



# INTEGRATED SDG INSIGHTS MOLDOVA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



# HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

# SDG MOMENT: MOLDOVA

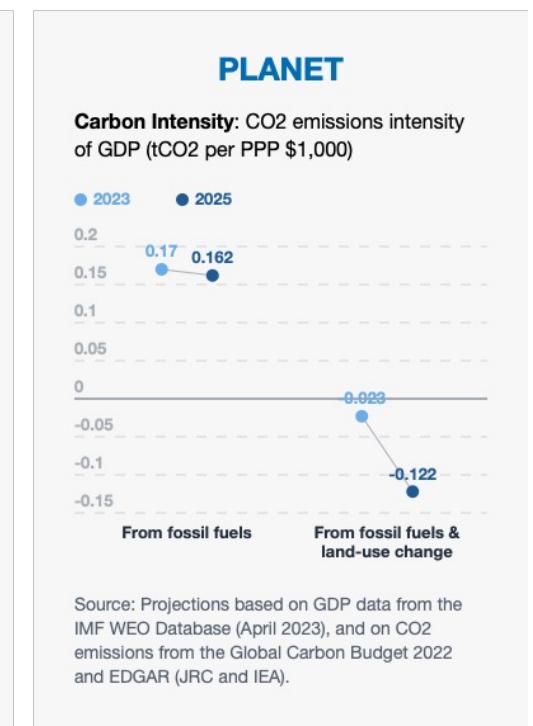
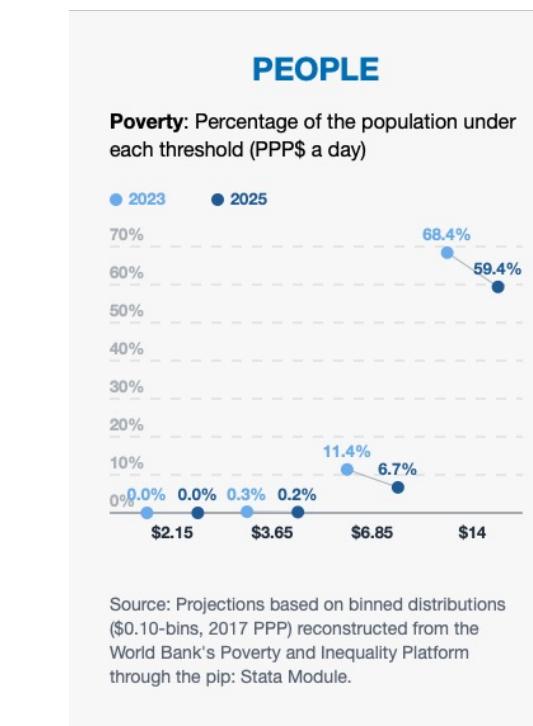
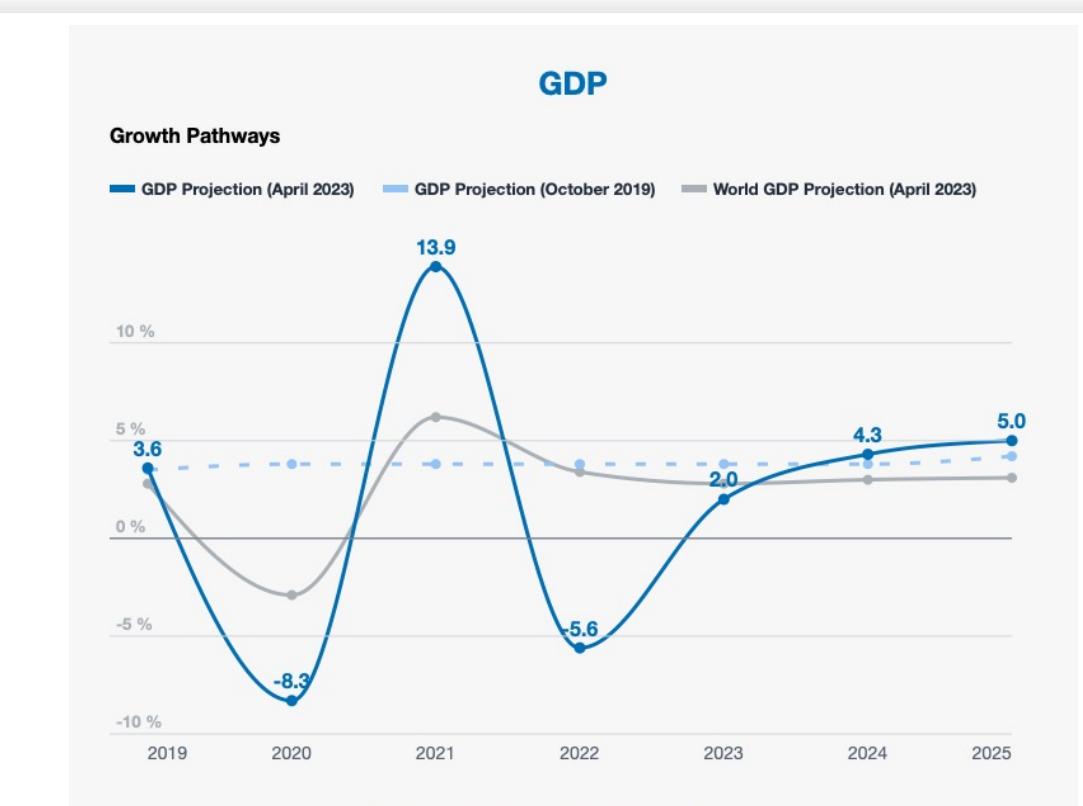
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Moldova's projected economic growth rate during 2023-2025 is higher than the global figure (about 25% higher, on average), and the development pathway is transitioning from mitigation to acceleration.<sup>1</sup> By 2024, Moldova's development trajectory will surpass the projected growth rate prior to the COVID-19 pandemic and the subsequent crises.

With an even higher annual growth of GDP per capita, which reflects the decline in the country's population, Moldova's economic expansion is expected to exert a significant impact on reducing poverty at the international threshold of \$6.85 a day. Moreover, this pace of economic growth would be less dependent on carbon emissions as the country's fossil-fuel carbon emissions intensity of GDP is expected to decline at an annual rate of 2.4%, whereas negative emissions from favourable land-use change are expected to continue compensating for the positive fossil emissions intensity of GDP.<sup>2</sup>

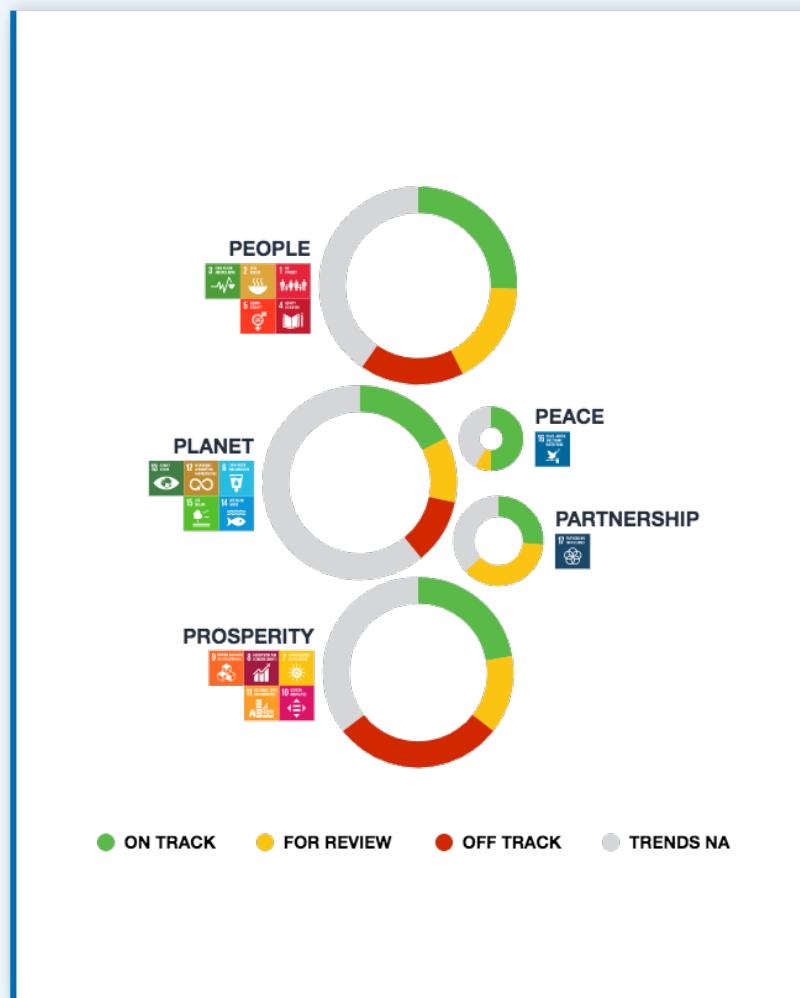
<sup>1</sup> The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

<sup>2</sup> CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



# SDG TRENDS

Understanding how Moldova performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



# SDG PRIORITIES

Moldova's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



**Key documents for analysis:**

1. Voluntary National Review 2020
2. National Development Strategy 2030
3. Common Country Analysis 2021
4. Cooperation Framework 2022
5. Moldova-European Union (EU) Association Agreement
6. Programme of the Government

**Priorities in detail:**

<https://data.undp.org/sdg-push-diagnostic/MDA/current-priorities>

# SYNERGY OF EU ACCESSION AND THE SUSTAINABLE DEVELOPMENT GOALS

- The EU-Moldova Association Agreement was concluded in 2014. EU-Moldova relations entered a new strategic phase in 2022, when Moldova received an EU candidate country status
- In 2020 UNDP supported an analysis for EU candidate countries for integrated policymaking for EU accession and achieving the SDGs
  - About 65 percent of the SDG targets (109 of 169 targets) have a strong link with the chapters of the Acquis Communautaire
  - However, that means 60 targets – or 35% of the total – are not addressed through this process
  - These targets are mostly clustered in SDG 17 – Partnership for the goals, SDG 10 – Reduced inequalities and SDG 4 – Quality education
- Moldova priorities for EU accession include:
  - Improving governance (rule of law and democracy), and administrative capacity
  - Facilitating economic development and connectivity
  - Ensuring Moldova's energy security
  - Upgrading human capital
  - Improving climate resilience and fostering green growth



# SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Moldova achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Moldova's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Moldova:

- Target 1.3: Implement social protection systems
- Target 4.3: Equal access to affordable technical, vocational and higher education
- Targets 7.1, 7.2 and 7.3: Ensure access to affordable, reliable, sustainable and modern energy for all
- Target 13.1: Strengthen resilience and adaptive capacity to climate-related disasters
- Targets 16.6: Develop effective, accountable and transparent institutions and 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels

Global framework for interlinkages is based on the latest available methodology by the KnowSDGs Platform of the European Commission  
<https://data.undp.org/sdg-push-diagnostic/MDA/synergies-and-tradeoffs>



## ACCELERATION PATHWAYS

# SDG INTERLINKAGES

**1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable**

Moldova is severely affected by the repercussions of Russia's invasion of Ukraine –higher energy prices, economic turmoil and refugees. A nexus approach is required to balance the immediate response to the crises with longer-term development needs.

The poverty rate remains relatively high, with a quarter of population below the national poverty line, and inequalities are widespread. The government prioritizes poverty alleviation, specifically addressing energy and food insecurity.

Appropriate social protection systems and policies are also important for the provision of public care infrastructure and services (5.4), enabling women to more actively participate in the labour market (5.5). Investments in this area are closely linked to advancements in decent employment, including addressing informality in the Moldova context (Targets 8.3, 8.5, 8.6, 10.3).

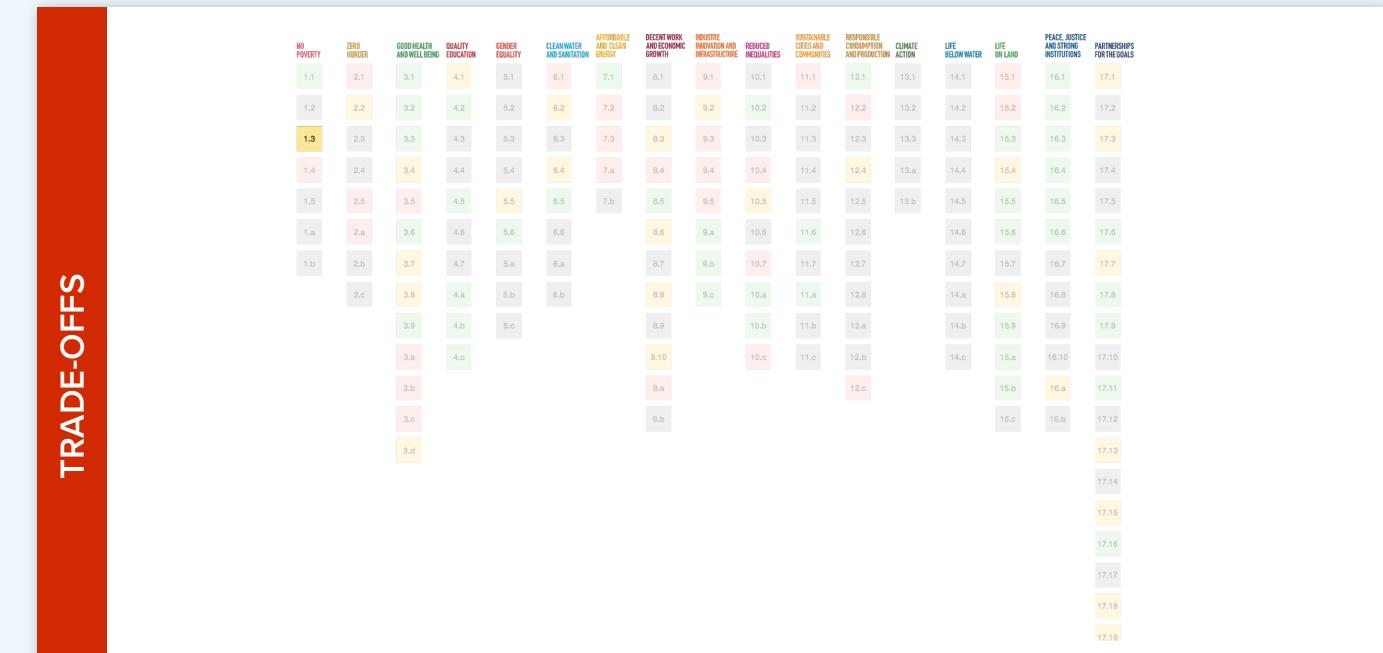
Effective social protection is a driver of progress poverty reduction and food security (1, 2), narrowing inequalities (5, 10) and helping to tackle energy poverty (7.1). Through integrated policy choices, it reinforces health and education outcomes (Goals 3 and 4). Social protection reform ('RESTART') is envisaged as a driver for inclusive development, reducing urban-rural disparities and human development losses.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MDA/synergies-and-tradeoffs>

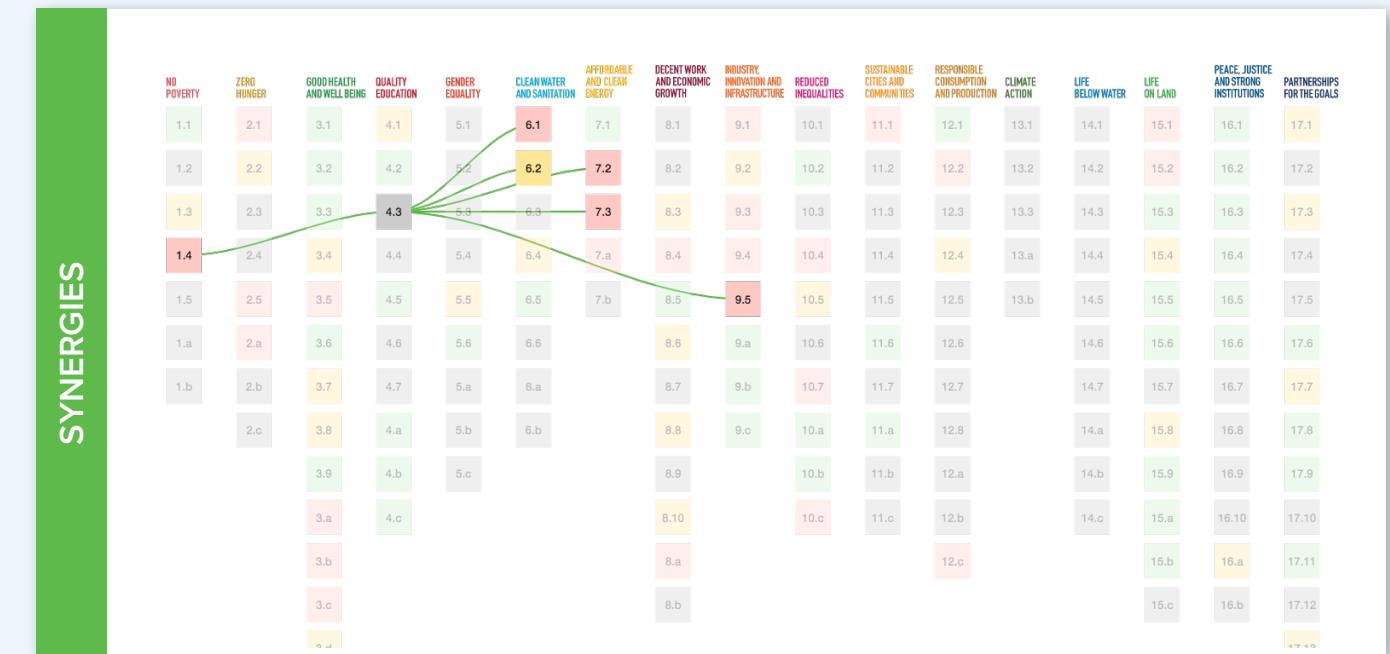
# SDG INTERLINKAGES

**4.3: By 2030 ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university**

In Moldova, focus on SDG Target 4.3 aims to ensure equal access to quality technical, vocational and tertiary education as a crucial accelerator for the whole EU accession and SDG agenda. In OECD's Programme for International Student Assessment (PISA) 2018 Moldova lagged OECD averages in reading literacy (424 vs 487), mathematics (421 vs 489) and in science (428 vs 489). Inequalities hold progress back— the reading gap is 102 points (OECD average 89) and socio-economic status explains 17% of the variance in reading performance in Moldova (OECD average 12%). Progress towards this target also improves outcomes in Target 4.4. on Skills formation, digitalization of education and ensuring future proof skills.

This target is an important accelerator for SDG 8, particularly in reducing the skills mismatch and ensuring the future readiness of the workforce (Target 8.2). Achieving Target 4.3. also positively benefits levelling access to the labour market for women/girls, including by enhancing their access to STEM and ICT education (Targets 5.5, 5.b). Ultimately, equal access to technical education in combination with the above policy choices is an effective pathway to reduce inequalities, empower marginalized groups and promote social inclusion in Moldova (SDG 10).

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# SDG INTERLINKAGES

## 7.1, 7.2 and 7.3: Ensure access to affordable, reliable, sustainable and modern energy for all

Access to affordable and sustainable energy is crucial for Moldova's development and a driver of progress - reducing income poverty, expanding health and education access, driving growth and sustainable industrialization in combination with a transition to a low carbon economy.

Energy security has become a high priority issue for Moldova, recognizing Moldova's population has universal access to electricity and clean fuel (Target 7.1) and a medium share of renewables (close to 25% in the past decade), especially after the successful introduction of biomass solutions in 2010 (Targets 7.2, 7.3). However, only 20% of Moldova's energy demand is covered by domestic production, with hydro potential limited by small rivers, transboundary issues and climate change.

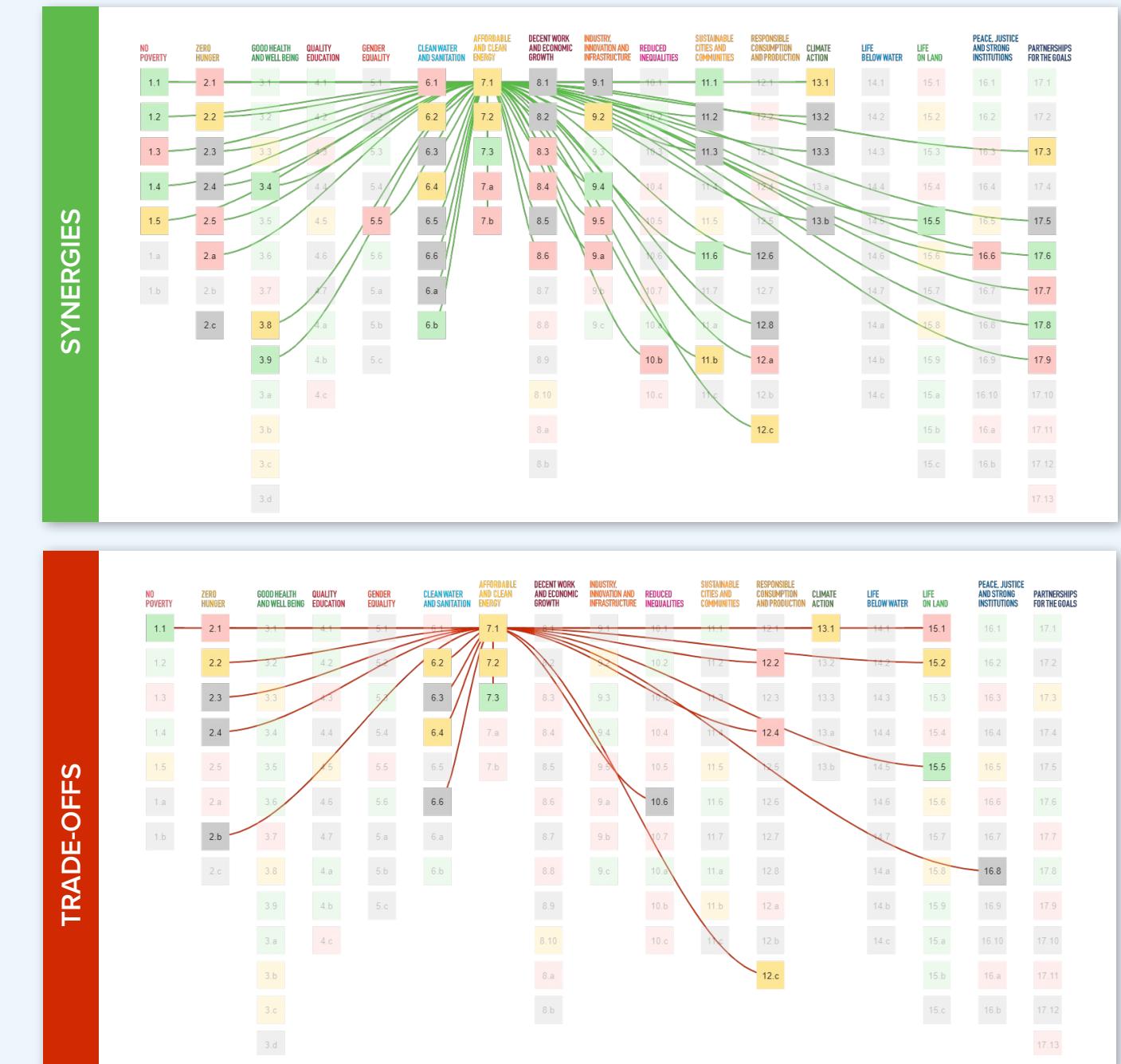
In response to skyrocketing energy prices, the GoM introduced the Energy Vulnerability Reduction Fund (EVRF) to support the most affected households (advancing through joint investments in targets 1.3, 10.3). Four out of five household were in the highest vulnerability bracket, spending 90% available income on energy. The EVRF helped to reduce poverty in the short-term, but its financial sustainability remains problematic. Investments in energy efficiency (Targets 7.3, 9.2), recalibrating the energy mix (7.2), expanding renewable energy sources and promoting behavioral change are required to address energy security, which could generate new jobs and income sources.

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# SDG INTERLINKAGES

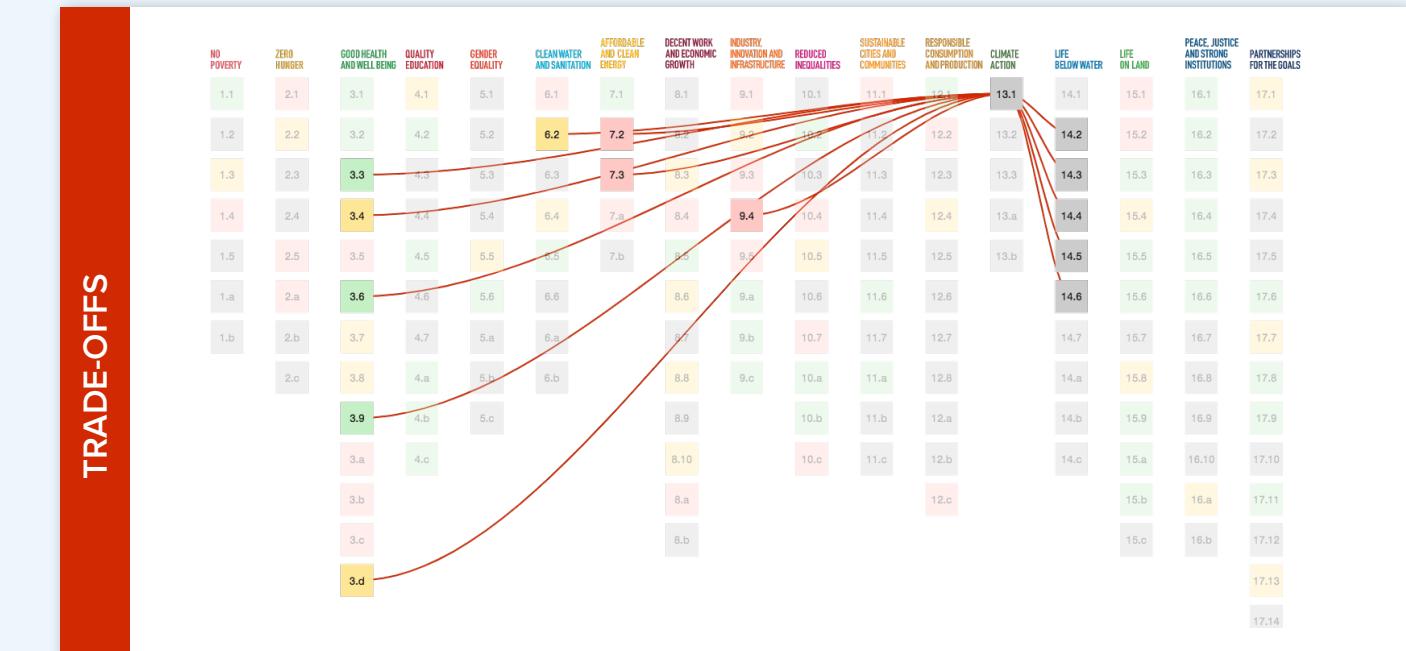
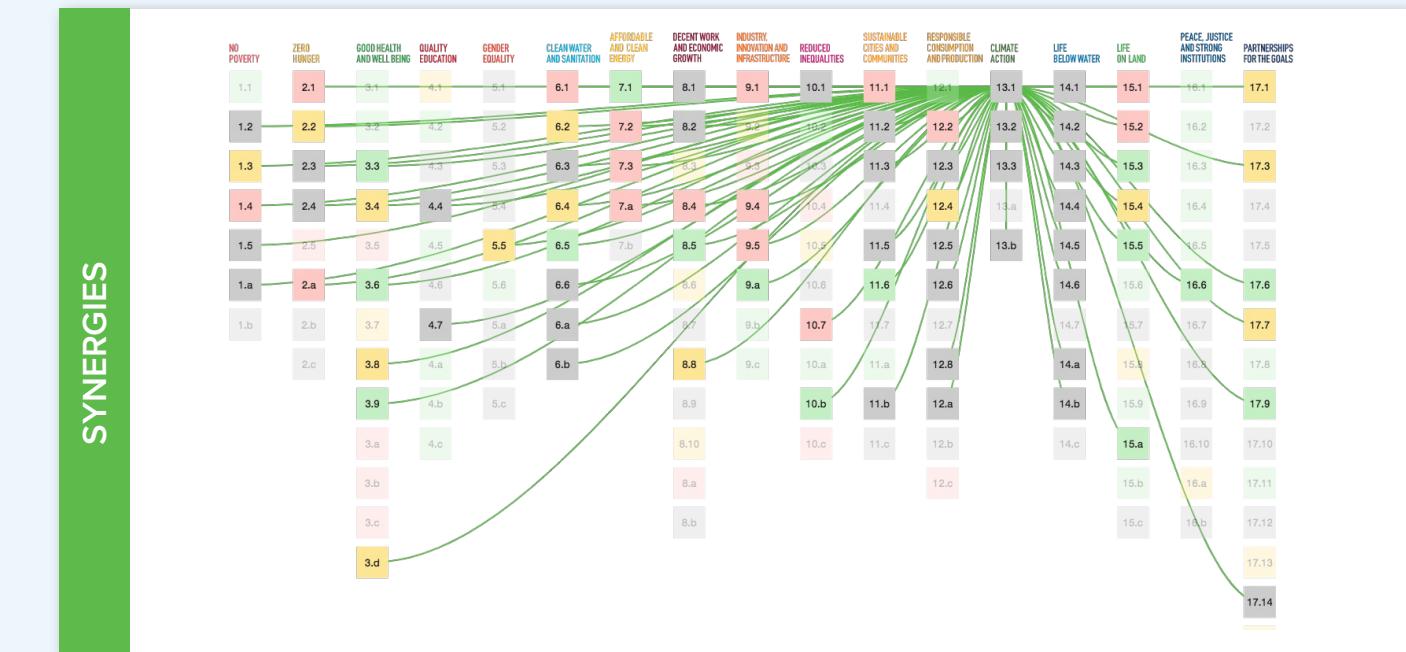
## 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Moldova is highly vulnerable to climate hazards, particularly droughts that impact vulnerable populations and exacerbate poverty and food insecurity (SDG 1 and SDG 2). To address this, resilience-building is crucial, as are promoting stable food production (SDG 2) and access to clean water (SDG 6), while also advancing sustainable energy solutions and ecosystem preservation (SDGs 7, 12, 13 and 15), and women's empowerment (5), including through ensuring women's participation in decision-making mechanisms (5.5). Resilience building involves effective governance (SDG 16) – anticipatory risk-informed decision-making and policymaking processes by institutions underpinned by evidence and public participation.

Given climate change, Target 2.1 holds significant importance for Moldova, aiming to improve food security and nutrition, by emphasizing sustainable consumption and production and by promoting sustainable food systems and waste reduction. By building resilient agricultural practices, Moldova can mitigate the negative impacts of climate change and support climate action. Achieving this target is crucial to reduce food poverty and malnutrition, benefitting both rural and urban areas. Moreover, it contributes to advancements in SDGs 8 and 12, fostering economic growth and sustainable food systems while supporting climate action (SDG 13).

Access to affordable and sustainable energy is essential for Moldova's development (7.1) and to address climate change. In combination, a focus on resilience, food security and sustainable energy can accelerate sustainable development and improve social well-being, aligning with various SDGs to address interconnected challenges.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MDA/synergies-and-tradeoffs>

# SDG INTERLINKAGES

**16.6: Develop effective, accountable and transparent institutions at all levels and and 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels**

Achieving target 16.6 and 16.7 is crucial for Moldova's deeper integration into the EU. Policies for achieving the SDGs also require strong and inclusive institutions. Effective institutions are crucial for a nexus approach to balance an immediate response to crises with longer-term development needs.

Well-functioning institutions reduce poverty and ensure equitable access to resources (Target 1.4). They improve education quality (Target 4.4), promote gender equality, in particular by ensuring women's participation in decision-making (Target 5.5), and by reducing and redistributing unpaid care work (Target 5.4), by supporting infrastructure development (Goal 9), and contributing to economic growth (Goal 8).

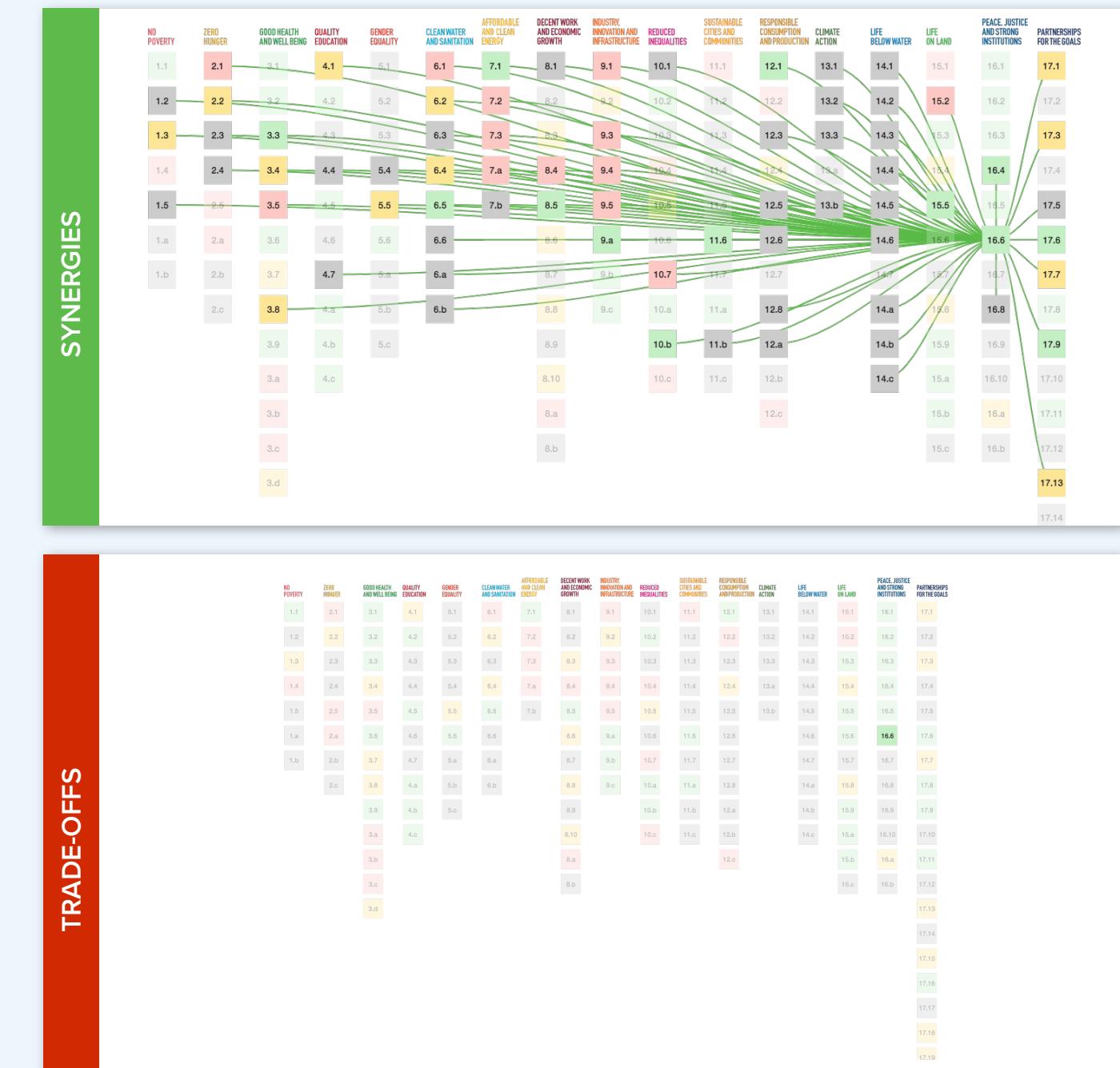
Effective and inclusive institutions have a broad acceleration effect through improving equality of opportunities thus economic inclusion (Targets 10.1, 10.3) and by reducing territorial inequalities (Target 11.2). Institutions are vital for protecting the rights of ethnic minorities and the most vulnerable groups, such as Roma, children and LGBTIQ (Targets 10.3, 1.5). Transparent institutions enhance urban planning and governance, improving citizens' overall quality of life. Strengthening institutions also facilitates industrial modernization and connectivity, agricultural development and closer ties with EU partners, all factors contributing to the country's aspiration for European integration.

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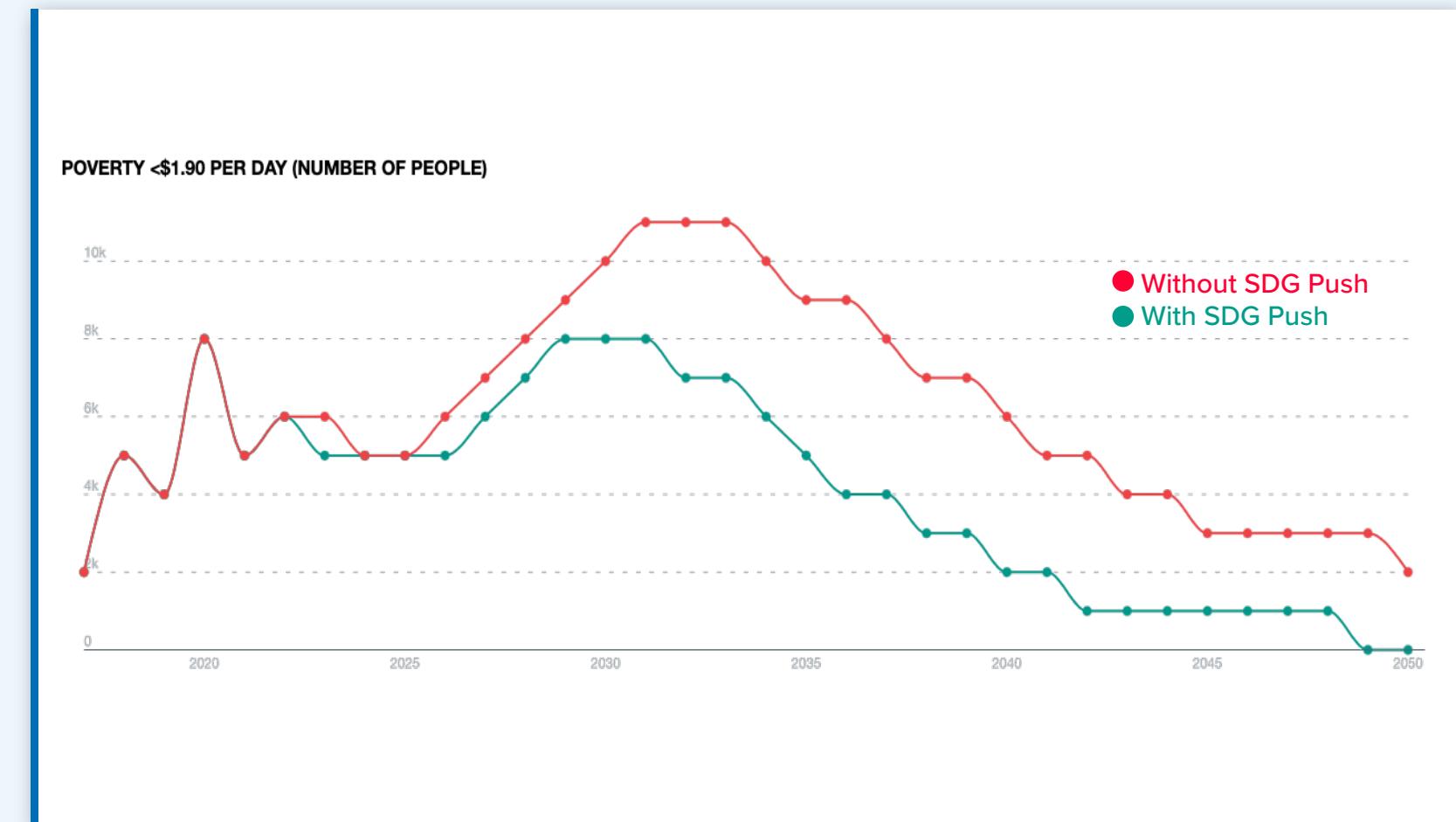
# FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Moldova can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	10,000	2,000
With the SDG Push	8,000	0



Explore SDG Futures Scenarios at:  
<https://data.undp.org/sdg-push-diagnostic/MDA/future-scenarios>

# FINANCE & STIMULUS

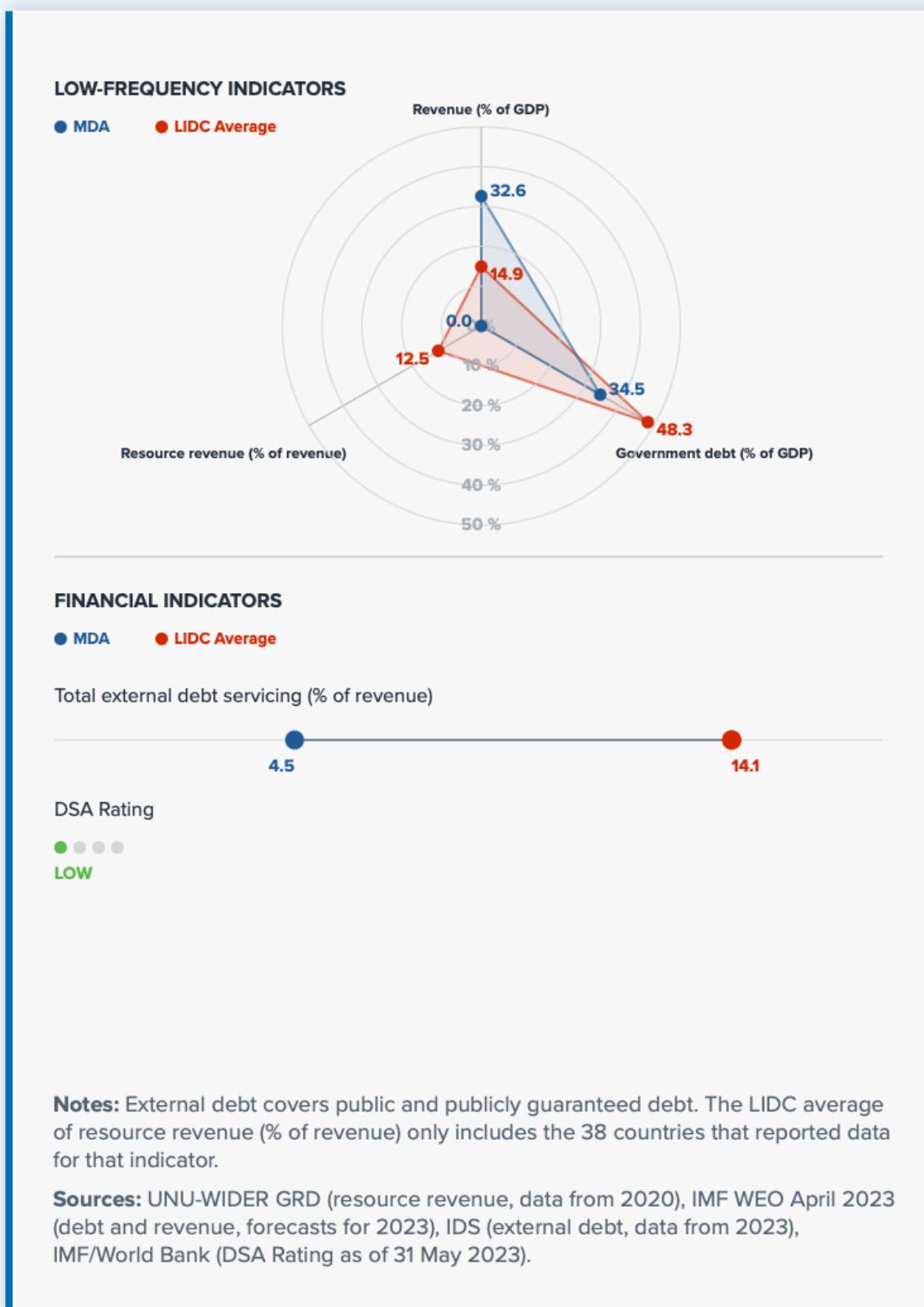
Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicators show higher frequency data on external debt servicing relative to revenue and the country's latest Debt Sustainability Assessment (DSA) risk rating.

Moldova's government debt, projected at 34.5% of GDP in 2023, is significantly below the IMF's low-income developing countries' (LIDC) average of 48.3%.<sup>1</sup> Revenue as a share of GDP is 32.6% and thus significantly above the LIDC group's 14.9%.

Relative to revenue, Moldova's projected 2023 external debt servicing of 4.5% is nearly 10 percentage points (pp) below the LIDC average of 14.1%. Accordingly, the latest IMF/World Bank DSA analysis rates Moldova's risk of debt distress as 'low'.

<sup>1</sup> The LIDC group is based on the IMF's country classification, which does not necessarily correspond with other classifications (e.g. those of the World Bank).



# SDG STIMULUS

The [UN Secretary General's SDG Stimulus Plan](#) lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Moldova possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax reforms for SDGs
- SDG budgeting
- Blended and public-private finance
- SDG-aligned business environment and investment
- Remittances
- In longer-term (2 to 5 years) potential access to pre-accession funds

**United Nations  
Secretary-General's  
SDG Stimulus  
to Deliver  
Agenda 2030**

FEBRUARY 2023



# METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



## SDG MOMENT

### Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

### Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO<sub>2</sub> emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



## TRENDS & PRIORITIES

### Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

### Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



## INTERLINKAGES

### Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

### Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



## FINANCE & STIMULUS

### Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

### Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).