ISWG
Inclusion & Solutions
Working Group Moldova

Regional Refugee Response
for the Ukraine Situation

# Inclusion & Solutions

## Working Group Moldova

**June 24, 2026**
Chisinau
mdachiswg@unhcr.org

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# Agenda

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- Welcome
- MoF fiscal package
- Freelancing Regime
- Active Labor Market Measures
- Upcoming Economic Council meeting
- AOB

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# MoF Fiscal Package

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# Freelance Regime

# Estimated Beneficiaries of the Freelance Regime

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**49,500** Adult refugees with Temporary Protection

↓

**39,600** Expected to remain in Moldova (80%)

↓

**11,900** Employed (30% employment rate)

↓

**3,000** Self-employed (25% of employed)

↓

**2,080** Expected beneficiaries in 2027 (70% adherence)

**Approximately 2,080 refugees could register under the freelance regime in 2027.**

# Estimated Fiscal Impact

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Median net monthly income
**15,000 MDL**

→

Adjusted income in 2027
**16,140 MDL**

→

Annual income
**193,700 MDL**

→

Tax rate
**15%**

→

Annual tax per beneficiary
**29,100 MDL**

| Scenario | Beneficiaries | Annual tax revenue |
|---|---|---|
| Conservative<br>50% adherence | **1,484** | **43.1 million MDL** |
| Central<br>70% adherence | **2,078** | **60.4 million MDL** |
| Optimistic<br>90% adherence | **2,672** | **77.6 million MDL** |

**Under the central scenario, annual tax revenues are estimated at approximately 60 million MDL.**

# Why Extend the Freelance Regime?

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### Low administrative costs

Uses existing tax infrastructure and procedures

### Additional tax revenue

**≈60 million MDL** annually

### Formalisation of economic activity

Supports compliance and economic inclusion

### Economic integration

Supports self-sufficiency and reduces dependency

### Harness human capital

Of those with digital and professional skills working for foreign markets

**Extension of the freelance regime could generate approximately 60 million MDL in annual tax revenues while requiring limited additional public expenditure.**

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# Active Labor Market Measures

# Labour Market Activation Scenarios

Adult TP Holders
40,500

→

80% expected
to remain in Moldova

→

**Potential Pool**
**32,400 persons**

## Scenario 1

Labour force participation
40% → 45%

↓

Active population
14,580

↓

Unemployed persons
3,240

↓

Newly activated persons
1,620

↓

**Potential applicants**
**4,860**

## Scenario 2

Labour force participation
40% → 50%

↓

Active population
16,200

↓

Unemployed persons
3,240

↓

Newly activated persons
3,240

↓

**Potential applicants**
**6,480**

## Baseline Labour Market

| | |
|---|---|
| Labour Force Participation | **40%** |
| Employment Rate | **30%** |
| Unemployment Rate | **25%** |
| Inactivity Rate | **60%** |
| Employment Rate in Ukraine (before arriving to Moldova) | **60%** |
| Ukranian beneficiaries of ANOFM services (per year) | **≈550** |

**Estimated applicants for employment services and ALMPs range from 1,215 to 1,620 persons depending on the labour market activation scenario.**

# How were the estimates calculated?

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## Data sources

- Updated 2026 ANOFM unit costs
- TP re-registration data (April 2026)
- 5% inflation rate

## Expected participation profile

**Initial implementation period**
(Sept-Dec 2026)

- Mobility incentives
- Professional internships

**Longer term**

- Vocational training
- Job subsidies
- Skills certification

## Average cost per beneficiary

**26,000 MDL**
Initial implementation phase

**31,500 MDL**
Longer-term implementation

# What is the estimated cost for the initial implementation?

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1,215 - 1,620 potential applicants → 5% enrolment assumption → 61 - 81 beneficiaries

| Indicator | Scenario 1 | Scenario 2 |
|---|---|---|
| **Labour market participation** | 40% → 45% ↑ | 40% → 50% ↑ |
| **Expected beneficiaries** | **61** | **81** |
| **Annual cost** | 1.6 mln MDL | 2.1 mln MDL |

**Even under the higher participation scenario, the fiscal impact remains modest and predictable.**

# Long-Term Outlook

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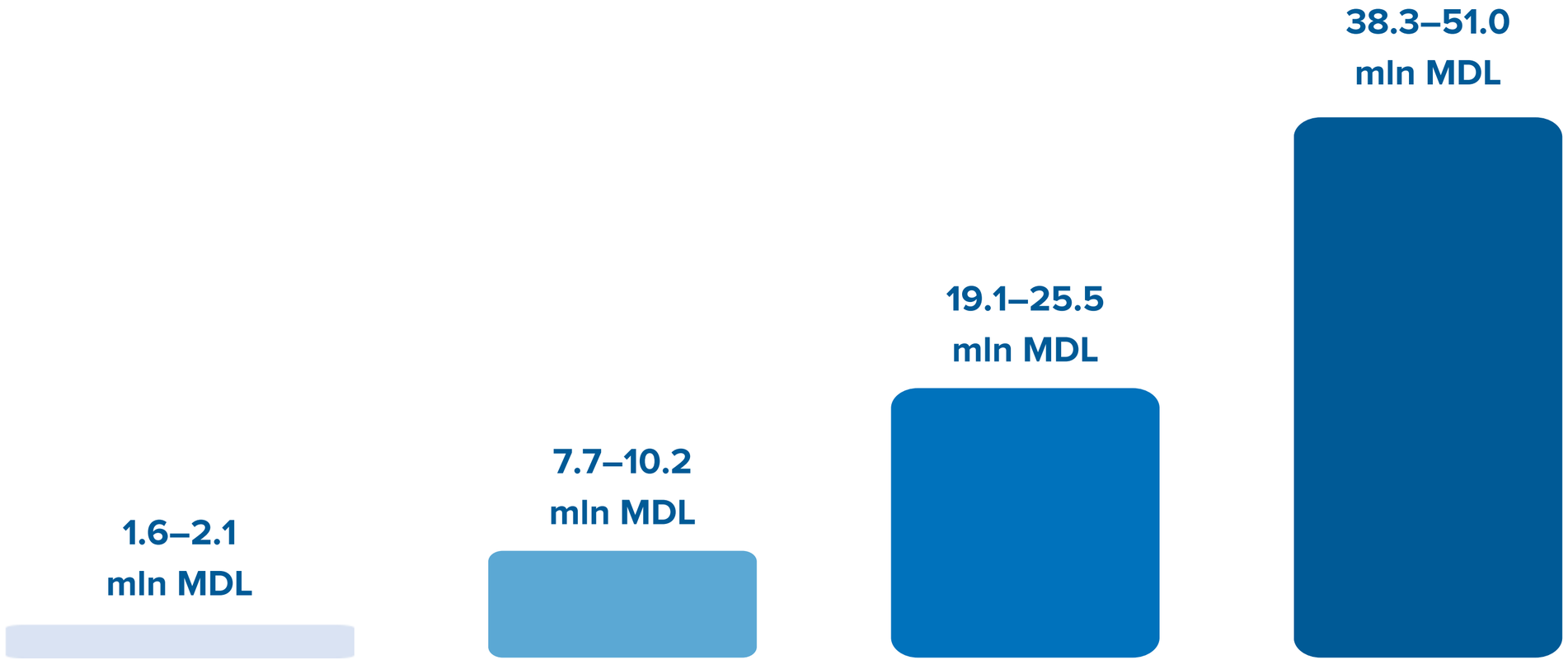
## Expenditure by participation level




**ALMPs represent a medium-term economic and fiscal investment rather than a significant fiscal burden.**

# Unemployment benefits

**2,500 refugees**
Formally employed and contributing

→

**4%**
Unemployment rate

→

**50%**
ANOFM registration rate

→

**Strict**
Contribution-based eligibility

→

**~5**
Beneficiaries per year

## Fiscal Impact

**3,800 MDL**
Average amount for the allowance

**95,000 MDL**
Estimated annual fiscal impact

**Only a small number of refugees are expected to qualify, resulting in a negligible fiscal impact on the public budget.**

# Fiscal impact of ALMM

**Successful Labour Market Integration**

**56-58%**

Post-program employment rate

**Annual Fiscal Contribution**

**36-38K MDL**

Income tax and social contributions per employed beneficiary

**Cost Recovery**

**117-147%**

of ALMP costs recovered annually through tax revenues

## Estimated Fiscal Returns

| Scenario | Total Annual Tax Revenue Generated | Additional Tax Revenue Attributable to ALMPs |
|---|---|---|
| Conservative scenario - 5% | **2.3-3.1 million MDL** | **0.5-0.7 million MDL** |
| 20% expansion | **8.9-11.9 million MDL** | **2.0-2.7 million MDL** |
| Expanded participation scenarios | **44.8-59.7 million MDL** | **9.9-13.3 million MDL** |

**Active labour market measures should be viewed not only as a social expenditure, but as an economic and fiscal investment.**

# Other announcements

# National Council for Economic Empowerment and Gender Equality

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**26 June**

**14:00**

**Government of the Republic of Moldova**

## Discussion Topics

### 💼 Labour Market Inclusion

Active labour market measures

Freelance activity and entrepreneurship

### ⚖️ Legal and Administrative Framework

Access to employment

Recognition of qualifications

Administrative barriers

### 🏢 Employer Perspectives

Good practices in refugee employment

Private sector experiences

### 🤝 Community and Integration

Role of refugee-led and community organisations

Inclusive employment approaches

**A key opportunity to discuss practical solutions and policy options for advancing the economic inclusion of refugees in Moldova.**

# Thank You!

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**Contact us:**
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