

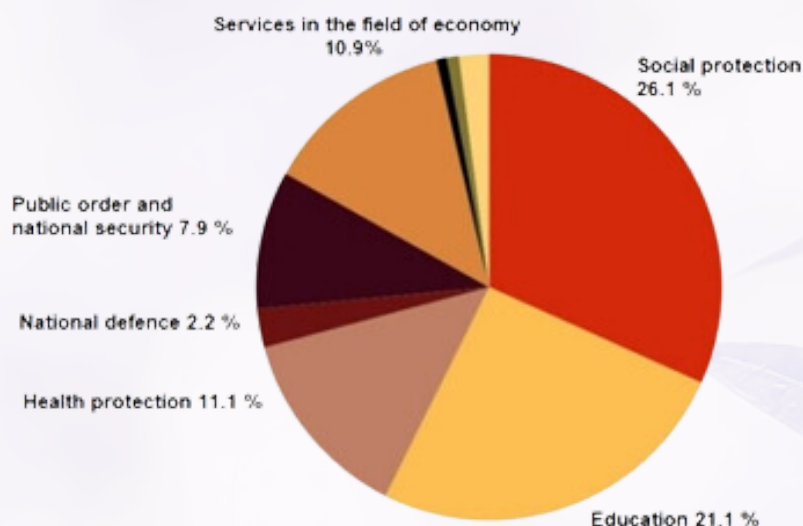
# COMMENTARY OF THE 2024 BUDGET FOR THE REPUBLIC OF MOLDOVA FROM A GENDER PERSPECTIVE

The beginning of 2023 marked an inflation rate of 27% (the highest inflation rate in Europe after Turkey) a significant level in the global economic context. In contrast, at the beginning of 2024, inflation fell to 4%, indicating a potential stabilization of the economy. The document was drafted under particularly difficult conditions, including a war in the neighboring country, energy and economic crises, as well as refugee issues, adverse weather conditions and inflation that has significantly affected the budget. However, the state budget for 2024, which was adopted by Parliament, is characterized by an **increase in revenue, but accompanied by an even greater increase in expenditure**. The budget foresees revenues of 66.6 billion MDL and expenditure of 82.2 billion MDL, resulting in a deficit of 15.5 billion MDL. The government has indicated that it will **prioritize social protection, education and health, although funding for these sectors will decrease slightly from 2023**. Surprisingly, funding for the environment, defense, culture, sport, youth and leisure has increased. The budget for National Defense has been set at 1.78 billion MDL for 2024, marking an increase of 15.6% compared to 2023. This is one of the three areas where budget allocations for 2024 will increase, maintaining this growth trend for the second year in a row. Compared to 2022, when the defense budget did not exceed 1 billion MDL, in 2023 the amount reached 1.54 billion MDL, practically doubling compared to 2022.

**Funding for environmental protection was set at 508 million MDL, representing 0.6% of total budget expenditure.** Although the amount allocated is around half a billion MDL, it is 23.7% higher than the previous year and 47.2% higher than 2022, **marking the largest percentage increase** in state allocations this year. The funds will be directed towards the national ecological fund, dyke strengthening, water resource protection and management, and biodiversity conservation.

As for the grants, the government said that the amount of grants for 2024 will be considerably lower than in 2023. While in 2023 grants totaled about 6.8 billion MDL, in 2024 they will be reduced to almost 2.4 billion MDL. Of this amount, 1.9 billion MDL will be used for budget support and the rest for economic and social projects. The year 2024 will see **more than 80 externally funded projects**, including road repairs, water supply and sanitation projects, equipping universities and building a regional hospital in Balti city.

Looking at the budget for 2024, there is a focus on the development of the real sector of the economy, the transport and infrastructure system, as well as agriculture and rural development, etc. With significant allocations to these sectors, it is essential to examine the impact of these investments on the gender perspective.



source: <https://www.moldova.org/bugetul-de-stat-2024-mai-putine-granturi-mai-multi-bani-la-aparare-si-ecologie/>

## 1. Analysis of sport, youth and recreation services

Looking at sport, youth and recreation services, we note significant progress in modernizing sports infrastructure, involving young people in decision-making processes and combating doping in sport. The budget allocated for 2023 was 541,937.3 thousand MDL, with an increase to 590,519.5 thousand MDL for the current year. However, the absence of sex-disaggregated data and specific performance indicators limits the assessment of gender equality in these programmes, as well as the motivation for increases in allocations. To promote gender equality in sport and youth activities, programmes should include sex-disaggregated data and specific performance indicators. This would make it easier to monitor progress and adapt policies to better meet the specific needs of boys and girls, men and women. For example, programmes should be designed to encourage girls' participation in sport and ensure equal development of all young people in sport.

### Recommended indicators for the sector:

- Proportion of female compared to male participants in all sport and youth programmes and activities.
- Percentage of women in leadership roles and decision-making committees in sport and youth organizations and institutions.
- Degree of compliance with and implementation of national and international legislation and policies on gender equality in sport and youth activities.

## 2. Analysis of planned measures and actions in the economy

The Moldovan government has decided that the minimum wage for the economy for 2024 will be 5000 MDL, representing an increase of 25% compared to the previous year. It is important to point out that this amount is gross and does not reflect the net income received by employees. According to data provided by the Ministry of Labour and Social Protection, the average cost of living for a person in rural areas is estimated at 3,963 MDL, and for those in urban areas at 4,663 MDL. These figures, however, do not take into account additional financial responsibilities such as caring for children, supporting an elderly relative or a disabled person. It also does not include the increased costs of gas, rent, mortgage payments, or public transport costs. It is essential to recognize that despite the 25% increase in the minimum wage, it does not adequately reflect real living needs, even in a rural area. Price rises, which began in 2022, continue to present a significant challenge for citizens. It is therefore necessary for the Republic of Moldova to review its policies and methodology for calculating the minimum wage in order to ensure a decent living for all citizens.

Assessing the budgetary allocations in a gender context for Programme No 5004, which supports small and medium-sized enterprises (SMEs), and for the Women in Business sub-programme, some key aspects worthy of analysis stand out.

A first point of interest is the marked contrast between the general budget allocated to SMEs and that specifically for the Women in Business sub-programme. The budget for SME support has increased considerably, reaching 186,784.5 thousand MDL, double the previous year. In contrast, the Women in Business sub-programme received an unchanged allocation of 5000.0 thousand MDL, similar to previous years. This discrepancy suggests an underestimation of the specific needs and opportunities of women entrepreneurs, which may accentuate gender inequalities in the entrepreneurial sphere, especially given the unique challenges faced by women in business, such as limited access to finance and resources.

Another worrying aspect is the removal of the indicator on the creation of new jobs for women from the Medium Term Budget Framework (MTBF) for 2024-2026, previously present in the MTBF for 2023-2025. This reflects a reduced attention to gender equality in programme planning and evaluation. The current indicators do not provide information on the impact on women, running the risk of ignoring their specific needs in the labour market and economy.

A positive aspect would be that the Republic of Moldova, in the period 2024-2026, will put special emphasis on supporting small and medium-sized enterprises (SMEs) through innovative economic programmes. One such example is the "373" programme, which facilitates SMEs' access to finance by subsidising interest on investment loans. This initiative is part of a wider effort to stimulate growth and innovation in the vital SME sector.



In addition, the Fund for Entrepreneurship and Growth of the Moldovan Economy (FACEM) programme plays a crucial role in supporting the economy. It includes grants specifically targeted at businesses run by young people and women, thus emphasizing gender equality and supporting emerging sectors such as craft production and rural tourism. It is essential that budgetary policies and programmes incorporate a gender-sensitive perspective. This involves not only an equitable allocation of resources, but also the development of specific indicators that measure progress towards gender equality, such as the number of women-led businesses receiving financial support, the number of jobs created for women, or the participation rate of women in vocational training programmes.

### Recommended indicators for the sector:

- Number of new jobs created for women through financial support programmes (re-establish indicator);
- Percentage of government and private funds absorbed by women-led SMEs compared to total funds available.
- Average income gap between female- and male-owned SMEs.
- Total number of SMEs owned or run by women receiving financial support (grants, loans, etc.) from government programmes.
- Percentage of women participating in government training and entrepreneurship development programmes compared to total participants.

## 3. Education

In the Republic of Moldova, the education sector, dominated by women, with 87% of teachers being women, is experiencing notable salary changes.



Recently, teachers' salaries have increased, by an extra 2,000–2,300 MDL, bringing the salary of a young specialist to around 10,000 MDL gross, including bonuses. Experienced teachers can earn up to 15,000 MDL. Researchers' salaries have also increased by 21%. With all these salary adjustments, the impact of inflation and rising prices on real purchasing power, especially for low-income earners, must be taken into account. Even though inflation has fallen to 4%, the rising cost of living disproportionately affects lower paid teachers, the majority of whom are women, thus highlighting the continuing need for economic and social balance in this vital sector.

#### 4. Social protection sector analysis

Two major social protection programmes have received substantial budgetary attention, potentially reflecting a shift in social and economic priorities. Programme No 9010, dedicated to people with disabilities, and Programme No 9006, focused on family and child protection, saw significant budgetary increases of 471.29% and 338.98% respectively. **Programme 9010, dedicated to the social protection of people with disabilities, has undergone significant budgetary changes between 2023 and 2024.** In 2023, the allocated budget was 164598.7 thousand lei, while in 2024, it increased to 940337.9 thousand lei (by 471.29%). This substantial increase, almost 6 times, raises questions about the motivation and efficiency of the use of funds. A detailed and transparent analysis is needed to ensure a fair and efficient distribution of resources.

In a significant move, the government has announced that from 1 January 2024, the **single childbirth allowance will automatically be paid to mothers**, removing the need to apply. This measure underlines the recognition of the central role of women in the country's demography and simplifies administrative procedures for them. Moreover, the **single childbirth allowance will increase by 9,068 MDL to a total of 20,000 MDL.** This significant increase reflects an increased investment in family welfare, thus supporting mothers and families in the early stages of parenthood. According to estimates by the National Social Insurance House, around 33,000 families are expected to benefit from this improved allowance in 2024. This policy underlines a firm commitment by the government to supporting population growth and balancing the economic burdens associated with raising a child, marking an important step in gender and social policies.

#### 5. Analysis of the agricultural sector

In 2024, the budget of the Republic of Moldova allocates 1,609,991.3 thousand MDL for **subsidizing agricultural producers, marking an increase compared to 2023** (1,502,880.5 thousand MDL). This substantial investment reflects the importance of the agricultural sector for the country's economy and its integration into the European economy. A crucial aspect is how these funds are distributed among the different demographic groups, especially between men and women. The analysis should focus on equality of access to subsidies and their impact on rural development. It is important to examine whether subsidies reach women producers in an equitable way and how this influences their standard of living and ability to contribute to the rural economy. Grants for agricultural infrastructure and climate change adaptation can bring significant benefits to the agricultural sector. Women, often responsible for rural households and food production, are key in this context. However, they may be more vulnerable to the effects of climate change, with limited access to resources and information. It is essential to ensure that these grants are also accessible to women farmers, and that they are informed and prepared to implement sustainable agricultural practices.

Support programmes for SMEs, young people and women in agriculture are an important step towards gender equality in the sector. These initiatives can play a crucial role in improving women's access to finance, technology and markets, as well as encouraging their active participation in decision-making. It is vital to assess how these programmes affect rural women, including in terms of their economic autonomy and ability to own and manage agricultural businesses. The analysis should focus on the effectiveness of these programmes in addressing existing gender inequalities and promoting more equitable participation in the agricultural sector.

IFAD (International Fund for Agricultural Development) plays a key role in Moldova's rural transformation by supporting capacity building and promoting innovation in the agricultural sector - 210 million MDL which will allow financial support through grants, loans with grant portion to at least 300 agricultural producers. It is important to examine how IFAD programmes support sustainable and inclusive agricultural development, with a particular focus on gender impact. This includes assessing women's access to modern technologies, improving agricultural practices and their participation in innovation programmes. A key issue is how IFAD contributes to transforming the role of women in rural communities, ensuring their better representation and voice in decision-making processes.

To monitor the progress and impact of these initiatives, the following three measurable gender indicators are proposed:

1. Women's participation rate in funding and technology programmes;
2. Women's access to resources and information on climate change adaptation;
3. Rate of gender representation in community decision-making.

## **6. Transport sector analysis**

The investment strategy for the advancement of the transport system and infrastructure shows a considerable financial commitment. The budget allocated to this sector reaches 4,036.5 million MDL compared to 2023, when 3,945 million MDL were allocated, representing an increase of about 2.32%. Of this amount, 1,393.9 million MDL are external funds, reflecting a strategic integration into global financial networks. The remaining 2,505.6 million MDL are allocated to the maintenance and rehabilitation of national and local road infrastructure. This underlines a balanced approach that takes into account the diverse needs of users of all kinds, thus promoting equality and accessibility in the use of transport infrastructure.

### **Recommended indicators for the sector:**

1. Percentage of employees by gender in the transport sector;
2. Ratio of public transport use by gender;
3. Passenger satisfaction by gender;
4. Transport safety indicator.



**7. Programmes and sub-programmes within the Programme for Acceleration of Gender Equality in the Republic of Moldova for the period 2023-2027** – although they receive funding in accordance with the provisions of the State Budget Law of 2024 and are included in the MTBF 2024-2026, they do not include sex-disaggregated data and concrete performance indicators. This absence of detailed gender information makes it difficult to assess the effectiveness of these programmes in promoting gender equity and balance.

In order to remedy this situation and improve the performance evaluation of the programmes to be mentioned below, it is crucial to integrate measurable performance indicators with a gender perspective into the MTBF.

### **Recommended indicators for (sub)programmes:**

Sub-programme 6105 Implementation of Regional Development Projects:

- Percentage of female beneficiaries
- Access to resources for women indicator

Sub-programme 4012 Initial and continuing training in the field of justice

- Percentage of participation in justice training programmes.
- Percentage of career advancement for women in justice.

Sub-programme 3101 Defence policy and management

- Percentage of women in management positions.
- Percentage of women trained in defence management.

Sub-programme 0403 Protection against discrimination and Sub-programme 0402

Respect for human rights and freedoms

- Number of discrimination cases resolved by gender.
- Percentage of awareness of human rights and freedoms among women.

Programme 0206 Ministry of Foreign Affairs and European Integration

- Percentage of women's participation in diplomatic missions.

Programme 0229 Ministry of Health

- Percentage of women in leading medical professions.

Programme 0243 Agency for Interethnic Relations

- Percentage of women involved in promoting ethnic diversity.

Programme 0205 – Home Affairs

- Percentage of women in law enforcement.

## CONCLUSIONS AND RECOMMENDATIONS

Analysis of the documents and the information note accompanying the 2023 State Budget Law indicates a clear absence of gender perspectives. The funding allocated to various programmes and sub-programmes relevant to gender equality reflects the state's commitment to gender equality. The amount allocated to each sub-programme indicates a recognition of the importance of these areas in promoting gender equality. However, the lack of sex-disaggregated data and concrete performance indicators within these programmes and sub-programmes is a significant limitation. This absence makes it difficult to measure the real impact of funding on gender equity and equality. Without specific data and indicators, it is challenging to assess progress and identify areas for improvement.

A more gender-sensitive approach would require integrating such data and indicators into programme planning and evaluation. This would allow a better understanding of how financial resources contribute to reducing gender inequalities and help identify gaps in policy and practice. In order to promote gender equality and ensure a more inclusive budgetary process, it is necessary to integrate gender perspectives into the overall budgetary framework and to allocate resources specifically to gender equality initiatives in different sectors.

### **The following measures are also of major importance:**

- Conduct gender impact analysis of budget revenues, expenditures and allocations and publish the results of the analysis, including the values of gender-sensitive indicators in budget programmes;
- For programmes with the greatest potential to change the gender equality situation, it is recommended to initiate the implementation of gender budgeting procedures and tools. These can include detailed analyses, clear targets and specific indicators to ensure a coherent and effective approach to gender issues in the implementation of budgets.
- Include gender-disaggregated data on budget beneficiaries in the Budget for Citizens 2024, by areas where such data is available, ensuring in subsequent years the collection of gender-disaggregated data to improve the gender budget expenditure and allocations;
- Categorise budget programmes and sub-programmes according to their impact and relevance to gender equality and initiate the implementation of gender budgeting procedures and tools for programmes with the greatest potential for change according to their relevance to gender impact in the areas of greatest disparity.





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