2, O5.1, O5.3, O7.1–O7.3, O8.3, O10.1).

12) Organizing the rehabilitation services, palliative services and long-term care, adapted to the demographic phenomenon of population aging (O5.1).

13) Digitizing health services, increasing the interoperability of the developed information systems and accelerating the use of information technology and modern communications (O5.1, O5.3).

14) Developing telemedicine services and the appropriate infrastructure as one of the alternative models for clinical services (O1.1, O1.2, O5.1, O5.2, O7.1–O7.3, O8.3, O10.1).

15) Developing the health system's capacity to prevent and manage health threats, including antimicrobial resistance (O5.3).

16) Increasing the financial sustainability of the health system to ensure the financial protection of the population (O5.3)

17) Ensuring universal health coverage through individual insurance elements and incentive criteria (O5.1, O5.3).

18) Developing healthy aging and mortality reduction programs among the adult population, especially among men (O5.2, O5.3).

5.26. Education, research, youth and sport policies

1) Developing and approving a national research and innovation strategy for the period up to 2030 (O7.3).

2) Developing and implementing a mechanism to balance the resources allocated for fundamental and applied research (O7.3).

3) Increasing gradually the funds allocated for research and development by 0.1 percent of GDP each year (O7.3).

4) Creating the conditions for developing and strengthening the links between the research and business environment. Developing and implementing a regulatory and financial framework for the development of technological entrepreneurship and technology transfer, including by stimulating the creation of start-ups (O1.1–O1.3, O7.3).

5) Supporting the groups of young researchers in professional affirmation by stimulating them, including financially, to pursue a career in research (O7.3).

6) Developing and implementing the national concept of population education in the field of human rights and equal opportunities (O3.1, O3.2).

7) Supporting young people in the NEET group, especially those in rural areas, with their professional affirmation by stimulating, including financially, their employment, return to education and training, by developing their soft skills and life skills (O1.1–O1.3, O3.2, O3.3, O7.1, O9.1).

8) Elaborating targeted support programs for start-ups initiated by young people in advanced technology sectors (O1.1–O1.3, O3.1–O3.3, O9.1, O10.1–10.4).

9) Institutionalization and ensuring the functionality of co-management committees for youth policies in order to coordinate sectoral interventions for young people and youth organizations and to ensure their work is supported through co-financing and support programs (O7.1, O7.2).

10) Recognizing the business-plans and consultancy projects developed by students as a bachelor's or master's thesis in the fields of vocational training (O1.1–O1.3, O3.2, O7.1).

11) Recognizing the active start-ups launched by master students as a Master's thesis in the fields of economics, finance and management (O1.1–O1.3, O3.3, O7.1).

12) Reviewing and improving the accreditation and attestation system in the field of education and evaluation in the field of research (O3.1–O3.3, O7.1, O8.3).

13) Developing an integrated vision for the development of long-term education, including: (i) the quality concept of educational services; (ii) the role

and connection of education with other areas, such as labor market, health care, environmental protection, participation in decision-making, etc.; (iii) the skills and abilities to be developed by the educational system; (iv) preparing children according to their individual skills (O3.1–O3.3).

14) Developing family-friendly policies and their implementation at the workplace in the private sector, facilitating the development of alternative childcare services by companies by simplifying the regulatory framework, subsidies and by actively promoting these services among the population (O1.1–O1.3, O3.1–O3.3, O7.1, O8.3).

15) Ensuring fair access for all children to quality education, especially in rural areas, by revising the financing formula from the state budget, creating appropriate educational conditions, providing opportunities for preparing children according to their individual abilities and ensuring a friendly school environment, protective and inclusive, preventing and combating violence and bullying behavior (O3.1).

16) Including the health education modules in the compulsory school curriculum, including on healthy lifestyle, nutrition, sexual and reproductive education (O3.1, O5.1).

17) Integrating professional orientation and career guidance modules into the secondary and high school curriculum (O1.1–O1.3, O3.1–O3.3).

18) Elaborating and implementing the National program “Model high schools in regional development poles” (O1.1–O1.3, O3.1–O3.3).

19) Reviewing the initial and continuous training of teachers in order to ensure the labor market with qualified human resources, susceptible to the transformations and requirements of the society (O1.1–O1.3, O3.1–O3.3).

20) Transition to dual education as a main form of training in secondary technical vocational education (O1.1–O1.3, O3.1–O3.3).

21) Facilitating the opening of branches and external university extensions and the establishment of international university partnerships (O1.1, O1.2, O3.2, O3.3, O7.1).

22) Promoting partnerships between educational institutions and enterprises for the practical training of teachers (O3.1–O3.3).

23) Diversifying the public and private educational offer through the integration of skills needs forecasting, development of lifelong training and digital inclusion programs, including for vulnerable groups and people with special needs, as well as for staff retraining (O1.1–O1.3, O3.2, O3.3, O7.1).

24) Strengthening the effort on transforming the learning experience and the entire educational system into an attractive one for students in order to raise the minimum level of educational performance (O3.1).

25) Developing opportunities for individual educational progress for gifted and highly gifted children (O3.1, O3.2).

26) Legislating the periodic review and update of the curriculum and educational offer in economic and technological foresight and participatory

exercises, involving a wide range of interested subjects, including pupils, parents, students, teachers, employers, trade unions, sector committees (O1.1–O1.3, O3.2, O3.3, O7.1).

27) Modernizing the curriculum to promote student-centered education, taking into account the challenges of sustainable development (job automation, the efficient use of resources, environmental protection, climate change mitigation, demographic changes, human rights and gender equality, non-discrimination, active citizenship, etc.), developing soft skills, abilities and competences, such as critical and creative thinking, collaboration, flexibility, the use of information technologies, entrepreneurship, that will help them make decisions, solve problems, communicate effectively, know and exercise their rights, build healthy relationships, manage time, cope with stress, and live their lives in a healthy and productive manner, as well as forming life skills. which will help prevent risk behaviors related to the physical and mental health of young people and directly influence their learning and self-realization ability (O2.1, O2.2).

28) Integrating education for sustainable development into primary, general secondary, technical and higher education study programs (O3.1–O3.3, O4.1–O4.3, O5.1, O10.1–O10.4).

29) Training and supporting partnerships between educational institutions and economic agents, with their involvement in providing professional training, based on demand, by implementing training programs in dual system and carrying out internships within enterprises (O3.1).

30) Promoting teaching opportunities in educational institutions among practitioners, adopting innovative teaching formats and making employment procedures more flexible (O1.1, O3.1–O3.3).

31) Streamlining the initial training programs in the IT field, adapting teaching programs and modalities to the needs of people with disabilities (O1.1, O3.2, O7.1, O9.1–O9.3).

32) Creating an effective feedback system on the quality of education and the genuine involvement and participation of parents, children, pupils and students in the governance process of educational institutions and in the decision-making process aimed at them (O3.1).

33) Developing teacher and managerial skills in the field of sustainable development, in particular the human rights and gender equality approach, environmental protection, promotion of healthy living, teaching with digital technologies for informational, applicative and creative purposes (O3.1).

34) Creating opportunities for teachers to participate in scientific and professional development activities and increasing the mobility of teachers (O3.2).

35) Evaluating the field of applied research and ensuring its orientation toward topics relevant to socio-economic development, such as waste recovery,

water consumption efficiency, forest fund conservation, species and breeds resistant to climate change, etc. (O1.1, O10.4).

36) Reviewing the funding methods of science based on performance and research according to the usefulness of their results (O3.2, O7.3).

37) Stimulating the implementation of the concept of lifelong education and learning in accordance with the requirements of the labor market; ensuring the regular (re)professionalization of the working-age population to ensure its competitiveness on the labor market (O3.3).

38) Developing the regulatory framework in the field of lifelong learning and education among adults, capable of defining the role of different providers of educational services, financial obligations, clearly setting citizens' right to lifelong learning, standards regulation and their monitoring (O3.3).

39) Implementing the educational programs targeting the elderly population (University for the elderly) to facilitate the retraining of older people (O4.3).

40) Implementing a mechanism for recognizing the results achieved in non-formal and informal education, similar to that of validating the results achieved in formal education (O3.3).

41) Strengthening the distance education system so that it can respond promptly and objectively to the needs of pupils/students in exceptional situations, when physical learning is not possible (O3.1).

42) Promoting a strategic and systemic approach to the development of the youth sector and programs dedicated to youth. Developing the infrastructure, structures and opportunities for the engagement and civic participation of youth at all levels (O7.1, O7.2).

43) Systematic support of youth initiatives and youth organizations for social innovation through non-reimbursable funding and material support mechanisms (O9.2).

44) Extending the programs dedicated to youth to cover socially vulnerable groups and hard-to-reach areas (O3.3).

45) Promoting civic participation of youth and strengthening participatory democracy among young people through dedicated programs (O4.3).

46) Instituting and recognizing the work with youth as a tool for carrying out youth activities and expansion of the community of practitioners in the field (O4.3.).

47) Developing the support mechanisms for the integration of non-formal education activities dedicated to youth in higher education institutions (O3.2, O4.3, O1.2).

48) Improving the policy framework for the development of physical culture and sport, including mass and performance sports (O3.3, O4.3, O5.2).

5.27. Policies and management in the labor and inclusion field

1) Connecting the national regulatory framework in the field of labor inspection to the provisions of the International Labor Organization conventions in the same field and strengthening the institutional capacities of the State Labor Inspectorate, including in the fight against undeclared work (O1.1–O1.3, O6.1, O6.2).

2) Raising the awareness of employers, employees and society in general about the risks and consequences of undeclared work and the benefits of legal work (O1.1–O1.3, O6.1, O6.2).

3) Cultivating the fiscal morality of the population and strengthening the bargaining power of employees in relation to employers (O4.3, O7.1).

4) Developing the social services at local level that would encourage identified vulnerable groups to fit more easily into the labor market, including through training, retraining, assisted employment or business mentoring services (O1.1 – O1.3, O6.1, O6.2).

5) Developing and promoting social partnership at all levels as the most effective mechanism for harmonizing interests and identifying consensus between employees' representatives, employers' representatives and public authorities for the purpose of determining and realizing their social and economic rights and interests (O1.1 – O1.3, O6.1, O6.2).

6) Developing mandatory standards for adapting educational programs and infrastructure to the needs of people with disabilities (O1.1 – O1.3, O6.1, O6.2).

7) Establishing partnerships between authorities and non-governmental organizations/employers for the economic integration of people with disabilities, including by capitalizing on new technologies (O1.1 – O1.3, O6.1, O6.2).

8) Promoting the rapid return to work of parents with young children from childcare leave (O1.1 – O1.3, O6.1, O6.2).

9) Promoting the inclusion of older people in the labor market (O1.1 – O1.3, O6.1, O6.2).

10) Increasing the minimum guarantee in the field of payroll and improving the legislation in the field of payroll to ensure the principle of "equal pay for equal work" (O1.1 – O1.3).

11) Unifying the minimum wage policy and promoting collective bargaining to increase the minimum wage at sector level (O1.1 – O1.3).

12) Ensuring the respect for workers' rights and labor guarantees, effective labor protection and social security, maintaining and developing social partnership at all levels (O1.1 – O1.3).

13) For the sectors and qualifications with a labor shortage, facilitating the integration of citizens of other states into the labor market of the Republic of Moldova (O1.2).

14) Actively promoting the improvement of inter-ethnic relations in the Republic of Moldova and highlighting the ethnic diversity in the country (O4.2, O9.1).

5.28. Social protection

1) Implementing the revised European Social Charter, adopted at Strasbourg on May 3, 1996, in particular on the right to fair pay, the right to protection against poverty and social exclusion, the right to housing, the right of workers to protection of their own claims in the event of insolvency of their employer, the right of older persons to social protection, the right to take part in the establishment and improvement of working conditions and of the working environment (O1.3, O6.1).

2) Strengthening the preventive function of social assistance in order to reduce vulnerability and poverty by adequately measuring social deprivation, developing integrated social welfare criteria, strengthening the link between payment programs, social services and occupational status, improving the efficiency of social payment schemes by reducing fragmentation, duplication and waiver of the establishment of social payments without analyzing the impact (O1.1 – O1.3, O6.1, O6.2).

3) Improving the accessibility and transparency of social assistance schemes by: developing accountability mechanisms for delivering benefits; reducing the level of abuse of social assistance; raising awareness and improving information on social protection rights, especially in rural and hard-to-reach areas; consolidating the capacities of the social assistance structures, including at local level, through the development of the innovative tools for the collection of data, through the allocation of benefits and through the consolidation of the human resources (O1.1–O 1.3, O6.1, O6.2).

4) Strengthening the social protection potential of social assistance schemes by increasing the monitoring of the impact of social protection on the most vulnerable groups of the population (O1.1 – O1.3, O6.1, O6.2).

5) Improving the access to social services for disadvantaged groups by providing appropriate services with a homogeneous geographical distribution, taking into account the needs, opportunities and potential of each beneficiary (O1.1 – O1.3, O6.1, O6.2).

6) Improving the legislation in the field of social insurance: ensuring the sustainability of the State social security budget, the uniformity of the social security contributions quotas, the revision of the types of benefits and services provided under the social insurance system; reducing the contribution period necessary for early retirement for work under special working conditions; lowering the retirement age for age limit and the contribution stage required for workers working under conditions of high risk to health (e.g. medical staff, other categories of workers in the front line to fight the COVID-19 pandemic), etc. (O1.1–O1.3, O6.1, O6.2).

7) Establishing a clear and predictable framework for adjusting the retirement age according to life expectancy at birth, life expectancy at retirement

and other relevant demographic and financial parameters (O1.1–O1.3, O6.1, O6.2).

8) Developing the multi-pillar, functional and sustainable pension system, by providing an easy and prudent regulatory and fiscal framework, including by developing the privately managed pension system – Pillar II (mandatory private pensions), provided that the institution responsible for the administration of pension funds is strengthened (O1.1-O1.3, O6.1, O6.2).

9) Correlating the value of social contributions with the guaranteed social security rights in accordance with the principle of the re distributive retirement system based on the solidarity between generations (O1.1 – O1.3, O6.1, O6.2).

10) Actively informing the population about the link between contributions and benefits in order to stimulate the accumulation of contributions and the widest possible inclusion of the population in the social security system (O1.1 – O1.3, O6.1, O6.2).

11) Promoting the deinstitutionalization of children in residential institutions (O3.1, O6.1).

12) Developing the system of social benefits for children and families with children, which meets their needs in order to ensure a decent living (O1.1 – O1.3).

13) Creating a favorable environment for active and healthy aging in order to harness the potential of the elderly population and increase employability skills (pre-retirement and after reaching the age for retirement), for participation in society, maintaining an independent and healthy lifestyle and involvement in the dialog between generations. (O4.3, O1.2).

14) Improving the analytical work on the recognition, reduction and redistribution of unpaid care work, as well as the remuneration and representation of workers in the care sector with the aim of promoting equal access to decent work without discrimination and inequalities (O1.3).

5.29. Security and public order policies and management

1) Strengthening the activity of the psychologist in educational institutions to identify, control and advise on personality factors that may create predispositions for violent or risky behavior (O3.1 – O3.3, O9.1).

2) Developing and implementing a unified concept for the prevention of crime and violence among the population (including the prevention of gender-based violence, juvenile delinquency, etc.) (O9.1).

3) Creating opportunities to spend leisure time in extracurricular activities and civilized socialization in order to reduce the incidence of juvenile delinquency phenomenon (O3.1 – O3.3, O4.1 – O4.3, O9.1).

4) Developing and implementing programs to cultivate and improve parental skills in order to create a favorable and safe environment for children's development (O3.1 – O3.3, O4.3, O9.1).

5) Monitoring media content to minimize the exposure of children and adolescents to violence, abuse and sexual exploitation, reflected and promoted by

the media, including on line (films, news, games, social media content), and to reduce in the medium and long term the violence and aggression from underage viewers/users (O3.1 – O3.3, O4.3, O9.1, O9.2).

6) Increasing the safety of all persons in the territory of the Republic of Moldova, regardless of age, gender, ethnicity or religion. Promoting educational campaigns to reduce the consumption of alcohol, narcotic drugs and psychotropic substances among children and adolescents (O3.1 – O3.3, O4.3, O9.1).

7) Streamlining the actions fighting against crimes and protecting the victims, including the elimination of violence, neglect, exploitation and trafficking of children and women, by removing the gaps in the legal framework regarding the criminalization, sanctioning, prevention and combating of acts that harm or endanger the life and health of the person, domestic violence and through the development of social services for victims of crimes (O3.1 – O3.3, O4.3, O6.1, O9.1, O9.2).

8) Elaborating standard protocols for ensuring a multi-sectoral response to cases of violence against women and domestic violence (O6.1, O7.1, O9.1).

9) The proper screening, prevention and combating of offenses motivated by prejudice, ethnicity or discrimination, taking into account the vulnerability of persons (O6.1, O7.1, O9.1).

10) Sociological research of crime factors, with a special focus on measures to prevent juvenile delinquency and on the development of new types of sensors for the monitoring in real time of the security climate in the community (O6.1, O7.1, O9.1, O9.2).

11) Addressing the primary causes of extremism and combating the multiplication of hate speech and the on line dissemination of terrorist or extremist materials, as well as developing individual resilience to such propaganda (O3.1 – O3.3, O4.3, O6.1, O7.1, O9.1 – O9.3).

12) Streamlining the measures for maintaining and ensuring public order and improving the community-police relationship through a joint activity to solve problems related to crime and public security; enhancing the role of women in the community police to provide a greater sense of security for the population, especially for women and children (O3.1–O3.3, O4.3, O6.1, O7.1, O9.1–O9.3).

13) Fast and qualitative response of public order authorities and services to citizens' calls to guarantee a safe environment of public order and security (O9.1 – O9.3).

14) Developing the capacities and instruments for providing the security at national and regional level for the management of the crisis and exceptional situations (O9.1 – O9.3).

15) Strengthening the national asylum system and ensuring access to quality rights and services for the persons who have applied for a form of protection on the territory of the Republic of Moldova (O3.1, O3.3, O9.1, O9.2).

16) creating high-quality working conditions in the security sector to stimulate the increase in the efficiency of employees' work, motivating staff,

removing barriers related to discrimination, increasing the number of women in the security sector; developing the education system and strengthening the human resources in the field of home affairs (O3.2, O3.3, O7.1, O9.1 – O9.3).

17) Reviewing the mechanism on the access to weapons to restrict it and establish a rigorous procedure for monitoring, marking and control of the weapons in the civilian circuit (O9.1 – O9.3).

18) Developing an efficient state border management system and ensuring an orderly, safe and regulated migration process (O9.2, O9.3).

19) Reducing the number of victims and damage caused by emergency situations and exceptional situations, including by developing, adapting or transferring new technological solutions to prevent such situations, as well as the fires in the domestic sector (O9.2, O9.3).

20) Automation of information and work processes, digitalization of home affairs services for citizens, including the adoption of smart technology solutions to increase the security level of road traffic (O9.2, O9.3).

21) The continuous assessment of weather-climate, geomorphological, radiological and seismic risks, the assessment of the vulnerability to such risks of the building stock and critical infrastructures and the adjustment of appropriate technical and security standards (O9.2, O9.3).

22) Strengthening the capacities of key subjects and institutions to address gender and social non-discriminatory rules to respond to and prevent gender-based violence and sexual violence, building strategic alliances and partnerships, and conducting information and advocacy campaigns (O9.1).

23) Monitoring the implementation of the recommendations received from the international mechanisms based on the commitments made by the Republic of Moldova on human rights (O9.1 – O9.3).

24) Strengthening the capacities of national institutions for the defense of human rights by developing mechanisms of involvement and providing a stronger status to the Office of the Ombudsman and the Council for the prevention and elimination of discrimination and ensuring equality in the process of monitoring, reporting and implementation of their recommendations from the perspective of prevention, protection and promotion of human rights and gender equality, both within the territory of the Republic of Moldova and outside the country (O7.1, O7.2).

25) Strengthening the capacities of health institutions to respond to gender-based violence as part of a multi-sectoral mechanism, including response to sexual violence through clinical rape management in both the ordinary context and in the humanitarian or public health emergency context (O9.1).

26) Preventing and combating crimes motivated by prejudice, ethnicity or discrimination, taking into account the vulnerability of persons, in particular the population at high risk of infection with AIDS, persons living with AIDS, persons with disabilities, including persons with mental disabilities in psychiatric institutions, ethnic minorities, etc. (O6.1, O7.1, O9.1).

6. The impact

The impact of the NDS is to be assessed against indicators that directly relate the dimensions of people's quality of life (Table 5). In the process of developing sectoral strategies, as well as monitoring and evaluation, each indicator is to be disaggregated according to the relevant criteria to reflect the effective extent of people's inclusion in the development process. Such criteria include, but are not limited to, gender, age, geographical location (rural/urban, development regions), residence environments, disability status, ethnicity and spoken language, domicile, socioeconomic status.

**Table
5**

Indicators assessing the impact for the development of NDS

	General objective/indicator	Source	Benchmark	Intermediate target (2025)	Final target (2030)
	2	3	4	5	6
Overall objective 1. The increase of the income from sustainable sources and the mitigation of inequalities					
1.	Average annual GDP growth rate, %	National Bureau of Statistics (NBS)	3.7 (Average for 2016–2021)	5.0 (Average for 2023-2025)	5.0 (average for 2026–2030)
2.	Average annual GDP growth rate per capita, %	NBS	5.1 (Average for 2016–2021)	7.5 (average for 2023-2025)	7.5 (average for 2023-2025)
3.	Absolute poverty rate, %	NBS	25.6 (Average for 2016–2021)	23.7	10.0
4.	Gini index	NBS	27.8 (2021)	25.0	23.0
5.	Current account, share in GDP, %	National Bank of Moldova (NBM)	-8.2 (Average for 2016–2021)	-5.0	-4.0
6.	GDP produced outside the municipality of Chisinau, % of total GDP	NBS	40.1 (2019)	55.0	60.0
7.	Employment rate, annual average, %	NBS	39.8 (2021)	45.0	55.0
8.	The employed population of 15–34 years, the share in the total employed population, %	NBS	28.9 (2021)	30.0	35.0
9.	Gross economy, share in GDP, %	NBS	16.7 (2020)	20.0	22.0
10.	Volume of personal remittances received, share in GDP, %	NBS, NBM	14.8 (2021)	14.0	13.0
11.	Net inflow of foreign direct investment, share in GDP, %	NBM	2.1 (Average for 2016–2021)	4.0	5.0
12.	Volume of exports of goods and services, average growth,	NBM	9.9	14.0	14.0

	2	3	4	5	6
	%		(Average for 2016–2021)		
13.	Index of Economic Freedom, total score, on a scale from 0 points (the worst) to 100 points (the best)	The "Heritage" Foundation	61.3 (2022)	70.0	80.0
14.	Global Innovation Index, on a scale from 0 points (the worst) to 100 points (the best)	Global Innovation Index	32.3 (2021)	42.0	45.0
15.	The quality of internal competition, according to the Global Competitiveness Report (maximum 100 points)	World Economic Forum (WEF)	48.9 (2019)	53.0	55.0
16.	Share of small and medium-sized enterprises in total sales revenue, %	NBS	39.3 (2020)	45.0	55.0
17.	Loans to the private sector, share in GDP, %	World Bank	27.8 (2020)	35.0	40.0
18.	Share of informal economy in GDP, %	NBS	27.4 (2020)	25.0	20.0
19.	Gender pay gap, %	NBS	13.6 (2021)	10.0	5.0
20.	Gross value added in the manufacturing industry as a proportion of GDP, %	NBS	9.4 (2021)	11.0	13.0
Overall objective 2. The improvement of living conditions					
21.	Share of the population with access to water supplies in the total population, %	NBS	86.4 (2021)	90.0	95.0
22.	Share of the population connected to the public sewerage service in the total population, %	NBS	33.2 (2021)	50.0	65.0
23.	Share of electric and hybrid vehicles in the total number of vehicles, %	Public Services Agency (PSA)	1.2 (2020)	8.0	15.0
24.	The rate of traffic accidents per 100 thousand people	Ministry of Internal Affairs (MIA)	98.0 (2021)	80.0	70.0
25.	The number of deaths caused by traffic accidents per 100 thousand people	MIA	10.3 (2019)	7.3	5.1
26.	State of national public roads, share of roads in 'bad' and 'very bad' condition, %	State Road Agency (SRA)	46.8 (2020)	25.0	10.0
27.	Budget transparency according to the Open budget Survey, on a scale from 0 points (the worst) to 100 points (the best)	Open Budget Survey	57.0 (2019)	65.0	70.0
28.	Quality of road infrastructure according to the Global Competitiveness Report, on a scale from 0 points (the worst) to 7 points (the best)	WEF	2.6 (2019)	4.5	5.5
29.	The share of tax revenues in the total revenue of local budgets, %	Ministry of Finance	28.3 (2021)	33.0	36.0

	2	3	4	5	6
30.	Share of energy from renewable sources in gross final consumption, %	Ministry of Infrastructure and Regional Development (MIRD)	23.8 (2019)	25.0	27.0
31.	The volume of investments in the energy efficiency sector, in relation to GDP, %	MIRD	0.03 (2018)	0.1	0.5
32.	Share of the population with access to the internet in the total population, %	NBS	76.4 (2021)	80.0	90.0
33.	Share of informal employment in total employment, %	NBS	22.8 (2021)	20.0	18.0
34.	The rate of the NEET youth (not in the employed population, not studying/not learning in the formal education system, not attending courses or other training outside the formal education system) of 15–34 years, %	NBS	30.4 (2021)	25.0	22.0
35.	The rate of work accidents per 100 000 employees	NBS	89.0 (2021)	35.0	25.0
36.	Active aging index, %	Department of Work and Social Protection (MMPS)	28.7 (2020)	31.8	36.8
37.	The share of the population planning to move to another country in the next 3 years, %	MMPS (Study of "Generations and Gender")	15.5 (2020)	13.0	10.0
Overall objective 3. Guaranteeing adequate and quality education for all					
38.	Share of children and young people in secondary education with minimum knowledge in science (Program for International student assessment), %	Organization for Economic Cooperation and Development (OECD)	57.8 (2018)	73.0	80.0
39.	Share of pupils in the last grade of secondary education with minimum knowledge in the field of reading (Program for International student assessment), %	OECD	54.2 (2018)	71.0	80.0
40.	Share of pupils in the last grade of secondary education with minimum knowledge in the field of math (Program for International student assessment), %	OECD	49.7 (2018)	70.0	80.0
41.	The gross rate of children inclusion in the pre-primary education institutions, %	NBS	16.0 (2021)	20.0	24.0
42.	The gross rate of children inclusion in pre-school education institutions, %	NBS	89.2 (2020-2021)	96.0	98.0

	2	3	4	5	6
43.	The gross enrollment rate of children in primary education, %	NBS	106.5 (2020-2021)	105.0	105.0
44.	The gross rate of children inclusion in secondary education, %	NBS	104.3 (2020-2021)	103.0	103.0
45.	The rate of inclusion of persons under 19 years of age in education institutions, %	NBS	82.1 (2020-2021)	94.0	98.0
46.	Participation rate of youth and adults (15–64 years) in formal and non-formal lifelong education (in the last four weeks preceding the interview)	NBS	10.79 (2021)	15.0	25.0
47.	The tertiary gender parity index	NBS	1.4 (2020-2021)	1.1	1.0
48.	The net average monthly salary of teachers in education in relation to the net average monthly salary per economy, %	NBS	103.1 (2021)	110.0	140.0
49.	Gross participation rate of Roma children in primary and secondary education, %	United Nations Development Program (UNDP)	54.0 (2018)	65.0	75.0
Overall objective 4. Raising the level of culture and personal development					
50.	Average monthly expenses for one person for leisure, lei	NBS	35.5 (2018)	60.0	110.0
51.	Average monthly expenses for one person for leisure, % of total household expenditure	NBS	1.5 (2018)	2.5	4.0
52.	Average monthly expenses for one person for culture and recreation, lei	NBS	63.6 (2021)	140.0	240.0
53.	Average monthly expenses for one person for culture and recreation, % of total household expenditure	NBS	2.1 (2021)	3.5	5.0
54.	Tourism share in GDP, %	NBS	0.6 (Average for 2016-2018)	0.8 (Average for 2023-2025)	1.0 (Average for 2026-2030)
Overall objective 5. Improving the physical and mental health of the population through the active contribution of a modern and efficient health system that meets the needs of each individual					
55.	Life expectancy at birth, years	NBS	69.1 (2021)	71.5	72.0
56.	Maternal mortality rate per 100 thousand live newborns	NBS	16.3 (2020)	5.0	2.0
57.	Infant mortality rate per 1000 live newborns	NBS	8.5 (2021)	5.0	2.0
58.	The death rate from trauma and poisoning per 100 thousand people	National Public Health Agency (NPHA)	73.4 (2021)	50.0	40.0
59.	The death rate from diseases of the circulatory system, malignant tumors and diseases	NPHA	1253.4 (2021)	1000.0	800.0

	2	3	4	5	6
	of the digestive system in 100 thousand people				
60.	Total rate of early births per 1000 women aged 15–19	NBS	26.19 (2021)	15.0	9.0
Overall objective 6. A strong and inclusive social protection system					
61.	Share of the population covered by the compulsory health insurance scheme, %	National Company of Allowances in Medicine (NCAM)	87.8 (2020)	90.0	92.0
62.	The proportion between the average old-age pension and the average gross nominal monthly salary, %	NBS	28.9 (2021)	30.0	35.0
63.	The proportion between the average old-age pension and the subsistence minimum for pensioners, %	NBS	143.3 (2021)	155.0	170.0
64.	Coverage of the poorest population (which constitutes 20 % of the total population) with social benefits, %	NBS	10.7 (2021)	25.0	35.0
65.	Share of social services in the social protection budget, %	MMPS	4.7 (2022)	6.5	9.0
66.	Number of people with institutionalized disabilities	National Agency of Social Work (NASW)	1766 (2022)	1400	1000
67.	Number of persons with disabilities who have benefited from training and vocational guidance programs for employment	NASW	236 (2021)	1000	3000
68.	Extreme poverty rate for children aged 0–17, %	NBS	10.0 (2020)	8.5	6.0
69.	Share of children at risk, %	MMPS	1.8 (2020)	1.5	1.2
70.	Share of children receiving family-type placement services, %	MMPS	83.4 (2021)	95.0	98.0
Overall objective 7. Ensuring effective, inclusive and transparent governance					
71.	The share of cases lost at the ECHR in the total number of applications communicated each year, %	Ministry of Justice (MJ)	34.33 (2017)	15.0	10.0
72.	Share of people who made informal payments (bribes) in the last 12 months, %	National Anti-corruption Center (NAC)	11.3 (2017)	4.0	0
73.	Share of entrepreneurs who made informal payments (bribes) in the last 12 months, %	NAC	3.6 (2017)	1.2	0
74.	"Corruption control" indicator (on a scale of -2.5 to 2.5)	World Bank	-0.57 (2020)	1.0	1.5
75.	Share of citizens accessing public services in electronic form of total users of public services, %	E-Governance Agency	49.4 (2021)	65.4	75.0

	2	3	4	5	6
76.	The "regulatory quality" indicator (on a scale from -2.5 to 2.5)	World Bank	-0.04 (2020)	1.0	1.5
77.	Share of public expenses executed in total approved public expenses, %	Ministry of Finance	84.2 (2021)	99.5	100.0
78.	Share of women in public service in senior management positions, %	State Chancellery	40.9 (2020)	45.0	50.0
79.	The proportion of women elected in the Parliament in the total number of elected deputies, %	Central Electoral Commission (CEC)	24.8 (2020)	40.0	50.0
80.	The proportion of women elected as mayor of the total number of elected mayors, %	CEC	21.8 (2019)	40.0	50.0
81.	The share of women elected to the position of councilor in local councils in the total of elected councilors, %	CEC	36.5 (2019)	45.0	50.0
82.	The share of women elected to the position of councilor in district/municipal councils of the total number of elected councilors, %	CEC	27.1 (2019)	43.0	50.0
Overall objective 8. Creating a fair, incorruptible and independent justice system					
83.	Number of appeals for out-of-court dispute resolution	MJ; The Mediation Council (MC)	277 (2017)	877	1077
84.	Lack of corruption in the justice system (on a scale of 0 to 1)	World Justice Project	0.36 (2021)	0.7	0.8
85.	The number of disputes settled out-of-court	MJ; MC	164 (2017)	487	687
86.	Number of new types of judicial expertise developed according to the Nomenclature of Judicial Expertise	MJ (National Center for Judicial Expertise); MS (Center for Forensic Medicine); MIA; NAC	30 (Average for 2016–2021)	38	42
87.	Share of detention facilities in penitentiary institutions that meet international standards, %	MJ; The National Administration of Penitentiaries	25 (2017)	41	49
88.	Share of persons in the probation system and reintegrated into society, %	MJ; National Inspectorate for Probation	60 (2017)	80	90
89.	The share of employees in judicial expertise institutions holding a scientific title, %	MJ (National Center for Judicial Expertise)	1 (Average for 2016–2021)	3	6
Overall objective 9. Promoting a peaceful and secure society					

	2	3	4	5	6
90.	The number of victims of intentional murder per 100 thousand people	MIA	6.7 (2016)	5.7	4.7
91.	The proportion of the population subjected to physical or sexual violence in the last 12 months, %	NBS	9.6 (2010)	4.0	2.5
92.	Public perception of safety, %	MIA; Barometer of Public Opinion	30.2 (2021)	40.0	50.0
93.	The number of victims of human trafficking per 100 thousand people	MIA	7.0 (2018)	4.5	3.5
94.	The number of victims of sexual violence crimes per 100 thousand people	MIA	11.9 (2019)	9.0	8.0
Overall objective 10. Ensuring a healthy and safe environment					
95.	Share of the regulatory water treated in the total volume of waste water discharged into the water bodies, %	Environment Agency (EA)	14.11 (2016)	30.0	40.0
96.	Quality class of surface waters in the Dniester river basin (I – very good, II – good, III – moderately polluted, IV – polluted, V – highly polluted)	EA	III (2017)	II	II
97.	Quality class of surface waters in Prut river basin (I – very good, II – good, III – moderately polluted, IV – polluted, V – highly polluted)	EA	III (2017)	II	II
98.	Quality class of surface waters in hydro graphic secondary basins (I – very good, II – good, III – moderately polluted, IV – polluted, V – highly polluted)	EA	IV/V (2017)	III/IV	III/IV
99.	Water productivity, USD PPC (2017=1), m ³	Ministry of Environment (ME)	45.5 (2020)	55.0	70.0
100.	Water stress level (share of fresh water extracted from total available fresh water resources), %	ME	12.5 (2020)	10.0	7.0
101.	Share of recycled waste in total volume of waste formed, %	EA	44.4 (2018)	50.0	56.0
102.	The share of forest-covered and other forest-vegetation land in the country's area, %	EA	13.4 (2020)	14.8	16.3
103.	Share of protected areas in the country's area, %	NBS; EA	5.8 (2018)	8.0	10.0
104.	The amount of emissions of pollutants into the air from mobile sources, thousands of tons reported per person	NBS; EA	100 (average for 2016-2020)	60	40
105.	Total CO ₂ emissions per unit of GDP	ME	4 (2019)	5	7

	2	3	4	5	6
106.	The amount of greenhouse gases, the unconditional target against the average for 2016–2020, %	EA	100.0 (average for 2016-2020)	64.0	70.0
107.	The connection rate of the population to the sanitation services, %	NBS	58.9 (2021)	65.0	75.0
108.	Share of population with access to safely managed water delivery services, %	ME	74.1 (2020)	85.0	90.0

7. Risks in the implementation of NDS

Table 6

Risks in the implementation of NDS

Anticipated risks	Probability (low/ medium/ high)	Impact (low/ medium/ high)	Risk mitigation measures
The emergence of negative exogenous shocks undermining the ability of the relevant authorities to implement the NDS commitments (e.g. security crisis, drought, pandemic, economic recession, high inflation, etc.)	High	Increased	<ul style="list-style-type: none"> – Ensuring that the NDS will be a document under continuous monitoring and, if necessary, revision, depending on the dynamics of the external context; – Given the increasing frequency of shocks in recent years, increased attention will be given to security and resilience objectives, with a focus on preventing and identifying risks early
Insufficient funding of the NDS from budgetary sources and technical and financial assistance from development partners	High	Increased	<ul style="list-style-type: none"> – Linking the priorities of the NDS with the budgetary planning framework; – Ensuring intensive communication and effective coordination with the donor community on the NDS funding priorities
Loss of political support for NDS over time	Average	Increased	<ul style="list-style-type: none"> – Focusing the NDS on priorities that meet a broad consensus in society: economic growth, improved living conditions, qualitative public services, clean environment or good governance
The future appearance of many public policy documents poorly correlated with each other, but also with the NDS	Average	Average	<ul style="list-style-type: none"> – In the process of evaluating the public policy documents, the State Chancellery will verify their correlation with the NDS and the possible overlaps with other strategic planning documents; – Ensuring a close link between the NDS and the medium-term budgetary framework

8. Reporting procedures

The principles that will underpin the implementation of the NDS

The lessons provided by the implementation of previous national strategic planning documents indicate the need to develop interventions that promote and ensure respect for human rights. Thus, through the imperative of man-centered interventions, the Government aims to:

1) develop policies and policy documents based on a collaboration based on trust with people over whom government decisions and policies have an impact, involving people in a deep understanding of the problems to be solved and their causes, as well as tracking the impact of all policies on people;

2) direct and apply scientific research and innovative approaches to the formulation of evidence-based policy options;

3) anchor sectoral policy documents for the implementation of this strategy with the principles (interdependence, equality and non-discrimination, participation and empowerment, accountability) and the standards on human rights and gender equality.

The coherence of the policies

The success of the implementation of this strategy depends on the coherence of the strategic planning framework which is currently quite problematic. In the Republic of Moldova there has traditionally been an excessive number of strategic planning documents that often overlap or contradict each other, focusing on too narrow policy areas, not correlated with sectoral strategies, nor integrated into budgetary planning processes. These documents were largely not properly monitored or properly evaluated, and responsibilities were not clearly shared between the implementing partners.

This strategy becomes the long-term strategic reference document to ensure consistency between the national, sectoral policies and the budgetary framework. This strategy includes several interconnected priorities and targets, which, implemented by various subjects, must lead to the implementation of international commitments and the achievement of the sustainable development goals. This strategy takes into account the commitments of the Republic of Moldova to implement the provisions of the Association Agreement between the Republic of Moldova and the European Union, in particular those that may influence the achievement of the projected objectives. For the synergistic implementation of the objectives, an integrated system of strategic planning, cooperation at different levels and inclusion of all stakeholders in the policy planning, implementation and monitoring process is inherent.

The implementation of the NDS

This strategy, with its major aim of visibly enhancing the quality of people's lives, together with its objectives, forms the primordial framework for the strategic planning of the country's development. Each of the 10 objectives

contains a series of specific objectives and priority actions, classified according to the existing budgetary programs, aiming to set benchmarks and directions of action that will underpin the development of sectoral policy documents.

Public authorities will adjust/elaborate the sectoral policy documents taking into account the specific objectives and priority actions included in this strategy. The sectoral policy documents will contain a full analysis of the sector, will provide detailed options of the policies, following the principles and standards on the human rights, and will focus on reducing the inequalities of opportunities that may exist in different areas depending on gender, age, residence environment (rural/urban), disability, ethnicity and/or spoken language. The sectoral policy documents will also include all targets and indicators for monitoring the sustainable development objectives corresponding to the respective sector, adapted to the national context of the Republic of Moldova.

To streamline the number of sectoral policy documents, to ensure the correlation and synergy between them and the systemic approach between different policy areas, and to align them with the budgetary framework, it is recommended to develop strategies as a priority only for the fields of activity indicated in Law no. 136/2017 on Government.

In accordance with the provisions of the Association Agreement between the Republic of Moldova and the European Union, but also according to other international treaties, commitments may be provided for the development and implementation of strategies for certain fields. However, in this case, the word “strategy” should be interpreted as a proposed way at strategic level to solve the problems and/or achieve the assumed objectives rather than within the meaning of the policy document “Strategy”, regulated by the normative framework of the Republic of Moldova. Thus, the international commitments to develop strategic approaches and solutions in certain fields (“strategies”) should be included in the policy documents for the above-mentioned sectors, following the national requirements for streamlining and improving the strategic planning process. However, if the international commitments expressly provide for some policy documents that do not fall within the mentioned fields or target cross-sectoral topics, such as the fight against corruption, the appropriateness of their development and approval can be considered. However, in order to ensure coherence in the strategic planning process, it is recommended to integrate cross-sectoral aspects into the sectoral strategies developed for the fields established in Law no. 136/2017 on Government.

The experience of implementing the previous national development strategy shows that the success of its implementation depends on the instruments of operationalization. Therefore, the operational document implementing this strategy will be the national development plan, which will include the appropriate actions and financial sources necessary for the implementation of the strategy objectives, in line with sectoral strategies.

The national development plan will be developed for a period of three years, based on the priorities included in the sectoral strategies developed for the implementation of this strategy. This will be the reference document in the process of developing the medium-term budgetary framework and will be extended annually until the medium-term budgetary framework is drawn up. Therefore, the structure and destination of public expenses must be adapted to the strategic objectives of sustainable development of the Republic of Moldova. Over time, the opportunity to combine the national development plan with the medium-term budgetary framework will be analyzed to ensure a more rigorous policy planning, fully aligned with financial possibilities and commitments, but also to streamline the strategic planning process.

The State Chancellery will be responsible for coordinating the process of elaboration of the national development plan in accordance with the provisions of this strategy, being synchronized with the process of elaboration of the medium-term budgetary framework and its monitoring and evaluation, implicitly of this strategy. The Ministry of Finance will ensure the development, correlation and promotion of the medium-term budgetary framework, following the priorities established by this strategy.

NDS monitoring and evaluation

For each general objective, several indicators are established showing the reference value and the intermediate target for 2025 and the final target for 2030 (for some flow indicators, where there is an increased volatility from year to year, the average for 2021–2025 will be calculated, for the intermediate target, and the average for the years 2026–2030, for the final target.). These indicators will be considered basic in the development of sectoral strategies and, together with other indicators considered relevant, will be included in the national development plan. In sectoral strategies, the benchmarks in this strategy will be disaggregated according to relevant criteria such as: gender, age, residence environment, territorial aspect, occupational status, disability, ethnicity and/or spoken language and other disruptions relevant to ensuring the principle that "*No one is left behind*". In order to ensure proper monitoring, the national statistical system including the National Bureau of Statistics, as well as other producers of official statistics and holders of administrative data, will ensure the collection of disaggregated data according to the mentioned criteria.

Considering the long-term horizon of this strategy, benchmarks will be updated throughout the implementation period of this strategy. Therefore, a continuous analysis of national and international long-term development scenarios and projections will be needed, as well as monitoring of projected trends and vulnerabilities, all of which are taken into account in development policy planning. The monitoring and evaluation reports will make recommendations on improving the efficiency in the implementation of the objectives and any other necessary changes.

During the implementation of this strategy, the following monitoring and evaluation procedures will be carried out:

1) *annual monitoring* – based on quarterly monitoring, an annual report on the implementation of the national development plan will be generated. The annual report will be analytical. This will be a reference document for planning the next cycle of the national development plan and the medium-term budgetary framework respectively. The annual reports will include the analysis of the dynamics of indicators, (*outcomes*), including the indicators for monitoring the targets of the sustainable development objectives. The structure of the annual reports will reflect the structure of this strategy, the analysis at the level of each general objective being provided by the ministry responsible for the corresponding policy area based on the information provided by the other authorities involved and will include the analysis of the level of implementation of the specific objectives, priority actions and monitoring indicators in the light of actions taken by authorities during the year;

2) *interim evaluations* – an assessment report will be prepared in 2026, which will analyze the impact of the implementation of this strategy based on the intermediate targets, and will propose an adjustment of the final objectives according to the progress achieved and socio-economic trends at national and international level. In the interim assessment process, the full territorial demographic Security Index, which is a tool for measuring the level of demographic well-being at the local level, will be analyzed to assess the impact of this strategy in each administrative-territorial unit from a demographic point of view;

3) *final implementation report* – in 2031, upon completion of the implementation of this strategy, a final report on the results and on the impact of its implementation will be prepared.

The annual monitoring reports, the interim evaluation reports and the final report will be prepared by the State Chancellery based on the information presented by the central public authorities, according to a pre-established format, and will be submitted for validation to the National Coordination Council for Sustainable Development. The reports will then be made public and presented to Parliament. The monitoring and assessment reports of this strategy will also be used to report on progress toward the 2030 Global Agenda for sustainable development and the regular national voluntary assessment reports.

At the same time, the national institutions for the protection of human rights and non-commercial organizations will be invited to submit alternative reports on the implementation of this strategy, which will be examined at the annual public hearings held by the Parliament and Government.