



# **POPULATION AND DEVELOPMENT POLICY PRIORITIES IN MOLDOVA**

CONCEPT VISION

**DRAFT**

## I. CONTEXT AND TRENDS

**Demographic challenges in Moldova are significant and keep worsening.** The base scenario for 2035<sup>1</sup> is that Moldova will have 28,4% fewer citizens as compared to 2014. Total Fertility Rate (TFR) in Moldova is the lowest compared to UE 28<sup>2</sup>, Balkan States and Eastern Partnership Countries<sup>3</sup>. It is estimated<sup>4</sup> that increasing TFR to replacement levels (2,1) will result in a loss of 11,8% of population. According to the same analysis the share of working population (15-59) peaked in 2008 at 66,6%, and the dependency ratio (share of active population related to inactive population both young and old) will increase from 55,2 in 2014 to 65 in 2035. According to the same analysis, life expectancy in Moldova is lowest in Eastern Partnership Countries and life expectancy of men in Moldova did not improve significantly since 1965. In terms of ageing, the share of elderly is anticipated to increase from 12% to 30% in 2015-60. The negative demographic trends were exacerbated by significant outward migration. It is estimated that annually, 1% of Moldovan population is migrating.

**Demographic challenges of Moldova are far greater when compared to other countries from the region.**

To allow for comparison across relevant demographics outcomes and to provide a sense of urgency in terms of demographic security the World Bank calculated the z-score, calculated for each country as a standard deviation from the average. The bigger the z-score the further away the country is from the average and the bigger the policy challenge is for the decision makers. The z-score for 2012 calculated across 8 dimensions<sup>5</sup> and it was highest for Moldova. This indicates a significant policy challenge hence a need for high policy relevancy towards demographic security.

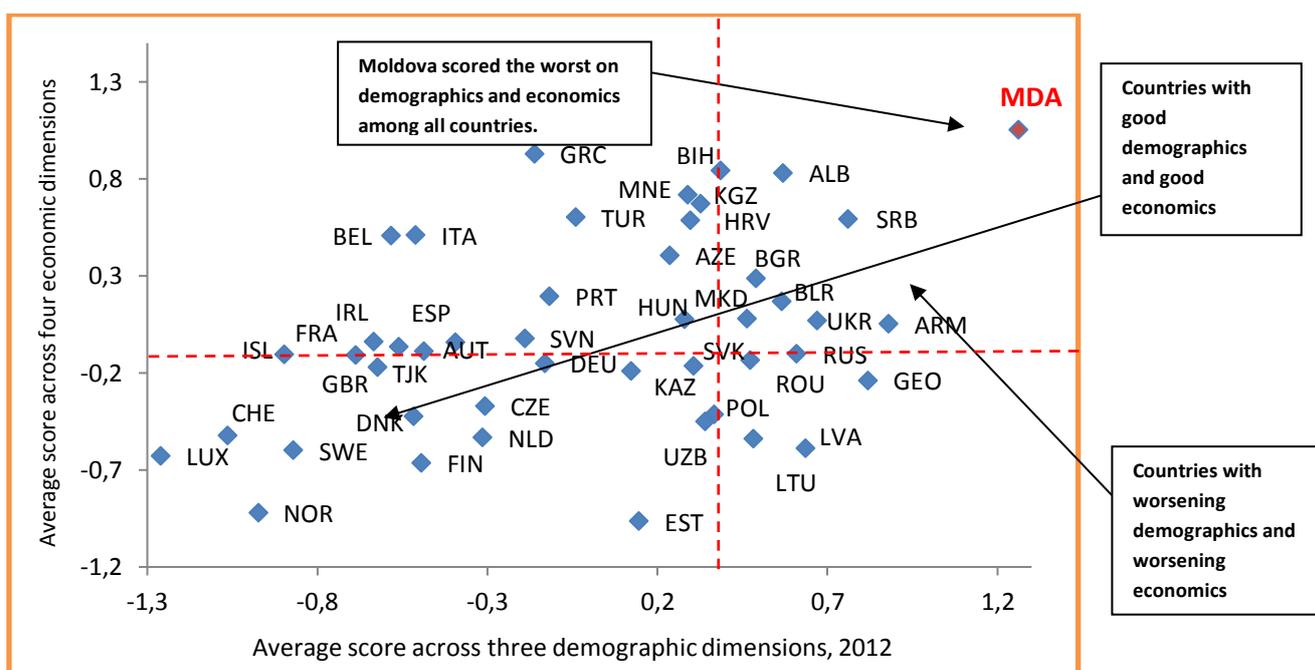


Figure 1: Moldova has the highest policy challenge in the region in terms of demographic security  
Source: World Bank, Golden Ageing, Promoting Healthy, Active and Prosperous Aging.

**The policy response has been irrelevant to key demographic challenges.** A relevancy policy review of the National Strategic Program on Demographic Security (based on policy appropriateness, policy ambition and policy implementation framework) concluded that policy interventions within the Strategic Program,

<sup>1</sup>Population Analysis, Center for Demographic Research Moldova

<sup>2</sup>Moldova's TFR for 2014 is 1,3. TFR in EU28 for 2014 was 1,58 (Portugal's TFR was 1,23).

<sup>3</sup>[http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total\\_fertility\\_rate,\\_2004%E2%80%9314\\_\(average\\_number\\_of\\_children\\_per\\_woman\)\\_ENPE15.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_fertility_rate,_2004%E2%80%9314_(average_number_of_children_per_woman)_ENPE15.png)

<sup>4</sup>Population Analysis, Center for Demographic Research Moldova

<sup>5</sup>These are: voting participation gap, total fertility rate, healthy life expectancy, net immigration per 1000, PISA score in science, gross dept as share of GDP and relative poverty rate. Source: Golden Aging: Prospects for Healthy, Active and Prosperous Aging in Europe and Central Asia <http://www.worldbank.org/en/region/eca/publication/golden-aging>

even if fully implemented, would have a limited impact on the demographic stance in Moldova. The relevancy policy review (which assigned a relevancy scoring from 0 to max 4), found that the overall score for the 2014-2016 Action Plan was 1,06. Program implementation rate is also rather low. The general implementation rate for all the Action Plan 2014-2016 is 1.80 (as measured from 0 to 4) or 45% of all planned activities. Relevancy and Implementation are the key elements of transformative policy (figure 2). When policy interventions have high relevancy and high implementation rate, they achieve positive outcomes and lasting transformation. The assessment found that none of the 12 Program priorities reached that. Program's policy priorities rather were of tokenism nature (low relevancy but higher implementation) and status quo (low relevancy and low implementation).

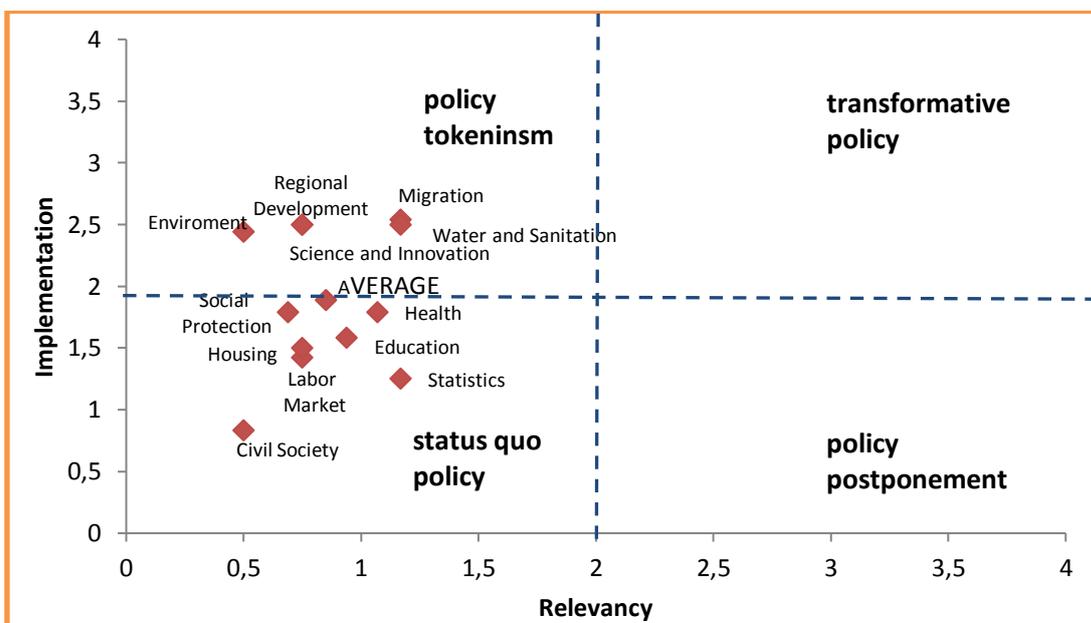


Figure 2: How National Strategic Program on Demographic Security Was Implemented?

Source: National Strategic Program on Demographic Security Evaluation

**The Program has been poorly financed, measured and did not take in to account human rights and gender equality perspectives.** Most of the policy interventions within the Strategic Program were generic, with almost no costing or proper budget allocation. The Strategic Program has a weak M&E system (no baseline and targets, no clear ways to measure policy impact). Significant gender and human rights inequalities were not systematically addressed within the program.

**The assessment found that the existing institutional set up needs significant rethink.** Cooperation platform for single-purpose organizations – NCPD – is insufficient for proper implementation of the demographic strategic framework. While producing meetings and debates and some decisions, it failed to produce relevance and implementation for the Programme. Demographic policy making and implementation needs more institutional ownership and accountability for specific sectors of demographic field, more factual collaboration across mandate boundaries, data interoperability and real leadership.

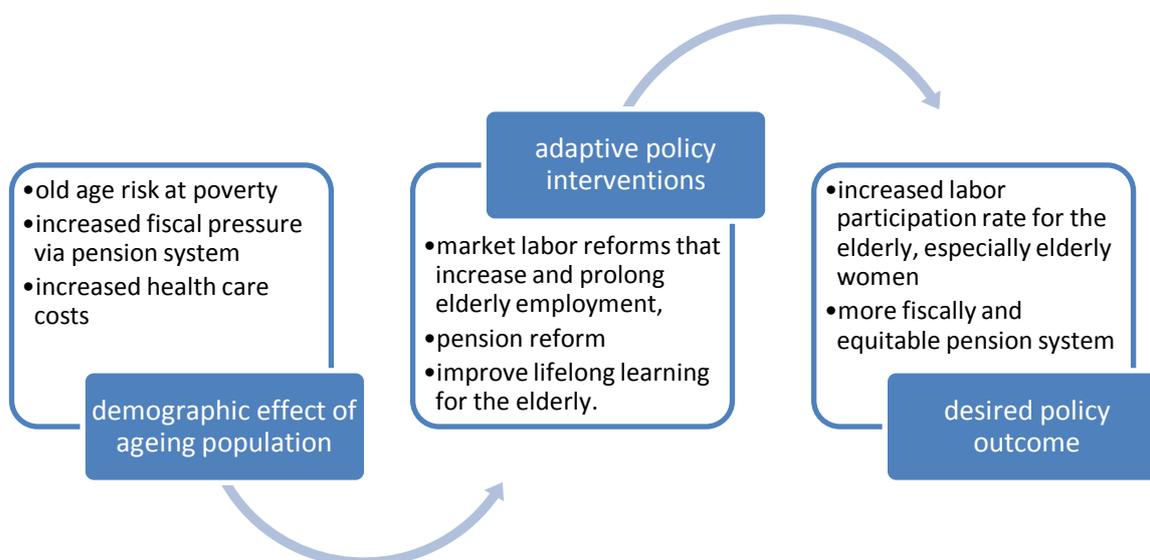
## II. A NEW POLICY FRAMEWORK IS NEEDED

**A new theory of change is needed for the Population and Development policies in Moldova.** The policy should focus on the most relevant population challenges that Moldova faces. These are: (i) low fertility rates, especially in urban areas, (ii) demographic ageing of the population and (iii) low life expectancy and high mortality. These demographic challenges are amplified by a fourth challenge – (iv) outward migration.

**The policy priority should move from demographic security to demographic wellbeing.** The demographic policy thinking and policy making in Moldova is still caught in the Soviet ancestry that speaks mostly in quantitative terms. The current Program is a true product of that thinking. It envisages, if any, a country

that needs more people to work in factories and fields, to fill in the army with potential “cannon fodder” etc. It envisages population as an obedient collective, rather than a group of personalities with individual capacities, preferences and aspirations. The new Program will have to implement this human capital and human rights approach focusing on the well being of each and every member of the population. According to the latest population analysis<sup>6</sup> in an unlikely scenario where TFR will increase to replacement levels of 2,1, the overall population shrinkage in 2035 will be contained to 11,8% as opposed to baseline scenario (present TFR) where population will decrease by 28,4%. Given this context, a important policy shift is needed. Moldovan authorities need to prioritize *demographic wellbeing*, which is implementing policies that result in more individual and family choices, more productive and healthy lives, preserving dignity and rights over *demographic security*, which is aiming at maintaining or increasing overall population or working age population. Simply put, one needs to focus on the *how* over *how many*.

**Given the nature of demographic challenges and the economic context, a policy mix of *pro active* and *adaptive* policy interventions will be needed.** Pro active policies approach the root causes of the key demographic challenge and adaptive policy interventions approach the effect of the demographic challenge. Prioritization is needed given the fact that midterm fiscal outlook is constrained, that some policies are more effective and cost efficient than others and therefore one needs adequate policy evidences to adopt and implement the right policy mix.



**Harnessing the demographic dividend.** Estimating the demographic dividend in relation to the present population shows that after massive emigration, Moldova practically lost opportunities offered by this stage in the evolution of the population. Demographic dividend period is very short (only the years 2005 to 2020) and the proportion of working age population does not exceed by more than 55% (by about 1%). From 2021 to 2031, there will be a slight decrease of this indicator, and at the end of the forecast period, from 2032 to 2035, the proportion of working age population again will exceed the threshold of 55%<sup>7</sup>. Even the demographic dividend is very small, oscillations observed in the proportion of working age population shows a very favorable situation for achieving economic growth. We note that, the retirement age increase, contributes to prolongation of the demographic dividend. For the upcoming period, in the field of population and development policies follows to be focused on the four elements necessary for harnessing the demographic dividend:

- Increasing investment in human capital development among youth;
- Increasing opportunities for young people on the labour market;

<sup>6</sup> Population Situation Analysis, Demographic Research Center, Republic of Moldova, 2016

<sup>7</sup> Population Situation Analysis, Demographic Research Center, Republic of Moldova, 2016

- Develop sex education programs and family planning;
- Facilitating youth access to financial systems.

**Demographic challenges in Moldova can be explained and influenced by significant inequalities.** Seen through the human rights and gender equality perspectives Moldovan demographic challenges present important policy entry points.

Key demographic challenges	HR perspective	GE perspective
<b>Low Fertility</b>	<b>Medium-High Access to high quality reproductive health services.</b> There are still significant access gaps to health services based on rural/urban and income fault lines.	<b>High Labor Market.</b> Ensuring more gender equality in the labor market is one of the most effective ways to increase work and life balance.
<b>Low Life Expectancy</b>	<b>High Health status.</b> There are significant gaps in terms of mortality and morbidity rate along the lines of income and rural/urban.	<b>High Health behavior and status.</b> Significant differentials in terms of mortality, life expectancy and healthy behavior (tobacco, alcohol consumption). High cost of health care, especially for elderly
<b>Demographic ageing</b>	<b>Medium-High Pension and labor market reform.</b> Pensioners and pre-pensioners from employed in agriculture will have few opportunities to make labor transition in more productive sectors. Pension is the main source of revenue for most of the elderly.	<b>High Pension and labor Market. Lifelong education.</b> There are significant gaps in terms of employment and pensions. Gender gaps among the elderly: earlier retirement and greater longevity for women leading to greater vulnerability of women at older ages
<b>Migration</b>	<b>Medium-High Migrants' access to pensions</b> and other social benefits accrued abroad. Rights of the children and elderly left behind without family care as a consequence of migration. <b>Brain waste</b> as migrants will tend to work abroad in a job that is significantly lower in terms of qualification.	<b>Medium to high Reintegration of returning migrants.</b> Male migrants tend to have more circular migration. They tend to work in sectors and countries with less social protection, and they are more likely to use their remittances to open up a business.

*Table 1: How demographic challenges are relevant to gender equality and human rights perspectives.*

**One of the most effective ways to increase demographic wellbeing is to target inequalities first.** Reducing inequalities from income, rural/urban and gender perspective is the key to achieve any future policy impact. A conceptual description of the most significant inequalities as they relate to the key demographic challenges is presented in the table below. It is worth considering the inequalities in the labor market. One finds significant gender inequalities for working mothers especially in urban areas where employment rate of working fathers is 27, 2% higher. Employment inequalities are also significant for women who are reaching pension age, the employment gap in 2015 was -17,4% among women and men aged 55-64. Given the fact that Moldovan working age population will shrink and old age dependency ratios will increase, having policies that maintain these significant employment gaps makes no economic sense. More equality in the labor market will increase family welfare, will provide more choice and will contribute to the overall economic growth. Estimates<sup>8</sup> show that achieving full equality in Moldovan labor market will produce about 7, 05% of additional GDP growth.

<sup>8</sup> Aggregate effect of gender inequality in labor market: a quantitative estimate, [http://www.marcteignier.com/research\\_files/GGLMAP\\_CT.pdf](http://www.marcteignier.com/research_files/GGLMAP_CT.pdf) pag. 34

**International experience and best policy practices indicate that reducing inequalities is one of the most cost effective policy options.** For example IMF (2016)<sup>9</sup> suggest Portugal (a country very close to Moldova from demographic perspective) to consider several policy options, among them: (i) boosting fertility rates; (ii) reversing net migration flows; (iii) increasing labor force participation of women and of the elderly; (iv) revisiting recent pension reforms to promote equity among current pensioners and generations; and (v) lowering health spending excess cost growth. IMF calculated how different policy options will produce savings for Portugal, see the table below.

<b>Policy Options</b>	<b>Spending per programs as % of GDP in 2015</b>	<b>Spending per programs as % of GDP in 2050</b>	<b>Spending per programs as % of GDP in 2100</b>
<b>Baseline (no policy change)</b>			
Old-age dependency	32	66	69
Pension spending	15,5	16	15
Health spending	6,8	12,5	14,8
Pension + health spending	22,4	28,5	29,8
<b>Increased fertility rates</b>			
Old-age dependency	32	64	55
Pension spending	15,5	15,4	12,1
Health spending	6,8	11,9	12,4
Pension + health spending	22,4	27,4	24,5
<b>Increased labor participation of women</b>			
Old-age dependency	32	66	69
Pension spending	15,5	15,3	14,4
Health spending	6,8	11,9	14,1
Pension + health spending	22,4	27,2	28,4
<b>Increased labor participation of elderly</b>			
Old-age dependency	32	66	69
Pension spending	15,5	15,2	14,3
Health spending	6,8	11,8	14,1
Pension + health spending	22,4	27,1	28,4

*Table 2: Impact of Selected Policy Options on Aging and Age-Related Programs in Portugal, 2015-2100*  
Source: Portugal Selected Issues, IMF September 2016

<sup>9</sup> Portugal Selected Issues, IMF September 2016 <http://www.imf.org/external/pubs/ft/scr/2016/cr16301.pdf>

**How public policies should address the key demographic challenges.** A short theory of change is presented in the table below. It shows that in dealing with each demographic challenge, reducing inequalities is the key which contributes to the harnessing of demographic dividend.

Demographic challenges	Trend/ Prospects	Policy interventions to address demographic challenges	Ensuring the best policy mix
<b>Sharp fall in fertility rates.</b>	<p><b>Trend:</b> low levels in the last decade.</p> <p><b>Prospect:</b> With no policy interventions, it is expected to remain relative low.</p>	<p><b>Proactive policy interventions</b></p> <p>Improve work and life balance of women (reform child care leave)</p> <p>Expand preschool education services.</p> <p>Improve access to high quality reproductive services.</p> <p>Reduce STIs and HIV incidence among adolescents and young people.</p> <p>Prevent teenage and unwanted pregnancy.</p> <p>Develop sex education programs and introduce Comprehensive Sexuality Education in schools</p> <p><b>Expected Outcomes:</b> better work and life balance will increase female employment, will give more choice to the working parents.</p> <p><b>Expected Impact:</b> more secure employment prospects and more choice for parents can lead to increased fertility.</p>	<p>Under the right policy mix fertility rate can improve, but it is a long term process. Given the specific Moldovan context, it is the <u>only</u> policy option to improve demographic shrinkage. <b>It should be given a high priority.</b></p>
<b>Demographic ageing of population.</b>	<p><b>Trends:</b> increasing.</p> <p><b>Prospects:</b> Given the structural composition of the age cohorts and continued migration it will increase.</p>	<p><b>Adaptive policy interventions</b></p> <p>Introduce gradual but bold pension reform.</p> <p>Encourage healthy life styles, especially among adolescents and young people.</p> <p>Improve preventive health care systems.</p> <p>Introduce lifelong learning for older workers.</p> <p>Develop a long term fiscal strategy amid ageing and shrinking population.</p> <p><b>Expected Outcomes:</b> there will be more incentives for the elderly workers to remain in the labor market, improved health care and lifelong learning will make elderly workers increasingly more productive and healthy.</p> <p><b>Expected Impact:</b> pension system more sustainable, employment for the elderly will increase, risk at poverty for the elderly will decrease.</p>	<p>Under the right policy mix, the consequences of demographic ageing can be <u>contained, but not reversed</u>. The right sequence will be the key: (i) ensure fiscal sustainability via pension reform, (ii) implement radical active labor market policies to increase labor participation rate, (iii) reform health care to make long term care more affordable and fiscally sustainable. <b>It should be given a high priority.</b></p>
		<p><b>Pro active policy interventions</b></p> <p>Reduce health care inequalities primarily for:</p>	<p>Effective policy implementation can yield significant result,</p>

<p><b>Low life expectancy and high mortality rate.</b></p>	<p><b>Trend:</b> over the last decade it increased, still large gender gaps in life expectancy persist <b>Prospects:</b> significant differentials in comparison with EU countries</p>	<p>(i) men – ensure behavioral changes to increase addressability, improve healthy life style.  (ii) poor – improve access to high quality health services.  (iii) rural population – improve access to high quality health services.  Increase effectiveness and better implementation of the alcohol control policies.  <b>Expected Outcomes:</b> decrease in alcohol consumption, increased addressability and access of the rural poor and men to health services.  <b>Expected Impact:</b> significant gaps in health outcomes start to decrease, this leads to increase in overall life expectancy.</p>	<p>which is improving life expectancy. Among all policy options, this will entail the lowest relative cost. <b>It should be given a high priority</b></p>
<p><b>Migration, especially migration of younger and productive population.</b></p>	<p><b>Trend:</b> over the last few years the out-flow has stabilized, but the rates of family reunification abroad and remittances have decreased. <b>Prospects:</b> the outflow will remain high, more families will get reunited abroad and less remittances will be sent back</p>	<p><b>Adaptive policy interventions</b>  Making migration safer and easier including by vigorously promoting circular migration schemes. Ensure effective social protection of migrants including transferability of benefits and recognition of qualifications.</p> <p>Energetically pitching for emigrants when striving to close internal labor market gaps – promoting return. Effective reintegration of those returned.  Develop and increase yield from mechanisms that explore Diaspora investment opportunities.</p> <p><b>Expected outcomes:</b> relative increase of circular migrants over permanent ones, expanding number of effectively reintegrated returnees, maintain remittances and effective mobilization of savings-based investments by diaspora.  <b>Expected Impact:</b> effective mobilization of migrants’ capacities leads to the economic development that gradually will decrease the out-flow</p>	<p>Migration is the issue where Moldova has limited policy options. <b>It should be given a medium priority from demographic perspective.</b></p>

#### IV. A NEW APPROACH TO POLICY MAKING

**Introduction of “whole-of-Government” approach in demographic policy coordination** should start from moving the Demographic Policies unit from the Ministry of Labor, Social Protection and Family to State Chancellery or to the administration of the President – part of the Secretariat of the National Security Council. This Unit needs a “fortified” institutional position as referred to central and local public administration units to ensure effective policy coordination. The Government should introduce Demographic Impact Assessment as mandatory phase for policy development (similar to anti-corruption assessment). Demographic policy units will be established in first tier central administration institutions (MoE, MoF, MLSPF, MoH, MoRDC, MoE, MoEnvir, MoYS). Demographic policy focal points will be established in second tier central government institutions and in local public administration of second level (sustainable structure for future administrative reform). Each institution will appoint a deputy head as responsible for demographic policies (deputy minister, deputy director, deputy president of the district). All Government institutions will introduce corresponding demographic policies functions and attributions in their respective regulations.

**Designing of an improved structure for the Program.** The current program has a complicated structure with too many layers: 12 strategic objectives, 32 specific objectives, 66 actions and 114 sub-actions. It is suggested to simplify the structure to just two levels: objectives and actions focused on implementation of the proposed Theory of Change. The current Program also included numerous activity lines that are already part of other strategic document. It is suggested that the new Program includes a description of relevant current strategic objectives/activities from other documents and includes only the brand new ones that follow the principle “would not happen without being specified in the Program”.

**Ensuring proper costing of the Program** is paramount to the successful implementation and reaching desired impact. Without dedicated financial allocations, i.e. continuing the formulation “within current budgetary limits”, the Program will transform into a useless waste of time, human resources and focus. It will also continue to build the comforting impression that something is being done without any impact actually happening. Thus it is recommended to include only those activities that satisfy two costing criteria: (i) the necessary financial allocations were estimated and (ii) the Mid-Term Budgetary Framework includes these costs. It is also recommended to design a new unitary Budgetary Program “Demographic Wellbeing” that will centralize financing of objectives and activities of the new Program. This setting will contribute to further implementation of “whole-of-Government” approach.

**The new Program shall include a strong M&E framework.** This part is critical for ensuring necessary ambitious implementation that is commensurate to significant challenges that Moldova is facing. The mandatory structural elements of the framework are the results indicators, baseline and targets. These are key elements to measure and follow implementation. It is recommended to maintain 3 years-long action plans that are tightly coordinated with the Mid-Term Budgetary Framework. The Government should provide for an official Annual Report that will be compiled out of institutional reports. But the Government should also provide sufficient resources for alternative, independent reporting. Both reports should be heard in a special session in the Parliament in order to allow sufficient awareness as well as a mechanism for change in budgetary allocations.

**The new Program shall be based on a pro-active designing methodology and consultation framework.** It is recommended that a joint team, comprised of competent and reputable authors representing Government, civil society, academia and local administration, designs the new Program. The Design Team will scrutinize the document with Government, civil society, academia and local administration. Relevant high-level consultations should be organized at international scale to benefit from good practices and lessons learned.

**The new Program shall also include an embedded system to monitor HR and GE implementation.** The authors will ensure proper HR and GE sensibility of the activities under each objective. The indicators will also be adapted correspondingly.

## V. INDICATIVE POLICY RESULTS FRAMEWORK

### FERTILITY RELATED POLICIES

Reform Goal	Indicator	Baseline 2014	Target 2020
INCREASE WORK AND LIFE BALANCE	Average gender employment gap among working mother and fathers (25-49 years).	-15,1%	- 7%
	Urban gender employment gap among working mother and fathers (25-49 years).	- 27,2%	- 14%
Key structural reforms	Indicator	Baseline 2014	Target 2020
<p><b>Increase access to child care services (0-3 years) especially in urban areas.</b> Introduce matching funds for LPAs who are interested to increase access to child care services. This can be done via national fund for child care.</p>	% of children in preschool child care (0-3 years)	11,4%	50%
<p><b>Increase equality in take up time for child care period among mother and fathers.</b> Reform child care leave: (i) introduce options of a shorter period but better paid one, (ii) introduce the general rule that the shorter the child care leave for mothers the better paid it is, (iii) increase take up time for fathers by increasing payments for each extra month in child care, (iv) promote paternal leave among fathers, (v) introduce more flexibility for both mothers and fathers to work during childcare leave, (vi) introduce more effective antifraud measures.</p>	% take up rate among mothers	98%	70%
	% take up rate among fathers	1%	28%
<p>Improve access to high quality reproductive services. Reduce STIs and HIV incidence among adolescents and young people. Prevent teenage and unwanted pregnancy. Develop sex education programs and introduce Comprehensive Sexuality Education in schools</p>	HIV incidence among young people aged 15-24 per 100,000 population	17,9 (2014)	
	Adolescent birth rate per 1,000 women age 15-19 –	35 (2012)	
	Incidence of syphilis and gonorrhoea among 15-17 year olds - per	97.8 (2014)	

	100,000 average relevant population		
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## DEMOGRAPHIC AGEING POLICIES

Reform Goal	Indicator	Baseline 2014	Target 2020
SUPPORT THE ELDERLY TO BE MORE PRODUCTIVE AND STAY IN LABOR MARKET	Employment rate among 55-64 Employment rate among 64+ Gender employment gap 55-64	41,4% 10% -17,4%	50% 16% -9%

Key structural reforms	Indicator	Baseline 2012	Target 2020
<p><b>Reform the pensions system</b> Pension reform: (i) equalize retirement ages for both sexes at 63, (ii) in a decade introduce automatic indexing of retirement age to eventual increases in life expectancy, (iii) prevent early retirement via disability system by strengthening the disability requirements and increasing integrity of the program, (iv) reduce gender pension gap by changing how childcare period affect pension formula, (v) introduce fiscal neutral measures to stimulate post retirement work.</p>	Pensioner/insured ratio	75/100	65/100
<p><b>Introduce the <i>skill guarantee</i> for adults and for the elderly</b> The reform should entail: (i) introduce legal and regulatory framework to certify more effectively informal education, (ii) expand services for lifelong learning provided by public institutions as a part of technical education reform, (iii) expand strategic partnerships with private sector to expand apprenticeships for the elderly, (iv) introduce tax incentives, adapt subvention system to encourage firm level lifelong learning for the elderly.</p>	Elderly NEET	n/a	+ 15%

## INCREASING HEALTH LIFE EXPECTANCY

Reform Goal	Indicator	Baseline 2015	Target 2020
ENSURE LONGER AND HEALTHIER LIVES BY REDUCING HEALTH INEQUALITIES	Average life expectancy in years	72,1	74
	Gender gap in life expectancy years	8,3	7,3

Key structural reforms <sup>10</sup>	Indicator	Baseline 2015	Target 2020
<b>Introduce stronger anti alcohol legislation.</b> Reform will entail: (i) introduce significant increase in taxes (25% -50%) for all alcoholic beverages, (ii) introduce a total ban on advertising alcohol, (iii) introduce restrictions on the sale of alcohol like banning the sale of alcohol across national roads, gas stations, banning the sale of alcohol during the weekend, banning alcohol sales during the night periods.	Average alcohol consumption/WHO estimates of per capita litters	10,49	9
	% of men (aged 17) that got drunk at least once in the last 30 days	18%	13%
<b>Increase effectiveness of the preventive health care for cardio vascular<sup>11</sup> diseases especially among men</b> The reform will entail: (i) target tobacco smoking, harmful use of alcohol, and unhealthy diet and lifestyles based on age, residence and gender differentials, (ii) strengthen surveillance and monitoring of key parameters for all the major non communicative diseases risk factors at local and national levels and define coordination mechanisms for this.	Proportion currently taking medication for raised blood pressure prescribed by doctor or health worker among those diagnosed.	46,1%	60%
	Proportion of men currently taking medication for raised blood pressure prescribed by doctor or health worker among those diagnosed	40,1%	55%
<b>Reduce health care inequalities in rural areas</b> (i) Develop medium term investment plan for the rural areas, (ii) give priority to developing regionalization strategies for NCDs (management of myocardial infarction, stroke, cancer screening, and cancer treatment), taking into account issues of economies of scale and access.	Annual capital allocations increase in real terms as compared to 2015	n/a	+ 10%

<sup>10</sup> Adapted from WHO Better non communicable disease outcomes: challenges and opportunities for health systems. Republic of Moldova country assessment (2014)

<sup>11</sup> Compliance with high blood pressure treatment was found to be very low. Of all respondents aged 18–69 years diagnosed with high blood pressure, less than half were taking medication prescribed by a doctor or health worker. Prevalence of non communicable disease risk factors In the Republic of Moldova. STEPS 2013 (2014)

<p><b>Introduce system wide efficiency measures</b>  Reform will entail: (i) bold investments and finalization of the service delivery models – decentralize most needed services and consolidate services to ensure economies of scale and high quality, (ii) develop better performance framework (electronic registries and data bases, refine indicators, collect performance beyond monthly periods to take a longer stock of the treatment outcome) and further link it to payment way from capitation model.</p>	<p>WHO ranking of the World’s Health Systems</p>	<p>101</p>	<p>90</p>
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## MIGRATION RELATED POLICIES

Key structural reforms	Indicator	Baseline 2015	Target 2020
<p><b>Sign circular migration and social security agreements with main migration destination countries.</b> Change the approach towards migration agreements by taking pro-active steps in order to find economically beneficial and socially secure employment opportunities for Moldovans abroad. This shall first aim at offering alternatives for those working irregularly or in harsh conditions. Insert qualification recognition clause to combat brain waste and increase circularity. Focus on main destination countries: Russian Federation, Italy, Spain and Greece.</p>	<p>% of migrants in official circular migration schemes</p>	<p>0.8%</p>	<p>10%</p>
<p><b>Effectively reintegrate returning migrants.</b> Create dedicated services at local level, build a referral network to offer one-stop-shop services, introduce measures to incentivize return and employment of returnees, introduce quotas, start working with returnees long before the actual return</p>	<p>NEA employment rate for returning migrants</p>	<p>28.8%</p>	<p>50%</p>
<p><b>Mobilize Diaspora investments.</b> Introduce Diaspora bonds and Migrants Investment and Savings Trust Fund via a credible foreign financial institution, expand PARE 1+1 to include local administration (1+1+1) and diversify participation conditions, incentivize building Hometown Associations to support local development.</p>	<p>Global amount of bond subscriptions</p>	<p>0</p>	<p>USD100 million</p>