

MOLDOVA

Annual Budget Allocations Gender Review

2025 Budget Commentary
from a Gender Perspective



2025

Gender Budget Watchdog Network

Executive Summary

Macroeconomic Challenges of the Republic of Moldova (2024-2025)

The Republic of Moldova is facing major economic challenges in 2024-2025, caused by inflation, rising prices, the energy crisis and geopolitical uncertainty. Although inflation has declined compared to previous years, the purchasing power of the population has been affected by higher prices for essential goods and services and incomes have not kept pace with these increases.

Inflation and rising prices

After peaking at 34.6% in 2022, inflation fell to 4.6% in 2024, but food, utility and service prices continued to rise. In particular, food became 7.9% more expensive and utilities almost 30%. In January 2025, inflation climbed again to 9.1%, due to high energy costs and the effects of drought on agricultural production.

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Wages and pensions: insufficient increases

Government wages were increased by 10.5% in 2024, but this was not enough to cover real inflation. In the private sector, wages rose more slowly, keeping pressure on consumers. Pensions were indexed by 6% in 2024 and 10% in 2025, but these adjustments were not enough to protect retirees from food and utility price hikes.

Energy crisis at the end of 2024

One of the biggest economic problems has been the energy crisis of late 2024, caused by the failure to supply gas in the summer when prices were lower. This led to significant increases in bills in the cold season, affecting both households and businesses. The government had to import gas and electricity from the EU at high prices, putting pressure on the public budget.

Budget deficit and public debt

The budget deficit has remained high, reaching 5.9% of GDP in 2023 and remaining above 4% of GDP in 2024-2025. The government has resorted to external borrowing to cover social and energy expenditures, which has led to an increase in public debt to 36.7% of GDP in 2024. Although debt levels remain manageable, dependence on external financing continues to be an economic vulnerability.

Geopolitical impact

The war in Ukraine has affected Moldova's economy through trade disruptions, rising energy prices and widespread uncertainty. The government managed to diversify energy sources, reducing dependence on Russia, but transition costs were high. At the same time, the EU and the IMF have provided financial support and EU candidate status has helped attract investment, although the business environment remains cautious.

Sector analysis from a gender and disability perspective

Against the backdrop of the macroeconomic challenges facing the Republic of Moldova in 2024-2025-high inflation, rising prices for essential goods and services, the energy crisis and pressures on the public budget-sectoral policies play a vital role in mitigating the impact on the population.

In this context, budget allocations for social protection, education, employment, entrepreneurship, transport, climate change and agriculture need to be scrutinized in terms of efficiency and equity. An important aspect of this analysis is gender mainstreaming and social inclusion in public policies. Although the 2025 budget includes progress in some areas, there are sectors where gender-sensitive performance indicators and support measures for vulnerable groups are insufficiently reflected. The next section will examine how budget resources are distributed and whether they contribute to reducing social and economic inequalities, particularly among women and people with disabilities.

Social Protection

Gender mainstreaming:

The 2025 budget includes gender-responsive budgeting measures in the field of social protection. A dedicated sub-programme "Social Protection Policies and Management" aims to integrate a gender perspective into all social protection policies and sub-programmes, in order to respond to the specific needs of women and men. This sub-programme introduces a performance indicator measuring the share of policies that integrate a gender perspective, with targets of 5% in 2025, 10% in 2026 and 15% in 2027. This monitors progress in addressing gender inequalities in social policies.

Also, the sub-programme "Protection of the elderly" highlights equitable access to social services for the elderly and people with disabilities, paying special attention to women (a category often more vulnerable to poverty and exclusion). The associated gender indicators track access to specialized services, aiming for at least 40% of beneficiaries of highly specialized services (e.g. care centers, rehabilitation) to be women by 2027. The indicators are relevant for monitoring gender inclusion, as they directly measure the degree to which women benefit from specialized social support.

Measures for people with disabilities:

The social protection budget maintains and expands programs dedicated to people with disabilities. In 2025, the allocations for the maintenance of institutions and social services for children and people with disabilities are increased by +118.4 million lei compared to the previous year, a sign of the commitment to improve care and assistance services. The financing of specific social benefits is also continued - for example, transportation compensation for people with locomotor disabilities, people with severe/profound disabilities and children with disabilities, according to the Law on the Social Inclusion of People with Disabilities.

In 2025, it is planned to provide this compensation in the amount of 38 million lei, the individual amounts being 480 lei/quarter (1920 lei annually) for people with severe disabilities and children with disabilities, respectively 240 lei/quarter (960 lei annually) for people with accentuated disabilities. These benefits help cover mobility needs and represent essential financial support for access to basic services. At the same time, the budget continues to subsidize the Public Institution "Republican Experimental Center for Prosthetics, Orthopedics and Rehabilitation" with 63.0 million lei, providing medical devices and rehabilitation for people with disabilities.

Gaps and recommendations:

Despite these positive elements, some gaps remain. For example, while there are performance indicators on gender mainstreaming, there are no explicit outcome indicators for the inclusion of people with disabilities (beyond counting benefit recipients). It is recommended that in the future, additional performance indicators be developed to monitor the accessibility of social services for people with disabilities (e.g. percentage of accessible social service buildings, number of beneficiaries with disabilities integrated into the community through active inclusion services, etc.). It would also be useful to monitor the impact of social measures on reducing gender gaps (e.g. evolution of the poverty rate among women vs. older men).

Overall, **social protection** has a promising gender-sensitive budget framework – integrating goals and targets – and allocates significant resources to people with disabilities, but success depends on effective implementation and scaling up of these practices across all programs in the field.

Education

Gender mainstreaming: In the draft 2025 budget, the education sector is funded as a priority, but the documentation does not highlight specific gender-targeted measures. The budget maintains a universal approach, starting from the premise of equal access to education for girls and boys. There are no distinct programs to reduce gender gaps, probably because the school participation rates of girls and boys are comparable overall. However, it is not explicitly mentioned any action to encourage girls in STEM fields or to reduce school dropout among boys – areas where there are often disparities.

This absence can be considered a gap, given that gender-responsive budgeting involves assessing potential disparities (even where they may seem small at first glance) and allocating resources to mitigate them.

Measures for people with disabilities:

Inclusive education remains a priority in national policies, and the budget partially reflects this commitment. In 2025, funds are allocated to improve school infrastructure, which can also support the accessibility of institutions. For example, 45 million lei are foreseen through the National Fund for Regional and Local Development for the renovation and equipping of pre-school education infrastructure – an investment that should include adapting kindergartens for children with special needs (access ramps, adapted toilets). The support system for students with special needs is also financed: Psycho-pedagogical assistance centers (including the Republican Center) have salaried staff from the budget, indicating that the state continues the program of integrating children with disabilities into mainstream education.

However, the budget does not detail the proportion of funds directly allocated to educational inclusion measures (e.g. procurement of assistive equipment, training of teachers for inclusive education), which makes it difficult to assess the effective support for these students.

Performance indicators and gaps:

Education performance indicators mentioned in the budget context tend to refer to general results (promotion rate, number of renovated institutions, etc.), without reference to gender or disability perspectives. It would be beneficial for education sector monitoring to include indicators such as:

school participation rate and school dropout rate broken down by girls/boys, the percentage of girls in non-traditional vocational profiles (STEM) or the percentage of children with disabilities integrated in mainstream schools vs. specialized institutions. The lack of such indicators is a deficiency, as progress in educational inclusion cannot be adequately measured.

Recommendation:

The Ministry of Education and Research should improve the collection of disaggregated data and set specific targets (e.g. annual increase in the number of students with disabilities integrated into regular schools, or reduction of performance gaps between girls and boys in national exams).

In conclusion, although financing infrastructure and maintaining support services shows concern for inclusive education, **the systematic integration of the gender dimension and the needs of children with disabilities in budgeting requires consolidation.**

Employment

Gender mainstreaming:

The employment sector is addressed in close connection with social protection through the policies of the Ministry of Labour and Social Protection. According to the budget documentation, in 2025, several sub-programmes in the labour sector incorporated gender-specific objectives and indicators in line with the National Programme on Gender Equality 2023–2027. The aim is to reduce structural gender inequalities in the labour market, where women and men may have different access to employment opportunities. Gender mainstreaming involves, for example, analysing wage disparities, the rate of women's participation in the labour market (especially in under-represented sectors) and promoting work-life balance policies (parental leave, childcare services) that allow both parents to participate equally in the labour market. However, the text of the budget law does not present the specific indicators in detail. It is assumed that there could be indicators such as the share of women among the beneficiaries of employment programs or the differential in the female/male employment rate, but their explicit lack in the document indicates a possible gap in transparency.

Measures for people with disabilities:

People with disabilities face major obstacles in the labor market, and the budget contains only general measures that can include them indirectly. In 2025, active employment measures are financed – for example, the job subsidy program (financial incentive granted to employers for creating new jobs) has 20.0 million lei allocated. This program, according to the legislation, mainly targets unemployed people from vulnerable groups (NEET youth, long-term unemployed, people with disabilities, etc.), so it can facilitate the employment of people with disabilities if implemented effectively.

Also, **34.1 million lei** are intended for social protection measures for the unemployed, an amount that probably covers the payment of unemployment benefits and professional training/reorientation services through the National Employment Agency. In addition, the law provides for the maintenance of the National Council for Determining Disability and Work Capacity (the institution that assesses the degree of disability and work capacity) – a sign that the state supports the mechanism for (re)orienting people with disabilities towards activities appropriate to their capacity. However, no **special program dedicated to the professional integration of people with disabilities** (such as special subsidies for job adaptation or supported employment schemes) is provided for, beyond the general obligations imposed on employers by the inclusion law.

Performance indicators and recommendations:

In the area of employment, performance indicators should measure the effectiveness of budget spending in increasing employment for both genders and for people with disabilities. The current budget framework does not specify such indicators, making it difficult to assess progress.

It is recommended to introduce indicators such as: the employment rate of women compared to men, the unemployment rate among people with disabilities, the number of people with disabilities employed through active employment measures, or the share of women beneficiaries of vocational training programs. This would allow direct monitoring of inclusion in the labor market. At the same time, the identification of current gaps suggests the need to expand the measures: it is desirable to allocate funds for specific programs (e.g. additional incentives for employers who employ people with disabilities above the mandatory quota, or social entrepreneurship programs for these people).

In conclusion, **employment** benefits from funding for general measures and a declarative commitment to gender equality, but would require more dedicated and targeted attention to people with disabilities and a clearer setting of related performance indicators.

Entrepreneurship

Gender mainstreaming:

The 2025 budget attaches particular importance to the development of the SME sector (small and medium-sized enterprises) and the promotion of entrepreneurship, explicitly including the gender perspective. Of the ~221.7 million lei planned to support economic development, 219.5 million lei (99%) are intended for SME support programs. The policies aim at the sustainable development of enterprises throughout the country, with an emphasis on rural areas, job creation and the inclusion of young people and women in entrepreneurial activity. In this regard, there are programs dedicated to under-represented categories in business. A notable example is the "Women in Business" Program, which benefits from an allocation of 16.0 million lei. This program provides grants, mentoring and support to women entrepreneurs, increasing the number of businesses initiated and run by women. Also, the "START for YOUTH: a sustainable business at home" Program (10.0 million lei) supports the business debut of young entrepreneurs, which often includes young women at the beginning of their careers. Through these instruments, the budget directly addresses the gender gap in entrepreneurship, given that women, especially in rural areas, face greater obstacles in accessing financing and developing businesses.

Measures for people with disabilities:

Notably, in the area of entrepreneurship there are no programs dedicated to people with disabilities. People with disabilities can, of course, access general programs for SMEs (if they meet the criteria), but the budget does not provide specific funding lines to encourage entrepreneurship among this category. This can be considered a **gap**: people with disabilities usually need additional support (both financial and advisory) to launch businesses, due to difficulties in accessing the traditional labor market.

The lack of a program such as "entrepreneurship for people with disabilities" suggests that the disability dimension has not been integrated into SME development policies in 2025, with the emphasis being more on young people, women and returned migrants (according to the National Strategy for Agricultural and Rural Development, young people, women and migrants in rural areas are targeted).

Performance indicators and recommendations:

In the area of entrepreneurship, targeted performance indicators are likely to include the number of new businesses created, the number of jobs generated by supported SMEs and, in the case of targeted programmes, the number of women entrepreneurs or young entrepreneurs supported.

The **“Women in Business” programme already aims to increase the number of businesses started by women**, an indicator that allows for the assessment of progress in gender inclusion in the business environment. This type of indicator is appropriate – for example, the number of women's business plans financed or the value of grants awarded to women – because it directly shows the benefit for the target group. A recommendation would be to extend the system of gender-sensitive indicators to other entrepreneurship programmes (not just the one dedicated to women; for example, PARE 1+2 could also monitor how many businesses of migrant women are financed).

At the same time, **it is recommended to introduce the disability perspective**: the authorities could collect data on disabled beneficiaries of current programs (if any) and could initially set modest objectives to support entrepreneurs with disabilities. For example, in the job subsidy program (20 million lei allocated) or in other financing schemes, criteria or bonuses could be added for businesses initiated by people from underrepresented categories, including disabilities. In conclusion, **entrepreneurship** has already integrated gender factors in the 2025 budgeting (through allocations dedicated to women and youth), which represents significant progress, but the disability dimension remains an area for improvement, and future policies are recommended to encourage and monitor the participation of these people in business initiatives.

Transport

Gender mainstreaming:

The transport sector, especially road infrastructure, benefits from a substantial allocation in 2025, but the gender perspective is not explicitly mentioned in the budget planning. The government prioritizes the continued development of the transport system and infrastructure, with a gradual increase in the road network in good condition. To this end, the state budget provides 3,997.3 million lei for transport, of which 1,351.6 million lei from external sources and 2,646.8 million lei for the repair and maintenance of national and local roads. These large investments will benefit the entire population, but there is no evidence of an analysis of how women and men use transport differently or whether there are distinct needs. For example, the safety of public transport (lighting, video cameras, safe stops) may be more important for women, and timetables and routes may affect people caring for children differently. The budget does not specify actions aimed at such aspects, indicating that the gender dimension has not been integrated into this sector.

Measures for people with disabilities:

Similarly, the 2025 transport budget does not highlight projects dedicated to making transport accessible for people with disabilities. Major expenditures are focused on road infrastructure (roads, bridges), without references to adapting public transport means or stations to facilitate access for people with reduced mobility. The only provisions related to transport for people with disabilities appear in social protection (the financial compensation mentioned above for the transport of people with disabilities). Thus, the budget of the Ministry of Infrastructure and Regional Development does not highlight investments in accessible vehicles (e.g. procurement of low-floor buses or adapted minibuses) or in inclusive infrastructure (acoustic traffic lights, ramps at platforms, etc.). This indicates a gap: although legislation (the Law on Inclusion and others) gradually requires the accessibility of infrastructure, we do not see a dedicated budget line.

Performance indicators and recommendations:

The performance indicators commonly used for transport are quantitative (kilometers of road rehabilitated, number of bridges repaired, percentage of the road network in good condition, etc.). They appear adequate for measuring the physical progress of the works, but do not reflect the inclusion dimension. There are no indicators that measure, for example, the degree of accessibility of public transport or user satisfaction broken down by category (women, elderly, people with reduced mobility).

It is recommended that such qualitative indicators be introduced in the future: for example, the percentage of urban public transport vehicles equipped with wheelchair ramps; the number of adapted transport stations; or the share of the population that has access to accessible public transport. At the same time, investment planning should involve a gender and disability analysis – for example, when designing routes and timetables, the needs of people who perform care work (mostly women) or the need for special transport for children with disabilities to schools should be taken into account. Transport is an area where the 2025 budget invests heavily, but in a gender and disability neutral way; improving inclusion requires conscious effort, such as allocating a small percentage of the road budget for pilot accessibility projects (e.g. adapting pedestrian crossings or installing signaling equipment for the blind).

In conclusion, gender mainstreaming and accessibility in the transport sector remains insufficient, and adjustments are required at the planning and monitoring level to ensure that newly created infrastructure serves all citizens equally.

Climate Change and the Environment

Gender mainstreaming:

Climate change mitigation and adaptation are addressed in the budget through allocations for environmental protection, but without specific references to gender. In 2025, 798.3 million lei (about 0.9% of total state budget expenditures) are foreseen for the environmental protection function. This money includes financing the National Environmental Fund, water management projects, afforestation, biodiversity, etc., but also about 203.3 million lei for 10 projects financed from external sources focused on waste management, biodiversity protection and climate change mitigation/adaptation measures.

Although international donors' environmental and climate policies often bring gender equality into the discussion, the national budget document does not mention any adaptation of these projects to the specific needs of women or men. For example, there are no initiatives to support rural women affected by drought (who often manage the household and garden) or to involve women in climate consultations. Thus, the gender dimension seems not explicitly addressed in the planning of environmental/climate spending for 2025.

Measures for people with disabilities:

Similarly, the impact of climate change on people with disabilities is not discussed in the budget. People with disabilities are often more exposed to risks in situations of natural disasters (floods, heat waves, earthquakes) due to reduced mobility or dependence on devices and medication, but no specific actions are foreseen to protect them. The budget does not allocate funds dedicated to making emergency shelters accessible, creating adapted early warning systems (audio messages for the blind, SMS for people with hearing impairments) or preparing inclusive communities in case of disaster. The absence of these provisions highlights a gap in integrating the disability perspective into climate policies. In practice, the financed climate measures (afforestation, green

infrastructure, energy efficiency) – 312.1 million lei intended to reduce energy consumption are designed at a technical and general level, without targeting vulnerable categories.

Performance indicators and recommendations:

Environmental/climate performance indicators usually refer to environmental factors (hectares of forest, tonnes of emissions reduced, number of monitoring stations installed, etc.). In the absence of socio-demographic indicators, it is not possible to assess how environmental policies contribute to the inclusion of vulnerable groups . It would be useful for future strategies to add indicators such as: the number of communities that have inclusive adaptation plans (taking into account women, the elderly, disabilities), or the share of women involved in local environmental projects (e.g. in local water management committees).

It is recommended to integrate the principle of “leaving no one behind” in climate change budgeting: projects financed from the Environment Fund or external funds should include gender and disability-adapted awareness and training components (e.g. training women in agriculture for climate-resilient practices; training local authorities for the safe evacuation of people who cannot be moved in case of floods). It would also be a recommendation that the annual reports on the Environment Fund should also present the indirect beneficiaries broken down (female/male population, vulnerable households supported through energy efficiency measures, etc.), in order to monitor equity in the allocation of climate resources.

In conclusion, climate change is an emerging area in the budget, with increasing funding, but there is currently no gender or disability lens applied to these expenditures , which should be corrected through more inclusive policies and adapted indicators.

Agricultural Subsidies

Gender mainstreaming:

The agricultural and rural development sector is a positive example of gender mainstreaming in the 2025 budget. Allocations for subsidies to agricultural producers and rural development are significant – 1,700 million lei are foreseen to support agricultural producers and improve the standard of living in rural areas.

In line with the guidelines of the EU Common Agricultural Policy 2023-2027, which treats gender equality as a horizontal issue, the Ministry of Agriculture and Food Industry has proposed gender-sensitive interventions starting with the 2025 budget in the agricultural subsidies sub-program.

Specifically, a distinct objective has been established focused on reducing gender gaps, pursued through **8 performance indicators** introduced to measure women’s participation in subsidy programs. These indicators include: the development of an annual report evaluating policies from the perspective of gender disparities, the number of women beneficiaries of complementary subsidies, the number of women beneficiaries of LEADER local development subsidies, the value of direct payments to businesses managed by women, the value of LEADER subsidies granted to projects implemented by women, the number of women benefiting from agricultural insurance subsidies, the amount of subsidies allocated to female-led municipalities , as well as the number of women beneficiaries of investment subsidies.

This systematic approach is an innovative step, practicing gender-sensitive budgeting: not only are disaggregated data collected, but annual targets are also set to increase women's involvement in agriculture. The measure reflects the recognition that, until now, rural women were

under-represented as beneficiaries of agricultural development funds, and now the aim is to stimulate their active participation (for example, in family farms, processing or local projects). The established indicators are adequate and relevant – they will allow annual monitoring of progress and identification of segments where additional actions are needed (for example, if the number of women accessing subsidies remains low in a certain program, the criteria or the intensity of information among women farmers can be adjusted).

Measures for people with disabilities:

Unlike the gender perspective, the disability dimension is not highlighted in agricultural subsidy policies. People with disabilities in rural areas mainly benefit from general social protection measures (pensions, allowances, community services), but there are no facilities or subsidy lines dedicated to them as potential agricultural producers. The number of farmers with disabilities is probably low, but the absence of any mention means that there is no emphasis on integrating these people into agricultural or rural business activities. It is possible that, indirectly, some programs – such as LEADER local development projects – also involve people with disabilities (for example, through local NGOs creating sheltered workshops in rural areas, financed from combined sources), but the state budget does not provide for complementary subsidies or priorities for farmers in this category. This represents a missed opportunity to address social inclusion also through the lens of rural development: rural areas are home to many people with disabilities (often elderly people with acquired disabilities) who would benefit from accessible rural infrastructure or incentives for micro-businesses adapted to their abilities.

Performance indicators and recommendations:

As mentioned, in agriculture **there is already a set of gender indicators** introduced in 2025, which will closely monitor women's participation in support schemes. These are an example of good practice and seem fit for purpose – progress on gender equality in rural areas will be quantifiable. In contrast, for people with disabilities, there are no dedicated indicators (neither the number of beneficiaries with disabilities of subsidies, nor any target related to the adaptation of programmes for them).

It is recommended: Although the gender aspect is currently the priority, in the future the Ministry of Agriculture and Food Industry could analyze whether there are interests/requests from persons with disabilities to access agricultural programs and, if so, consider introducing some facilities (for example, additional scoring in the evaluation of agricultural investment projects carried out by persons with disabilities or larger grants for adapting equipment). At the same time, a new indicator could be the degree of accessibility of agricultural extension services (how many farmers with disabilities participate in training, adapted territorial counseling, etc.). Now that the gender segment is comprehensively addressed, **the concept of a budget sensitive to inclusion** in agriculture can be extended to other vulnerable groups, to ensure truly inclusive rural development.

General Conclusion

The sectoral analysis of **the 2025 State Budget Law** highlights notable progress towards a gender-sensitive budget aware of the needs of people with disabilities, but also areas where these dimensions are still insufficiently integrated.

On the one hand, sectors such as social protection and agriculture have taken concrete steps – they have established gender objectives, specific indicators and dedicated allocations (e.g. social services and benefits for disabilities, the “Women in Business” program, performance indicators

on women beneficiaries of subsidies). These measures create the premises for reducing inequities and allow transparent monitoring of progress. On the other hand, areas such as education, transport and climate change still predominantly address the population in general, without explicitly differentiating between its diverse needs. Here, gaps are noted such as: the absence of gender targets in education (apart from equal access, segregation by specialization or differentiated dropout is not addressed), the lack of adaptations in transport for people with reduced mobility and the ignoring of specific vulnerabilities in environmental/climate policies.

It is recommended: To improve gender-responsive budgeting and disability inclusion, it is necessary to extend positive practices to all sectors. Each ministry should carry out a gender and disability impact analysis when planning its budget, identifying where and how its policies can reduce gaps. In practice, this would mean introducing additional performance indicators (e.g. the share of women among the beneficiaries of a training program, the number of newly built infrastructure facilities that comply with accessibility standards) and setting measurable medium-term targets for these categories. At the same time, dedicated resources should be allocated when unmet needs are identified – for example, a fund for making public transport accessible or grants for assistive technologies in schools.

Last but not least, reporting and monitoring mechanisms need to be strengthened: budget execution reports should include analysis of benefits by population groups (women, men, people with disabilities), so that Parliament and civil society can track progress. By implementing these recommendations, the state budget would become an even more effective tool for promoting gender equality and the inclusion of people with disabilities, ensuring that economic growth and development are felt equitably by all citizens.

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