



Transforming Children's Care

GLOBAL COLLABORATIVE PLATFORM

WEBINAR #16: Making an Investment Case for Family Care - Recent Experience from Moldova

25 October 2023



MODERATOR

Philip Goldman

President, Maestral International



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WELCOME

- This webinar is part of a series of webinars from the **Transforming Children's Care Collaborative**
- The collaborative establishes more strategic sector-wide collaboration from global to local levels to strengthen children's care and care systems.
- Sign up at the link in the chat to join the collaborative and receive updates about future webinars



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AGENDA

- Introduction to the investment case
- Analysis of the recent developments in government expenditure and the costs per child in family-type care and residential care
- Evaluation of financial resources in residential care institutions
- Making the case for meeting Moldova's human capital needs



PRESENTER

Ludmila Ungureanu
Chief of Party, CTWWC Moldova



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PRESENTER

Flore Rossi

Child Protection Specialist, UNICEF Moldova



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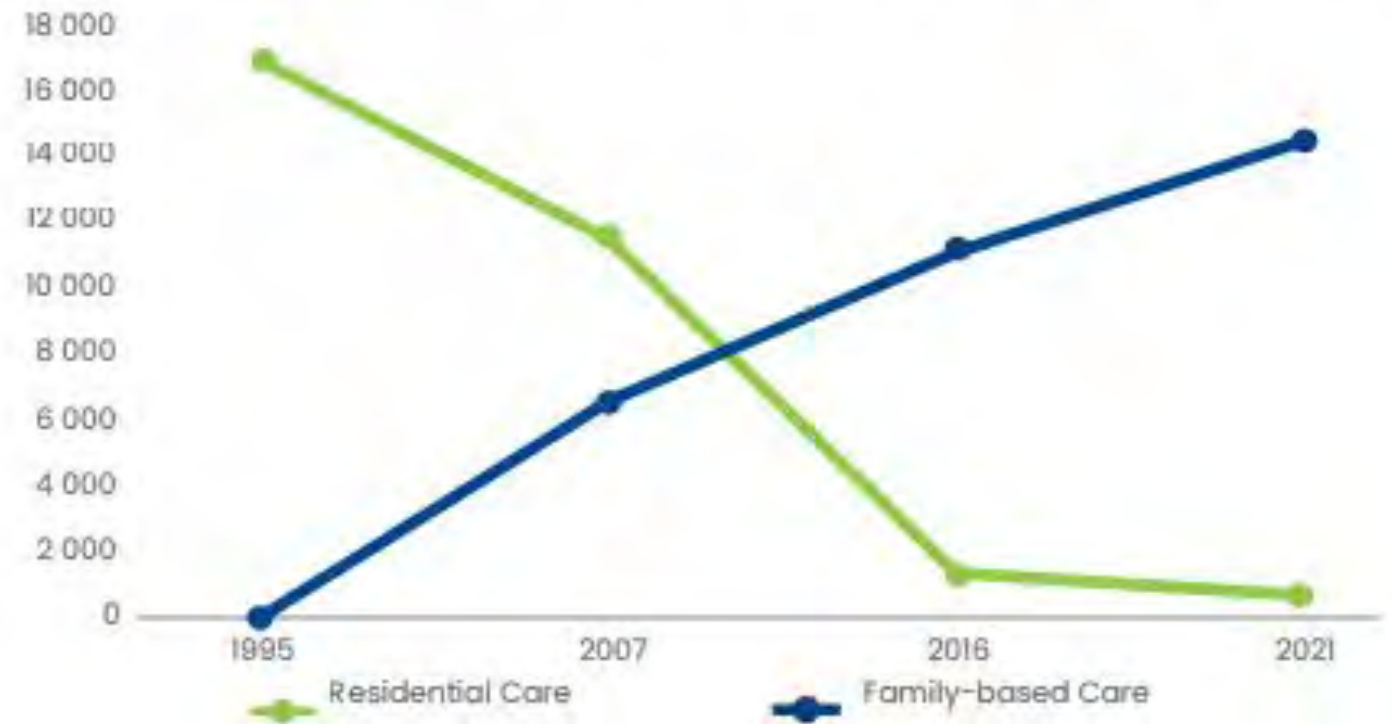
Family-type Care vs Residential Care Costs:

Analysis of the recent developments in government expenditure and the costs per child in family-type care and residential care

Flore Rossi, Child Protection Specialist, UNICEF

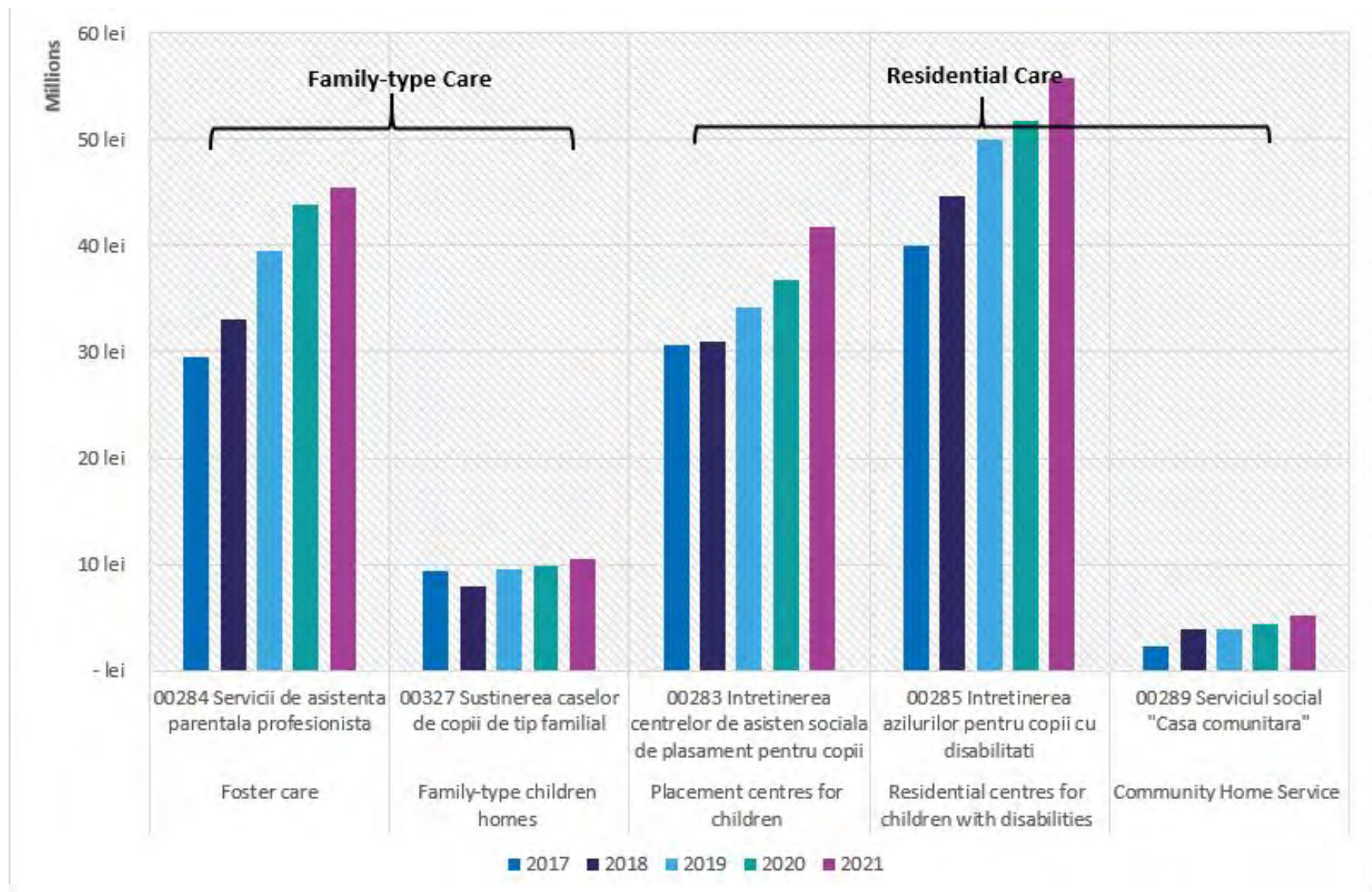
Context

Table 1: Number of Children in Residential vs. Family-based Care in Moldova

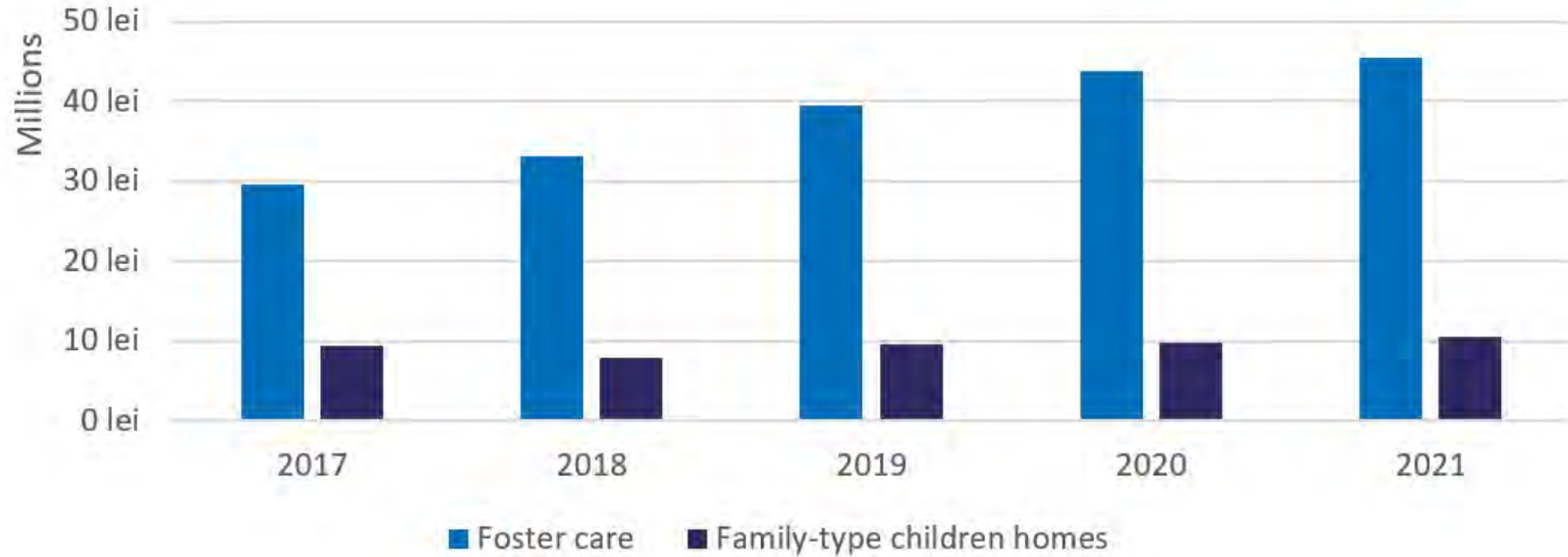


Source: Biroul Național de Statistică al Republicii Moldova

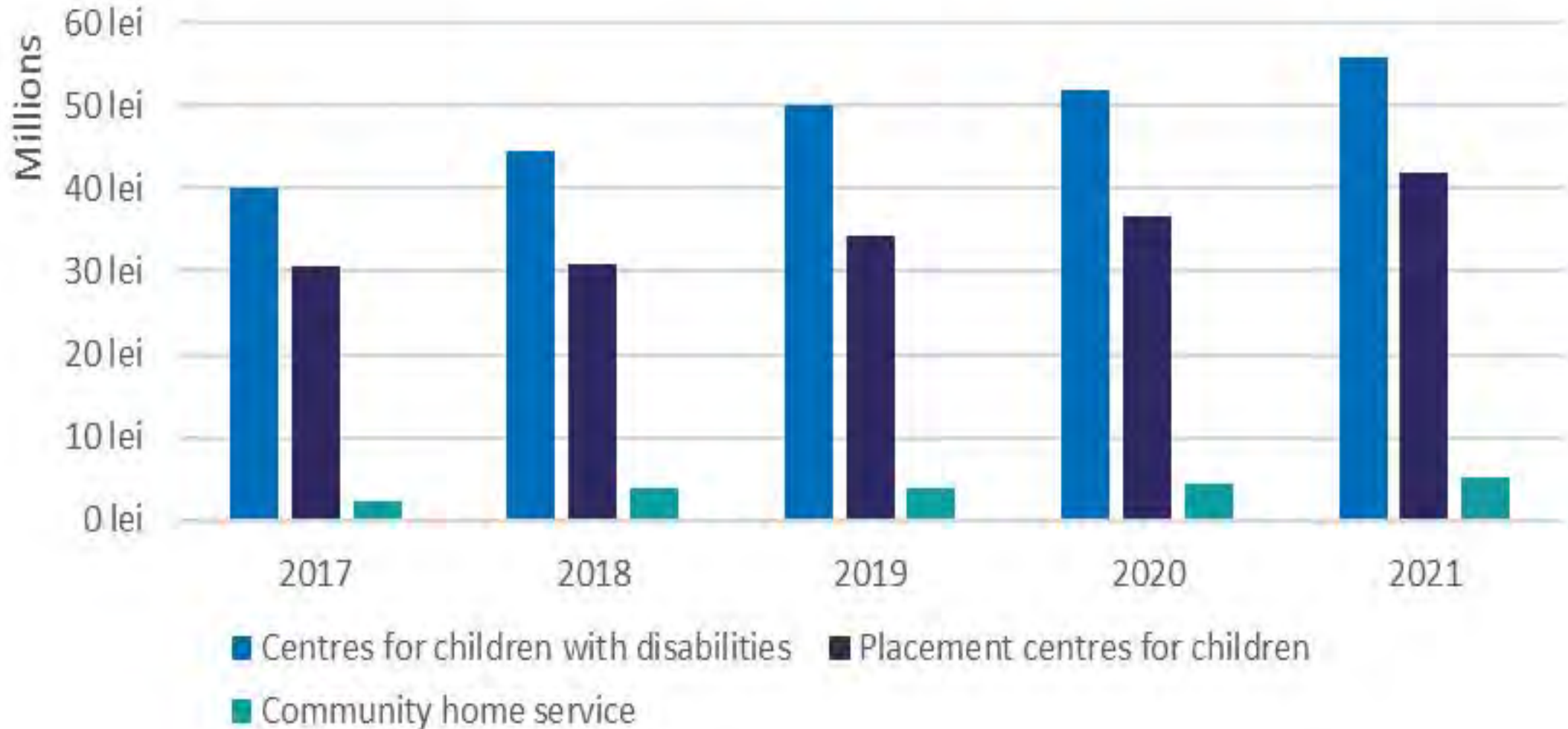
Government expenditure on foster care & residential care 2017 - 2021



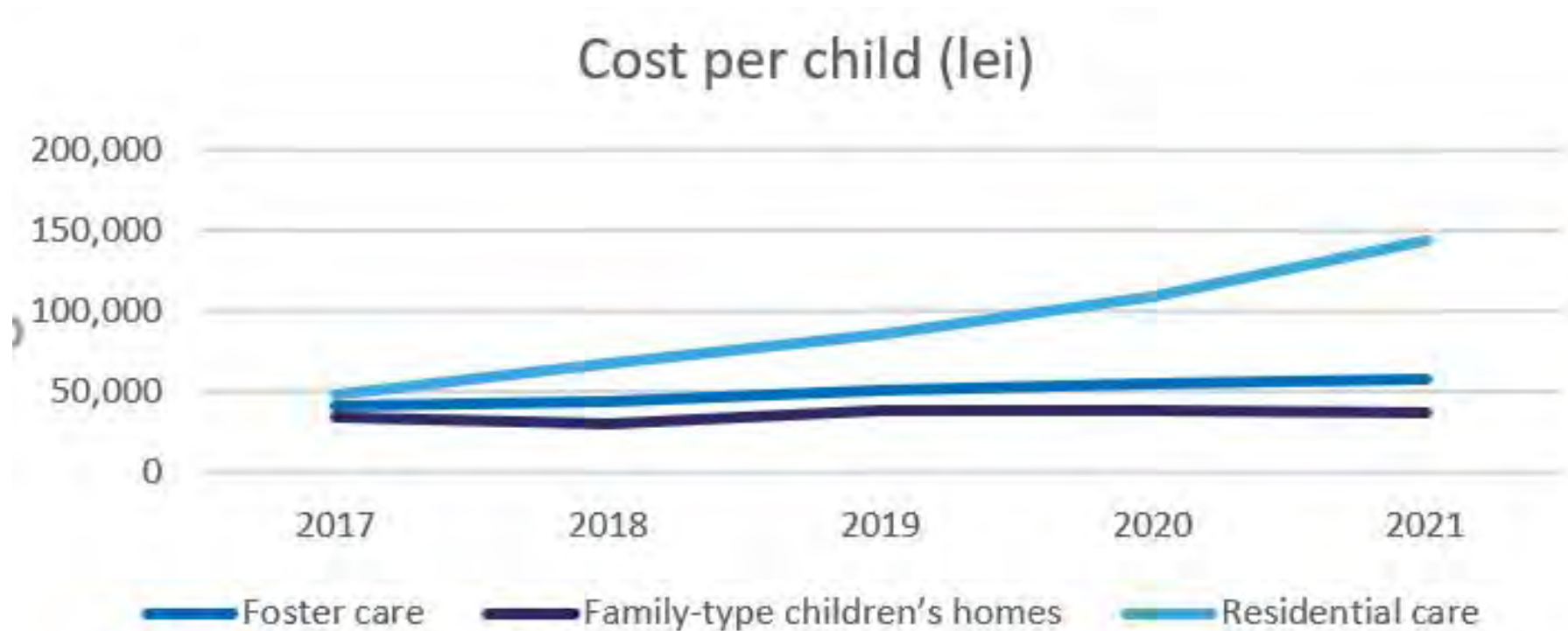
Family-type care expenditure, 2017 - 2021



Residential care expenditure, 2017 - 2021



Cost per child: family-type care vs residential care (MDL)



Conclusions

- Total government expenditure on residential care was **1.8 times higher** than that on foster care between 2017 and 2021.
- Some of the difference in expenditure on the two services can be explained by the **particular profile of the children receiving care**.
- Coupled with the number of children receiving care, this difference is explained to a greater extent by **inefficiencies in adapting costs to the number of beneficiaries**.
- Whereas budget data shows that expenditure on both family-type care and residential care increased over the period under analysis, at a greater rate than inflation, **not much can be inferred from it about the adequacy of this expenditure**.
- There is no evidence that savings resulting from the transformation/closure of residential institutions have been **reallocated towards alternative family-type services**.

PRESENTER

Daniela Mamaliga

Director, Partnerships for Every Child Moldova



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USAID
FROM THE AMERICAN PEOPLE



MacArthur
Foundation

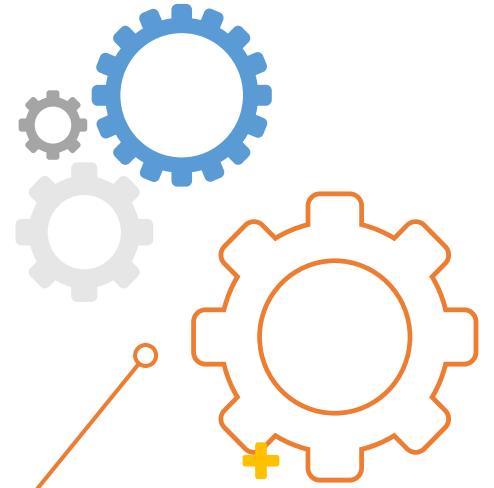
Changing THE WAY WE *care*SM

Evaluation of financial resources in residential care institutions

Daniela Mamaliga, Partnerships for Every Child



why?



Assess Financial Resources



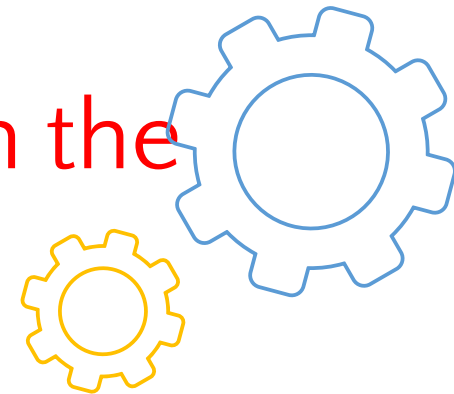
Goal:



!!! To inform political decisions on the future of the six institutions, including transformation/reorganization plans



Cost-efficiency of funds allocated from the state budget!

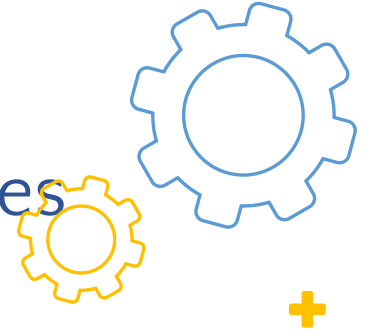


Objectives:

+



Identify annual costs per child for the services delivered by **residential care institutions**



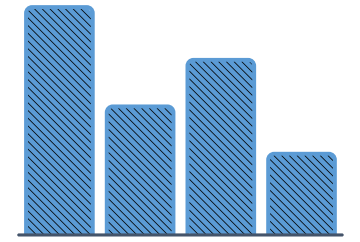
Identify annual costs per child for the services in **mainstream educational institutions and alternative social services**

+

•



Evaluated institutions



Hincești

Auxiliary School

01

02

Bulboaca

Auxiliary School

Hincești

Placement Center
for children with
disabilities

04

03

Orhei

Placement Center for
children with
disabilities

Chisinau

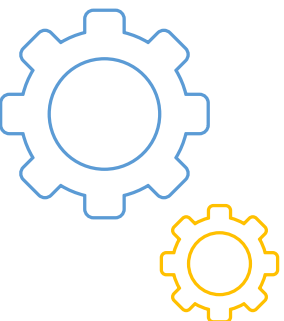
Placement Center
for young children

05

06

Balti

Placement Center for
young children

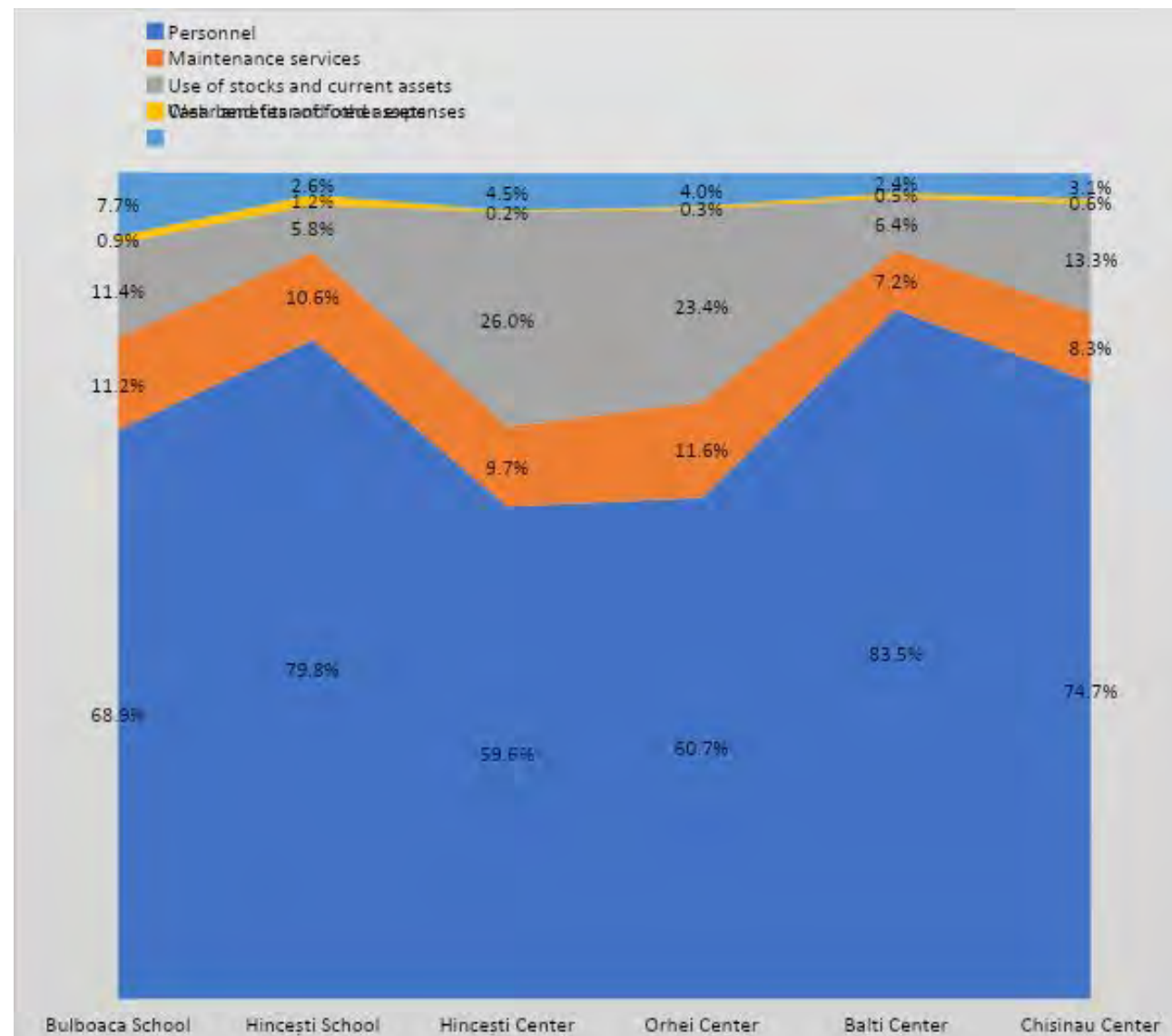


Structure and Share of Expenses

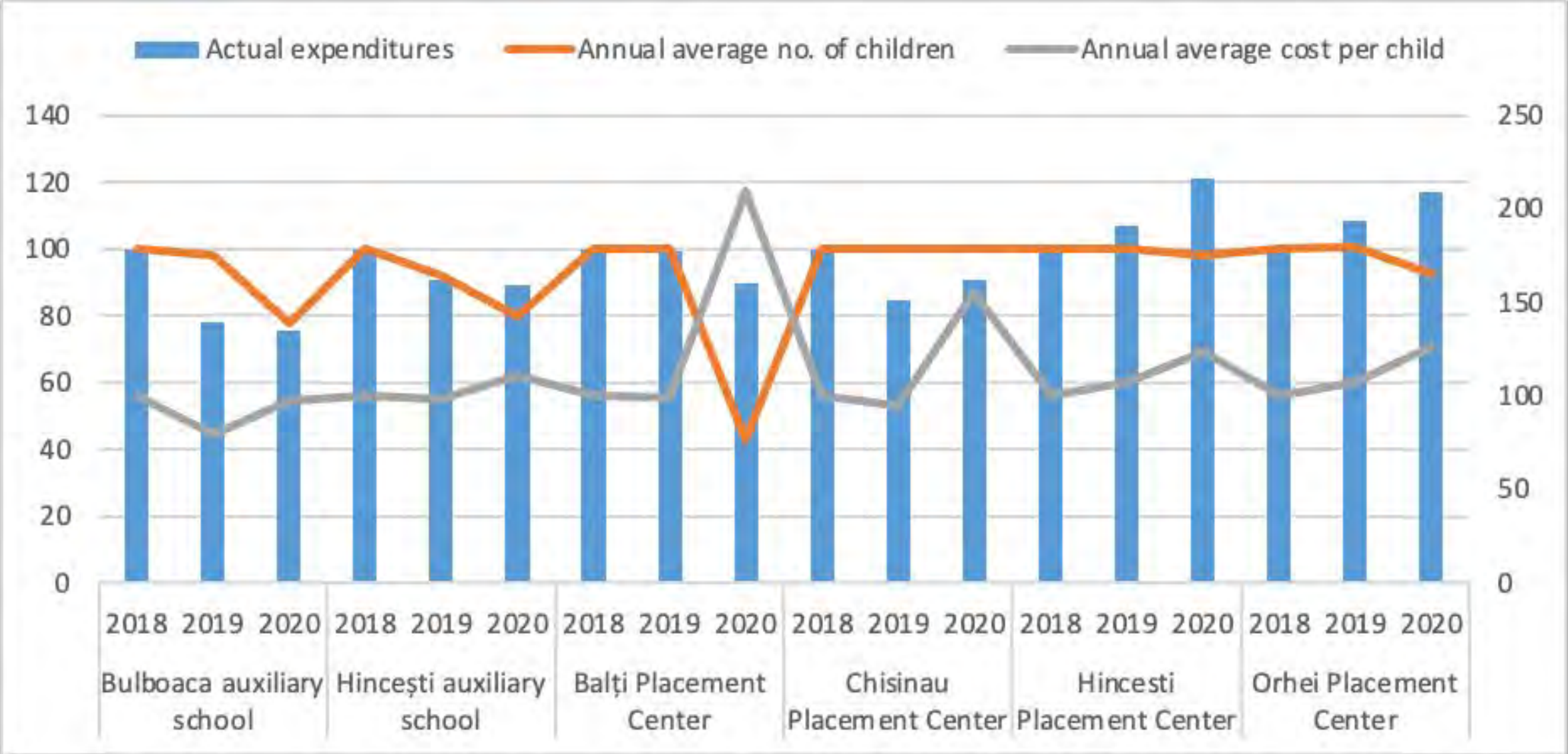


Personnel-related expenses prevail in all the institutions: 60 – 84%

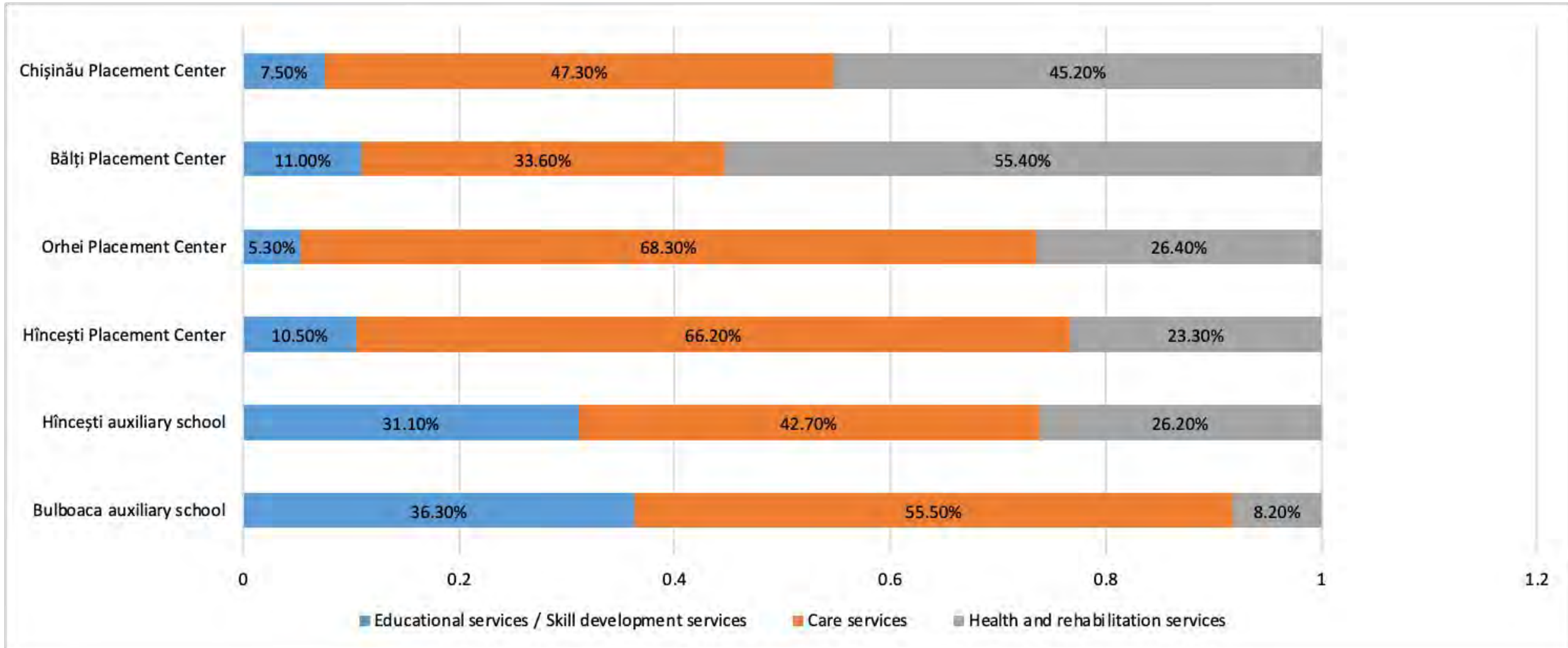
Expenses for procurement of goods: 11–26%. Higher in the institutions for children with severe disabilities



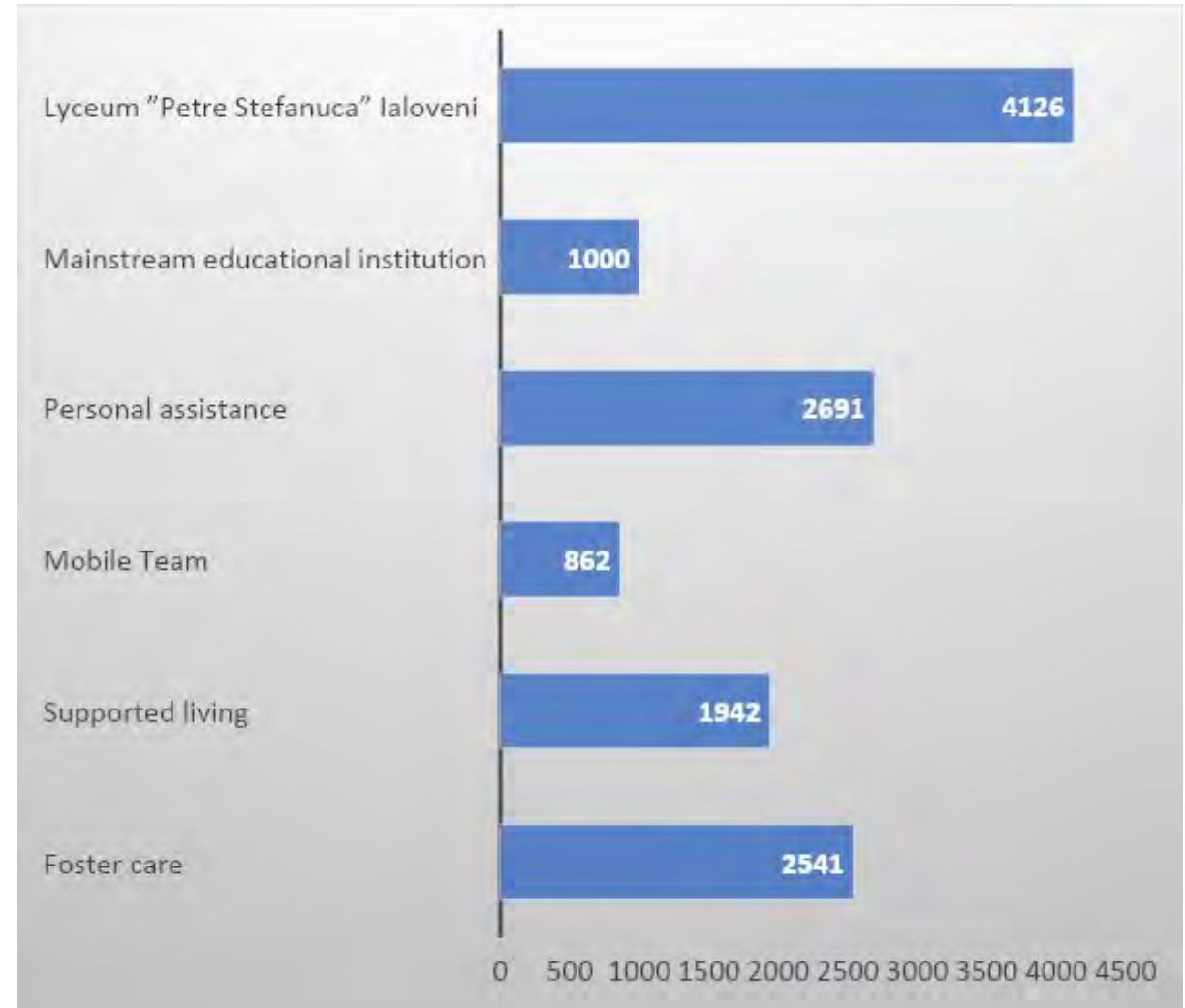
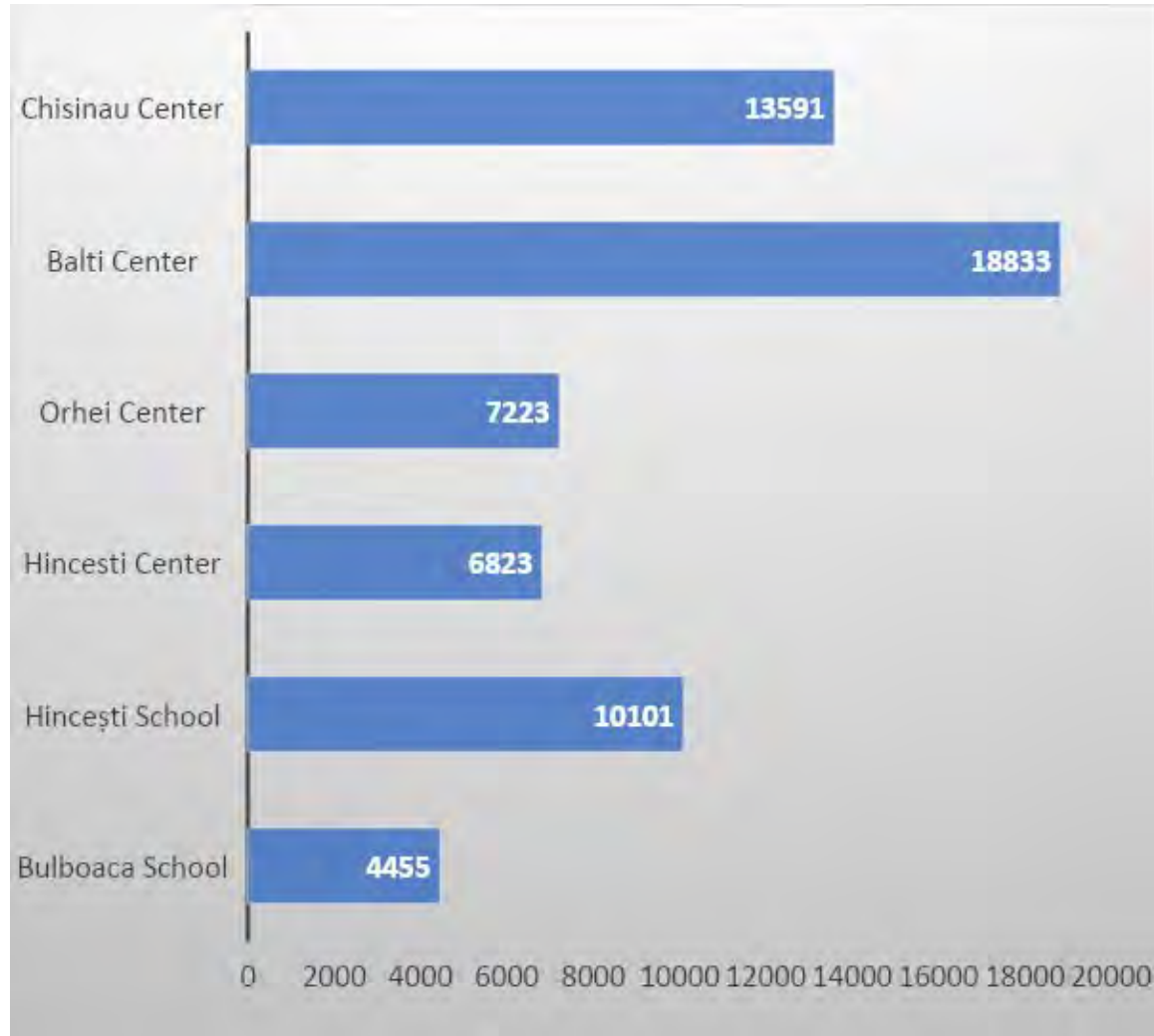
Indicators Dynamics



Annual average cost per child per services



Annual cost per child in residential services **versus** community-based services



KEY FINDINGS

Placement Centers children with disabilities:

Rehabilitation services

1%

Skills development;

5-10 %

!!! Missing educational services.

Auxiliary schools:

Care services.

Similar to the cost of Foster care

42-55 %

Educational services.

Double cost versus mainstream school

36 %

COST EFFICIENCY

???

Placement Centers young children:

Rehabilitation services

12-19 %

Care services

33-47 %

Health services

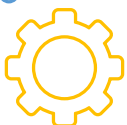
33-35 %



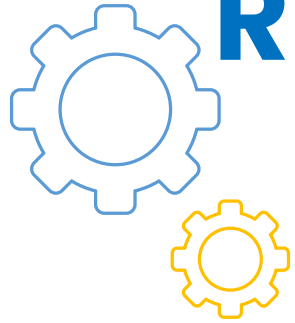
KEY FINDINGS



- The **highest costs** per child are found in the **institutions for young children**:
- **13,591 – 18,883 USD per child**
- **Personnel-related** expenses prevail in the structure of expenditure in all the institutions: **up to 84%**
- **The annual average cost** per child is **increasing** in all the 6 institutions, even though in some of them the number of children and staff is decreasing.
- In some institutions, the cost of **care** has **grown by over 50%** or has even **doubled**.



REQUIRED ACTIONS!!!



- ❑ Completing the process of deinstitutionalization;
- ❑ Moratorium on new entries – especially children 0-3 y.o.;
- ❑ Optimizing expenses – reallocating resources to prevention and support services at community level, family-type services;
- ❑ Consolidating the inter-agency cooperation for primary prevention and provision of appropriate and timely support;
- ❑ Developing integrated services for children, including inter-budget financial mechanisms;
- ❑ Strengthening inclusive education.

POLITICAL COMMITMENT TO CARRY ON WITH THE REFORM!

PANEL DISCUSSION



PRESENTER

Constantin Gudima

Head of the Finance Department, Ocnita District Council



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Investing in Family Care for Moldova's
Future: *The Case for Meeting Moldova's
Human Capital Needs*

Presented by: Constantin Gudima

Investment case: approach



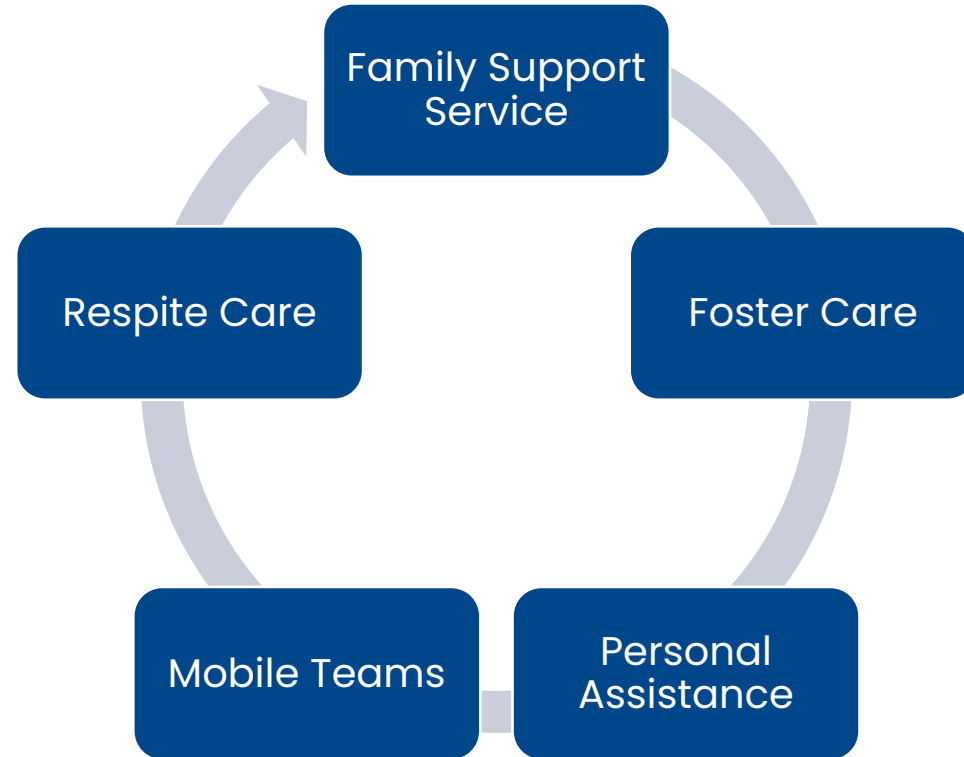
I. Evaluating the normative, macroeconomic and policy framework
II. Current children's budget assessed

III. Reviewed the package of social services

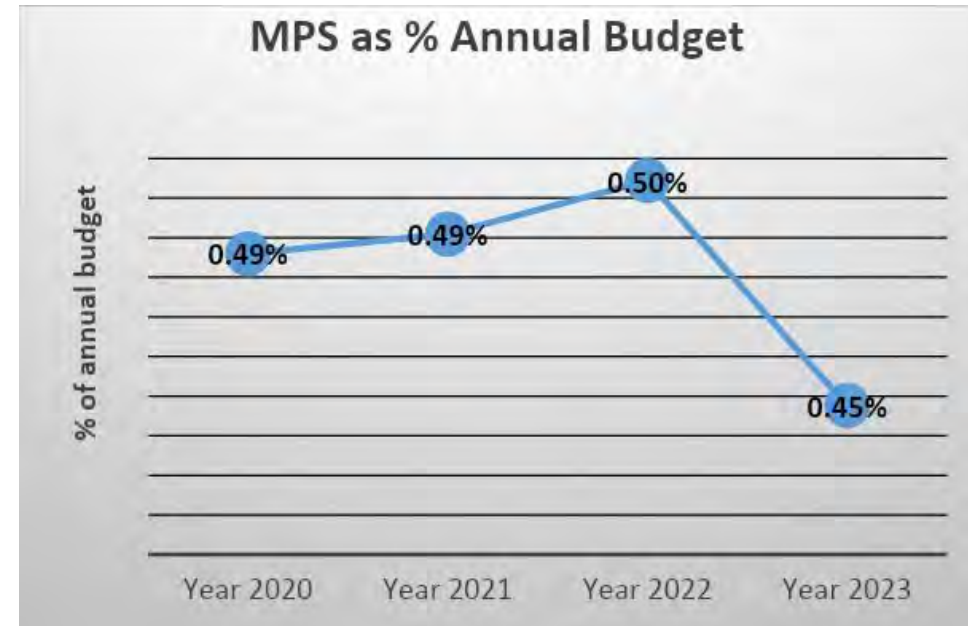
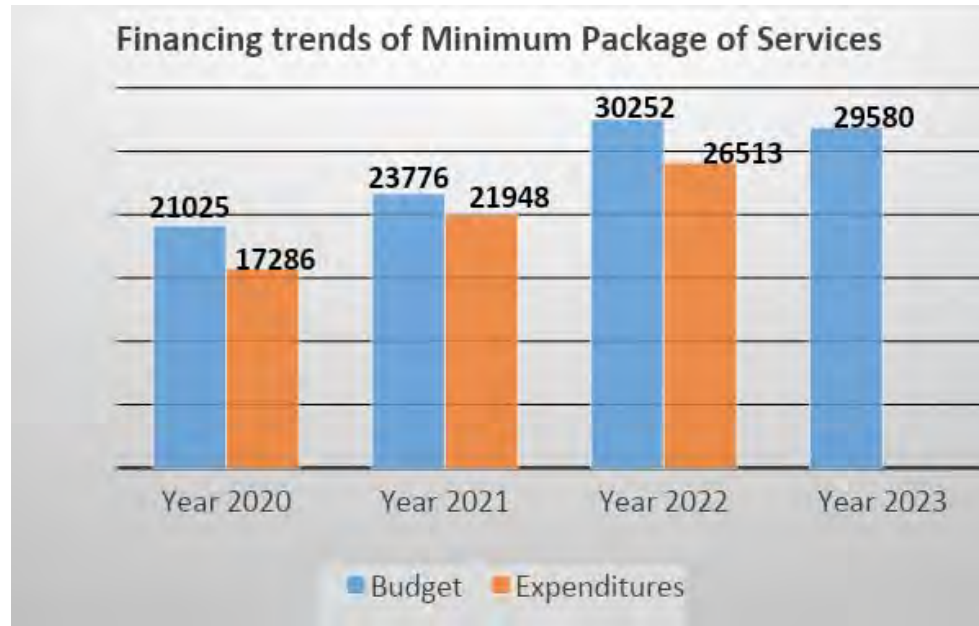
IV. Estimated the detailed costs for each service and developed a five year projection

V. Estimated the returns on investments in the system

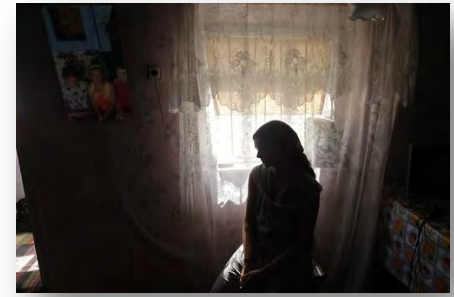
Minimum package of services assessed



Minimum package: expenditure trends



Residential institutions: expenditure trends



FY 2023 Budget: 8.0 million USD

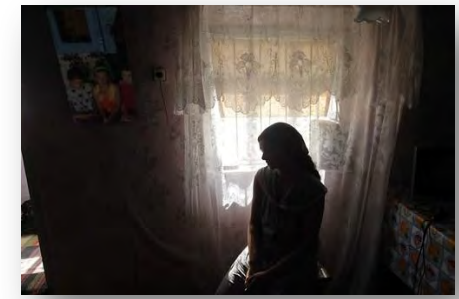


68%
increase
since 2020

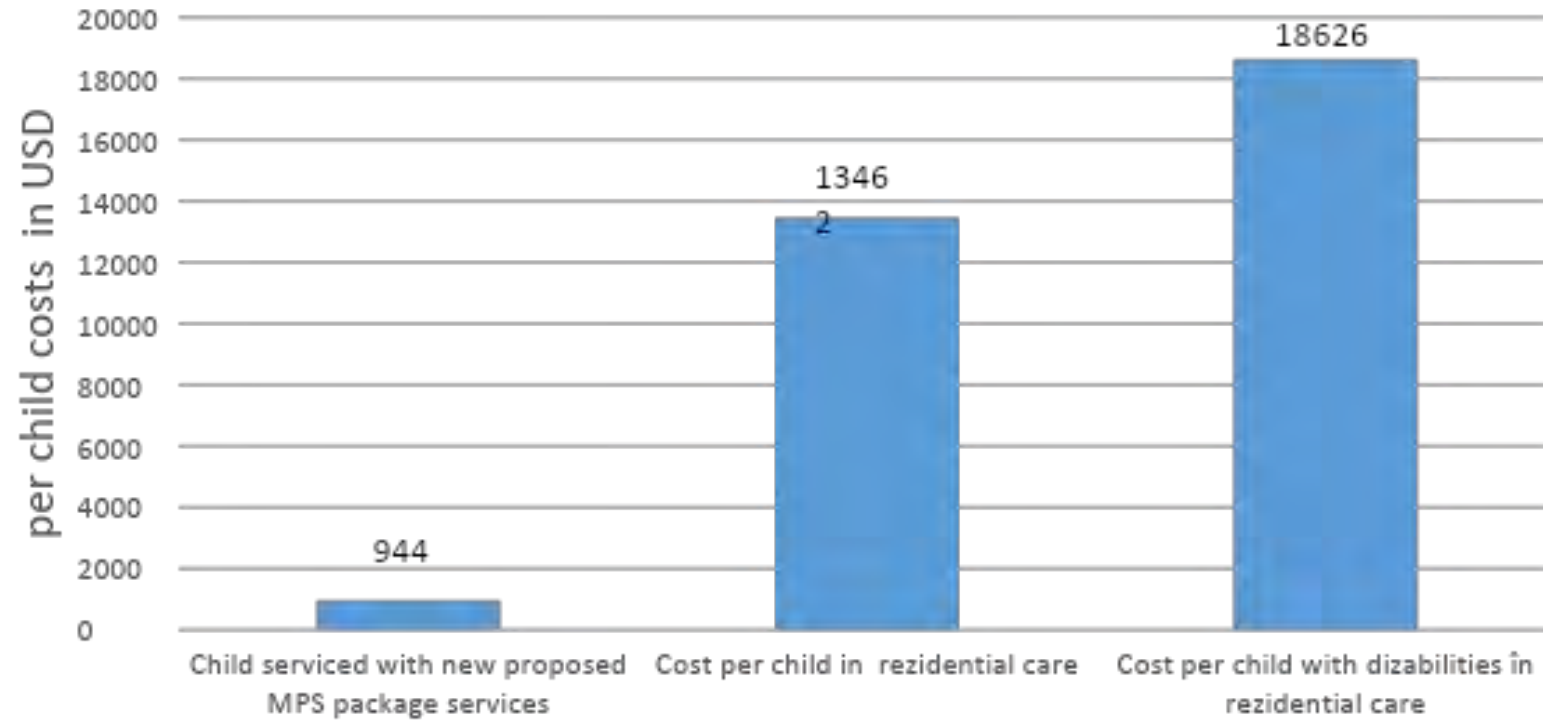


Cost per
child
increase
from
USD 8,725 to
USD 13,154

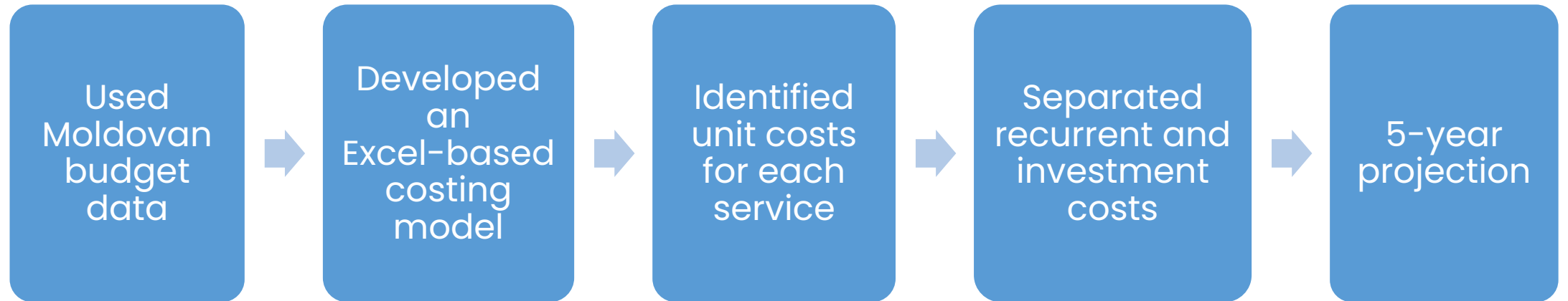
Institutions: inefficiency



Cost comparison of Family and CP services and institutional care for children in Moldova



Determining MPS costs



5-year projection (USD '000s)

	2023	2024	2025	2026	2027	2028
Professional parental assistance	15178	15292	13710	12094	12457	12814
Support services	1269	2605	4128	5740	5912	6089
Personal assistance services	12032	12393	12765	13148	13542	13949
Mobile team	741	974	1003	1034	924	951
Respite services	119	524	1226	1970	2318	2387
TOTAL	29339	31788	32832	33986	35153	36190
% GoM budget	1.2%	1.3%	1.3%	1.3%	1.4%	1.4%



Funding gap (USD '000s)

	2023	2024	2025	2026	2027	2028
Existing financing	24515	25251	26008	26789	27592	28420
Total required	29340	31788	32832	33985	35153	36207
Funding gap	4825	6537	6824	7196	7561	7787

Cost savings from transitioning from institutions



USD 5.2 M in savings



Ability to reach over 33,000 children with funds saved

Net present value: education returns



Average increased lifetime earnings of USD 1397 per served child per year



USD 62,1 M in long-term returns



Net present value: health returns



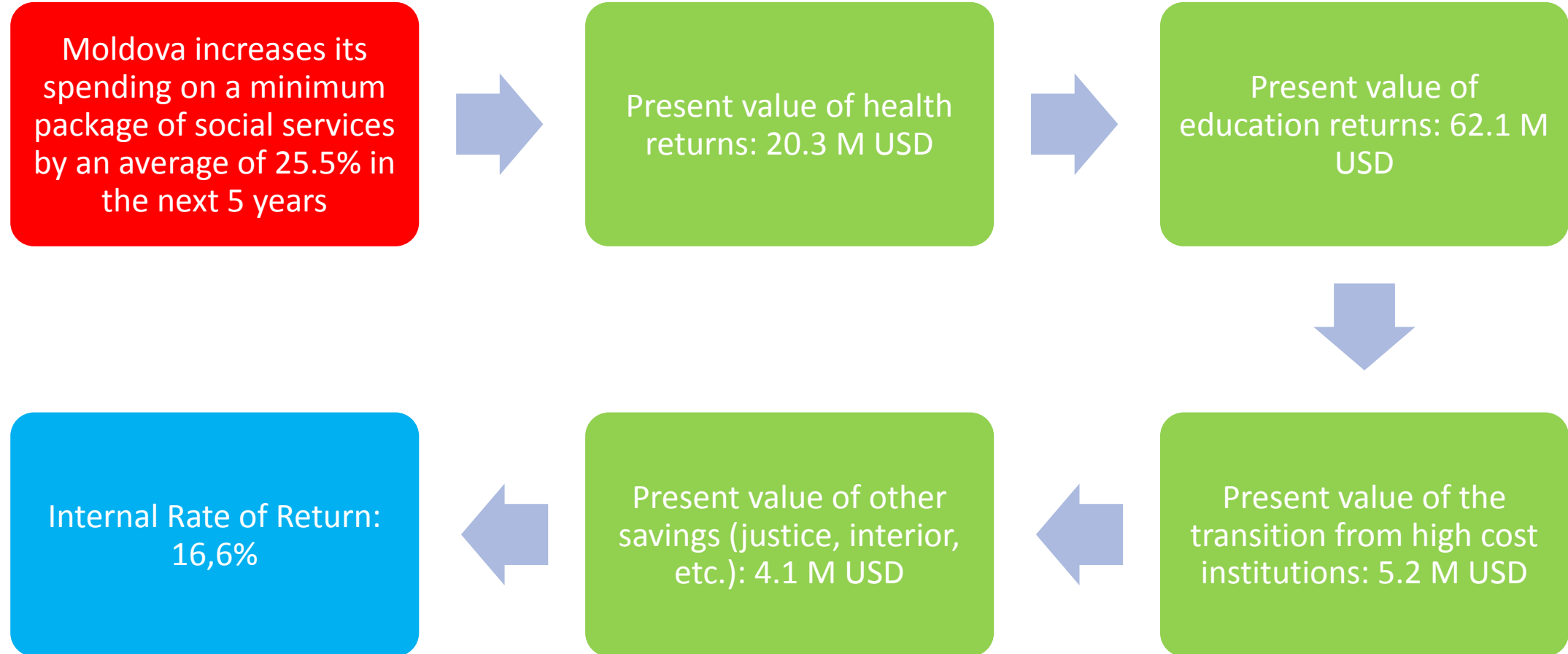
Improvements in health status
and life expectancy for children
served

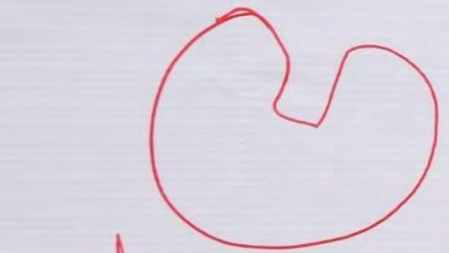
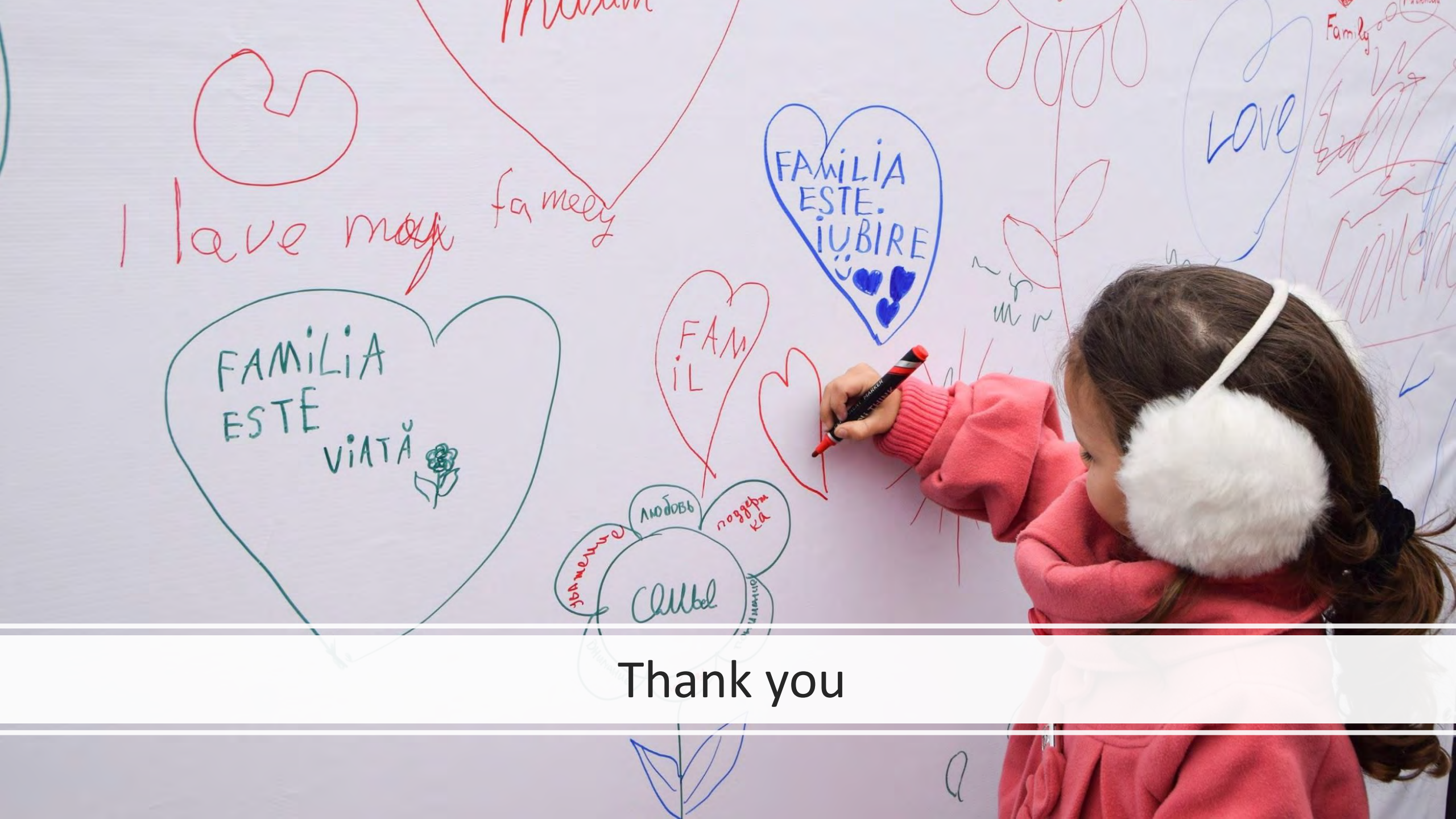


USD 20,3 M in long-term
returns



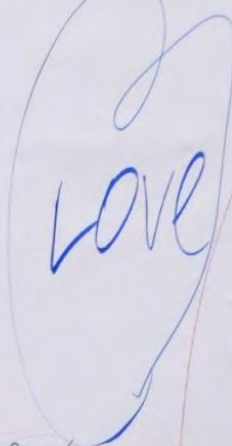
Internal rate of return



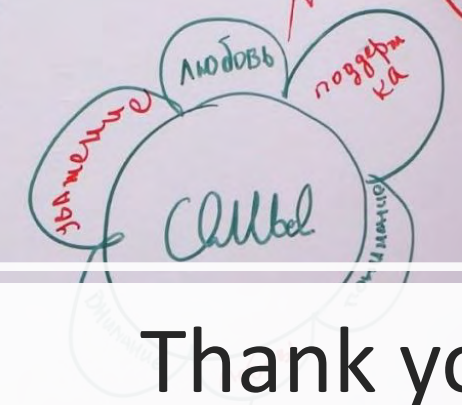
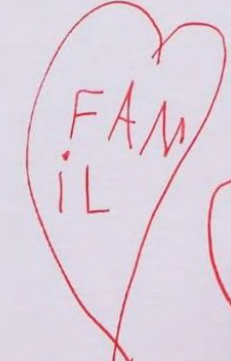


I love my family

Mum



Family



Thank you

Q&A



**THANK
YOU FOR
JOINING!**

Please see the chat box for a link to learn more about the Transforming Children's Care Collaborative and find out how to join.

We will be sending you a link to the webinar recording and slides in a follow-up email shortly. If you have questions, comments or recommendations for future webinar topics, please send them to:

contact@transformcare4children.org



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