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# FINANCIAL ANALYSIS OF FAMILY-TYPE CARE SERVICES FOR CHILDREN WITH DISABILITIES

## SUMMARY

**HOPE  
AND  
HOMES  
FOR  
CHILDREN** 

**Changing**  
THE WAY WE  
*care*

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# ACRONYMS

<b>ADA</b>	Austrian Development Agency
<b>ATU</b>	Administrative Territorial Unit
<b>CCF Moldova</b>	Children, Communities, Families Moldova
<b>CD</b>	Child with disability
<b>CTWWC</b>	Changing the Way We Care
<b>CPA</b>	Central Public Authority
<b>EU</b>	European Union
<b>FTH</b>	Family-type home
<b>FC</b>	Foster care service / foster carer
<b>FGD</b>	Focus-group discussion
<b>GD</b>	Government decision
<b>HHC UK</b>	Hope and Homes for Children UK
<b>HOPE</b>	Holistic Child Protection Environment in Moldova
<b>LPA</b>	Local Public Authority
<b>MLSP</b>	Ministry of Labour and Social Protection
<b>NCPP</b>	National Child Protection Program (2022-2026)
<b>NHIC</b>	National Health Insurance Company
<b>PE</b>	Parent-educator
<b>P4EC</b>	Partnership for Every Child
<b>RI</b>	Residential institution
<b>TSIC</b>	Territorial Social Insurance Company
<b>TSWA</b>	Territorial Social Work Agency
<b>TSWS</b>	Territorial Social Work Structure
<b>TPCCD</b>	Temporary placement centre for children with disabilities

# SUMMARY

## Introduction

Globally children with disabilities have a 17 times higher risk of institutionalization than children without disabilities<sup>1</sup>. Hundreds of children with disabilities are still in the residential system in the Republic of Moldova, despite progress in promoting family-based care or alternative family-type services in recent decades.

The negative effects, neglect and abuse caused to children in an institutional care setting are extensively researched<sup>2</sup>. Children in institutions are deprived of stable, continuous and loving family care and may suffer lifelong trauma as a result<sup>3</sup>. Analysis of data from institutions shows that children lose, on average, one month of growth for every three months spent in an orphanage<sup>4</sup>. Institutionalization also harms children's social-emotional development and mental health, as well as their ability to form attachments<sup>5</sup>. Children in institutions are often subjected to physical, sexual and emotional abuse by other children, visitors or staff<sup>6</sup>. The impact of institutionalization can continue beyond childhood and can lead to multiple disadvantages in adulthood<sup>7</sup>, including severe developmental delays, disabilities, irreversible psychological damage and poor health<sup>8</sup>. Institutionalization of children can also amount to deprivation of liberty<sup>9</sup>.

Moldova's progress is recognized by both regional and global partners. The consolidated efforts of the authorities, development partners, civil society have led, among other things, to a decrease in the number of children in residential institutions, the development and expansion of the network of social services and the promotion of positive messages to strengthen families in facing the challenges. And yet, a considerable group of children with particular developmental needs still do not grow up in a family environment due to the lack of support services for biological families and to the lack of alternative family-type services that could care for children with disabilities.

The research conducted by CTWWC and implementing partners (CCF Moldova, Keystone Moldova and P4EC) "Situational Analysis of Child Care in the Republic of Moldova" highlights that children's disability is one of the main barriers in the deinstitutionalization process, and further arguments on this subject are provided in the report "Summary of findings from child assessments in six residential institutions", where it is stated that in six Residential Institutions (RI) where 184 children were placed, 52.2% (96 children) have disabilities, and 47.8% (88 children) – are children without disabilities. The main reasons for residential placement are: the child's disability (~50%), the presence of imminent risk (~22% of children) and child abandonment (~15%). As a result of the assessment of children with disabilities institutionalized in the 6 RIs, for 60% of them a recommendation for placement in family-type services (kinship care, guardianship, foster care and family-type homes) was made.

According to statistical data, in the Republic of Moldova in 2017 there were about 181,000 persons with disabilities, including 12,000 children, compared to 2022, when there were 162,295 persons with disabilities, including 10,936 children.

The European Union has recognized the harm of institutionalization and is committed to making the transition from institutional care to family and community-based care in its most relevant policies and funding regulations. The European Commission's positive opinion on Moldova's application for membership of the European Union also mentions the deinstitutionalization process in the section on fundamental rights:

<sup>1</sup> <https://www.unicef.org/eca/media/11771/file/Disability%20report.pdf>

<sup>2</sup> Hope and Homes for Children (2022) Families. Not institutions

<sup>3</sup> Hope and Homes for Children (2022) Families. Not institutions

<sup>4</sup> Dana E. Johnson, 'Medical and Developmental Sequelae of Early Childhood Institutionalization in Eastern European Adoptees', in *The Minnesota Symposia on Child Psychology. Vol 31: The Effects of Early Adversity on Neurobehavioral Development*, ed. by Nelson (Mahwah, NJ: Lawrence Erlbaum Associates Publishers, 2001)

<sup>5</sup> van IJzendoorn, M.H., Bakermans-Kranenburg, M.J. et al (2020) Institutionalisation and deinstitutionalisation of children 1: a systematic and integrative review of evidence regarding effects on development. *The Lancet Psychiatry*, 7(8)

<sup>6</sup> Gray, A.P. and Cote, W. (2019) Cultural connectedness protects mental health against the effect of historical trauma among Anishinabe young adults. *Public Health*, 176, pp.77-81.

<sup>7</sup> van IJzendoorn, M.H., Bakermans-Kranenburg, M.J. et al (2020) Institutionalisation and deinstitutionalisation of children 1: a systematic and integrative review of evidence regarding effects on development. *The Lancet Psychiatry*, 7(8)

<sup>8</sup> G. Mulheir et al (2012) 'Deinstitutionalisation – A Human Rights Priority for Children with Disabilities' Equal Rights Trust Review, 9 (2012)

<sup>9</sup> United Nations (2019) Global Study on Children Deprived of Liberty

The process of de-institutionalisation of children has much advanced over recent years. More needs to be done regarding infant mortality, child labour, including links to trafficking and sexual exploitation, and the particular situation of Roma children and children left behind by their parents. The number of babies and children with disabilities in institutional care facilities is a concern.<sup>10</sup>

In accordance with the 2022-2026 National Child Protection Program and the Action Plan for its implementation, **Specific Objective 3.3** “*Strengthening family-type alternative care services and ensuring their availability and accessibility for each child, in order to ensure that the volume of allocated expenditure in local budgets for family-type alternative care services will reach 170 million lei in 2026 compared to 85 million lei in 2020 and to increase the rate of children in family-type foster care services from 83.4% to 95% during the same period*”, the right to a family environment in the event of the impossibility of the biological or extended family to care for the child, is a priority both for the authorities and for the whole of society, in order to ensure a basic right of the child.

To achieve the objectives of the Child Protection Policy, other national and international commitments regarding the care of children with disabilities deprived of parental care, the Ministry of Labour and Social Protection issued the Order No.138 of 22.09.2023 “*On the approval of the Action Plan for Specialized Foster Care for children with severe disabilities development and piloting process*” in the Central Social Work Agency unit. To develop a piloting model based on the evidence and lived experiences of foster carers and parent-educators in family-type homes who have cared for children with disabilities, an assessment of the enabling conditions for family type care alternatives for children with disabilities and of the barriers in the provision of this service, was initiated within the CTWWC global initiative.

The current situation demonstrates that the foster care service system is not fully prepared for the special care needs of children with disabilities, large groups of siblings, children with complex emotional needs, children aged 0-3 years and other vulnerable groups of children, that are prioritized in the 2022-2026 National Child Protection Programme and the Action Plan (actions 55-57).

The conclusions of the “Comparative analysis of unification opportunity of Foster Care and Family-type home”, conducted by CTWWC in 2023, show that both foster care and family-type homes are less accessible to certain groups of children, namely those with severe disabilities, teenagers and care-leavers (16-17 years), those with complex emotional needs, children of Roma ethnicity, large groups of siblings and babies and young children. According to the annual statistic report (2022), out of 1,057 children in foster care and family-type home care at the end of 2022, 122 children (11.5%) have disabilities and 32 of them (or 3%) have severe disabilities.

In order to base the piloting model on the evidence and lived experiences of foster carers and parent educators in family-type homes caring for children with disabilities, CCF Moldova / HHC UK, with the support of the HOPE Project - “Holistic Approach to Child Protection in Moldova”, funded by the European Union and the Austrian Development Agency, implemented in the period January 2021 - January 2024, has conducted the analysis of the financial situation regarding the foster care placement of children with disabilities.

The financial analysis presented complements the reports mentioned above on enabling conditions and barriers in the placement of children with severe disabilities in alternative family-type services.

## Purpose of the analysis

The financial analysis of Foster Care Services for Children with Disabilities presents key information on the costs and efficiency of foster care services for children with disabilities that are relevant for the design and implementation of public policies in the field of child protection, in particular in terms of financial resource allocation for foster care services in order to ensure their diversification and extension. By assessing the costs and benefits involved in the provision of foster care services for children with disabilities, the study provides recommendations on how resources can be allocated by the authorities to remove financial impediments that demotivate caregivers from accepting children with disabilities into foster care: By identifying and analysing the financial aspects of foster care services, the study highlights areas where additional investment is needed to ensure quality foster care appropriate to the needs of children with disabilities.

<sup>10</sup> [https://neighbourhood-enlargement.ec.europa.eu/document/download/0e2c1ba2-a821-439a-b697-101014d372c7\\_en?filename=Republic%20of%20Moldova%20Opinion%20and%20Annex.pdf](https://neighbourhood-enlargement.ec.europa.eu/document/download/0e2c1ba2-a821-439a-b697-101014d372c7_en?filename=Republic%20of%20Moldova%20Opinion%20and%20Annex.pdf) (page 10)

The financial analysis of the foster care service for children with disabilities is carried out in order to analyse the financial barriers (salary, benefits, and child allowances) that demotivate foster carers and parent educators to accept children with disabilities in care and to ensure the most reliable estimate of the financial resources needed to implement specialized foster care.

The objectives of the analysis were:

- a) To collect and analyse financial data on salary conditions, size of allowances / benefits for children with disabilities who are placed in foster care;
- b) To identify the current needs of foster carers in order to provide quality care for children with disabilities;
- c) To assess and understand the financial impediments that may deter the placement of children with disabilities in foster care;
- d) To identify the motivating conditions and resources needed to create an attractive and sustainable environment for foster carers willing to look after children with disabilities.

## Evaluation methods and techniques

Mixed methods of research were used to develop the analysis: quantitative (collecting data on financial resources allocated to the foster carers and children in foster care); qualitative (collecting data from focus group discussions on the factors that motivate and demotivate acceptance of children with disabilities in foster care) and comparative (by comparing the data collected on the needs of the foster carers with the resources made available by the authorities and identifying gaps).

The research methodology is based on the collection and analysis of data from the provisions of the regulatory framework and those existing in various statistical reports. In order to collect qualitative data and to identify opinions on financial factors motivating or demotivating the acceptance of children with disabilities into foster care, two Focus Group Discussions (FGDs) were organized with foster carers and parent educators, hereafter referred to as „caregivers”, who had past or current experience in caring for children with disabilities (9 persons) and with foster carers without experience of caring for children with disabilities (8 persons) from the four districts. FGDs were also conducted with managers and specialists in foster care services from Criuleni, Dubăsari, Ialoveni, and Strășeni districts.

## Main findings and recommendations

The financial analysis of the fostering service in the context of caring for children with disabilities identifies several financial barriers that demotivate carers to take on children with disabilities in foster care. Based on the analysis carried out, we propose some short- and medium-term solutions to encourage and support carers who are motivated to foster children with disabilities, the promotion and gradual implementation of which will ensure sustainability.

The analysis highlighted the positive impact of the additional support provided under the Memorandum of Understanding between MLSP and UNICEF Moldova, both on the salaries of foster carers and parent educators and on child allowances.

It was found that in some districts foster carers receive an additional allowance for the care, accompaniment and supervision of a child with severe disabilities, but this is not paid uniformly, with 3 out of 4 foster carers stating that they receive this allowance, the explanation being that this allowance is only given to beneficiaries who do not receive ‘full state support’. The author has not identified a clear definition of ‘full state support’ status in the legal framework, so the decision remains at the discretion of local authorities. It is recommended that the status of full state support be clearly defined to ensure clarity in the allocation of funding and a consistent approach. We recommend that those placements in services developed in a family environment should not be considered as ‘full state support’.

Table 1 presents the main findings and associated recommendations at the level of pay, allowances and cost reimbursement.

**Tabel 1. Findings and recommendations**

Financial demotivators	Recommendations
<b>Salaries</b>	
<p>Inadequate payment of foster carers for additional working time (outside of working hours, during the weekends and non-working public holidays) dedicated to the care of foster children.</p> <p>Inability of the foster carers looking after severely disabled children and children aged 0-2 to get additional employment because of the extra time allocated to childcare.</p> <p>Lack of financial incentive for foster carers caring for children with disabilities.</p> <p>Compared to the average salary of 12,354,7<sup>1</sup> lei in the economy (2023), the monthly income of foster carers is lower, and for those who are newly hired and without the appropriate level of education, the pay is twice as low. The salaries are lower than for other professionals in the same professional group (“Health and Social Assistance”)</p> <p>Many foster carers find it impossible to benefit from their annual leave, as children remain in placement with the same caregiver.</p> <p>The existence of different pay levels for foster carers and parent-educators with the same level of education and the same number of children in care (e.g., a junior foster carer with technical education with 3 children in care, including a disabled child, paid according to the salary class of 44, while a junior parent-educator with identical circumstances is paid according to salary class 52. This is a difference of 8 levels for the same workload and level of education).</p>	<p><b>Increase the % of employment</b> time (from 100% to 145% for all foster carers and parent-educators) to cover the 8-hour extra working time dedicated to childcare on days off and on public holidays.</p> <p><b>Double the number</b> of foster carers and parent-educators’ positions for severely disabled children and those aged 0-2 years, based on an assessment of individual needs and the best interests of the child.</p> <p>Apply the legal provisions of granting specific bonuses to the amount of 10% of the initial pay to foster carers who look after children with disabilities, children 0-2 years, children with special needs following the approval of the Internal <b>Regulations for bonus distribution</b> by each District Social Work Agency.</p> <p>Plan in the foster care service budgets sufficient financial resources for the payment of substitute carers during annual and / or sick leave.</p> <p>Identify, assess, train and approve (as necessary) a person known to the family who can be temporarily employed while the caregiver is on leave.</p> <p>Amend the Law no. 270/2018, on the unitary salary system in the budgetary sector, in order to equalize the salary level of foster carers and parent-educators with the same level of education and the same number of children in foster care.</p> <p>In order to establish new salary grades, it is necessary to re-evaluate the foster carers and parent-educators’ functions in compliance with the GD no. 1231/2018 on “the method of systematic evaluation and re-evaluation of functions in the budgetary sector”, as well as to evaluate the performance indicators, depending on the number of beneficiaries, thus establishing the number of grades with which to adjust the salary class,</p>

<b>ALLOWANCES</b>	
<p>The monthly allowance for a typical child in foster care covers 49.6% of the subsistence minimum for children aged 0-11 (or enrolled in up to 4<sup>th</sup> form) and 76.2% for children from grade aged 12 to 18 if these children attend an educational institution.</p> <p>By adding the supplement received from the MLSP (from UNICEF), the situation improves: 90% compared with subsistence minimum for children 0-11 (or enrolled in up to 4<sup>th</sup> form) and ~118% for older children.</p> <p>However, the subsistence minimum does not take into account the development and care needs of special groups of children: those with disabilities, babies and young children, children with special emotional needs etc.</p> <p>The monthly allowances for children in foster care are much lower than the cost of maintaining children in residential institutions.</p> <p>The monthly and daily allowances for children without disabilities do not even cover the minimum necessity for food.</p>	<p>Increase the amount of the monthly allowance for children in foster care services up to the subsistence minimum (2,821.6 lei) for typical children and index the allowance by 30% (up to 3,668 lei) for children with disabilities. This increase is necessary to diminish the main demotivating factor for applying for the foster carer position: the concern of being unable to support fostered children, especially those with severe disabilities, with insufficient resources.</p>
<b>COMPENSATION OF EXPENSES</b>	
<p>Non-compensation of expenses related to the treatment of children in foster care, especially children with disabilities, who suffer more frequently from chronic conditions that require treatment that is not covered by state health insurance.</p>	<p>Budget in foster care services expenses the means for the purchase of medicines and dressing materials according to the norms approved for residential institutions (12,51 lei/child/day); this measure will allow the employer to guarantee the coverage of treatment expenses, not insured by the state health insurance, thus increasing foster carers' motivation to look after children with disabilities, without the risk of neglecting the specific medical needs of children and putting pressure on the family budget.</p>

## Conclusion

Through comparing data of the allowance amounts with the subsistence minimum amounts and with the resources allocated by the state for childcare in residential institutions, as well as through data collection in FGDs, the study reveals the **inadequacy of resources** allocated by the state for the placement and care of children with disabilities in family-type alternative services. This limits access of children with disabilities to family environment, thus increasing the risk of prolonged institutionalisation.



