

Mid-Term Evaluation of the EFA Fast Track Initiative

Country Desk Study: Moldova

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Summary Information for Moldova

- Currency = Lei (MDL)
- Exchange Rate (31 July 2009) USD 1 = MDL 11.20
- Fiscal Year = January – December
- School year = September – June
- Structure of education system: Compulsory aged 7–16: four years of primary education (Classes 1 to 4) and five years of secondary, or gymnasium, education (Classes 5 to 9).
- Population: 3.57 Million
- Population growth rate: -1%

Acknowledgements

The evaluation team would like to express its gratitude to the Ministries of Basic Education and Literacy, of Secondary and Higher Education and Scientific Research, of Social Action and National Solidarity, of Youth and Employment, and of Economy and Finance in Moldova, whose staff at all levels gave generously of their time. The team would also like to thank all those persons interviewed who provided valuable input to the study, and the World Bank for their logistical support.

Findings and opinions in this report are those of the evaluation team and should not be ascribed to any of the agencies that sponsored the study.

Preface

The Fast Track Initiative (FTI) is linked both to the Education for All (EFA) goals and to the Millennium Development Goals (MDGs). The FTI was launched in 2002, and by 2009 had been running for half its expected lifetime. The FTI partnership recognised the need to evaluate whether it is achieving the goals it has set itself. The evaluation was intended to provide an opportunity for reform and change where necessary.

As stated in the Terms of Reference (FTI EOC 2008):

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels.

The evaluation was required to draw lessons learned from the FTI's strengths and weaknesses and to make recommendations to further improve future partnership programming and effectiveness.

The evaluation took place between November 2008 and February 2010. It was independent but jointly supported by a consortium of donors. An Evaluation Oversight Committee (EOC) was made up of representatives from the donor community, partner countries and civil society.

The evaluation team was a consortium of three companies Cambridge Education, Mokoro and Oxford Policy Management (OPM). The methodology and process for the evaluation are described in Appendix V (Volume 4) of the final synthesis report.

The main outputs of the evaluation, which included nine country case studies and eight desk studies, are listed overleaf. Moldova was one of the desk studies. The desk studies were not researched in the same depth as full country case studies (which typically included a two-week field visit by a team of three or four evaluators). They were based on the relevant literature which can be accessed without visit to the country (including the FTI Secretariat archives for the country in question, plus a standard set of aid data derived from the OECD DAC records). The desk study authors were individuals already familiar with the methodology of the evaluation and with the country concerned. Authors could consult one or two key informants (by phone or email) for clarification or to get the latest available documents etc.

In the case of Moldova, the author was familiar with the methodology of the evaluation, from participation in the Burkina Faso and Kenya country studies, and also with Moldova, from current work with the Ministry of Social Protection, Family and Child and with Unicef. She has drawn on this experience in the present study. The author also greatly appreciates the enormously valuable insights provided by the World Bank Task Team Leader, Mariana Moarcas, and the chair of the EFA-FTI advisory group in Moldova, Larisa Virtosu of Unicef Moldova, during telephone interviews. Any errors remain the author's own.

Main Outputs of the Evaluation

All the following reports can be downloaded from www.camb-ed.com/fasttrackinitiative/.

EVALUATION FRAMEWORK

The Evaluation Framework: Evaluation Team Guidelines on Process and Methodology. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 2009.

PRELIMINARY REPORT

Preliminary Report. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 25 May 2009.

FINAL SYNTHESIS REPORT

Final Synthesis Report: Volumes 1–5. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, February 2010.

FULL COUNTRY STUDIES

- Burkina Faso *Burkina Faso Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and, OPM. Mailan Chiche, Elsa Duret, Clare O'Brien, and Serge Bayala, February 2010.
- Cambodia *Cambodia Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, Abby Riddell, George Taylor and Khieu Vicheanon, February 2010.
- Ghana *Ghana Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative: Cambridge Education, Mokoro and OPM. Terry Allsop, Ramlatu Attah, Tim Cammack and Eric Woods, February 2010
- Kenya *Kenya Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Anne Thomson; Eric Woods, Clare O'Brien and Eldah. Onsomu, February 2010.
- Mozambique *Mozambique Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, Tuomas Takala, and Zuber Ahmed, February 2010.
- Nicaragua *Nicaragua Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Muriel Visser-Valfrey, Elisabet Jané, Daniel Wilde, and Marina Escobar, February 2010.
- Nigeria *Nigeria Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Nick Santcross; Keith Hinchliffe, Anthea Sims Williams; Sullieman Adediran and Felicia Onibon. February 2010.
- Pakistan *Pakistan Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Stephen Lister, Masooda Bano, Roy Carr-Hill and Ian MacAuslan. February 2010.
- Yemen *Yemen Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, OPM and Mokoro. Elsa Duret, Hassan Abdulmalik, and Stephen Jones, February 2010.

COUNTRY DESK STUDIES

- Ethiopia *Ethiopia Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Catherine Dom, February 2010.
- Malawi *Malawi Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Georgina Rawle, February 2010
- Mali *Mali Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
- Moldova *Moldova Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Clare O'Brien, February 2010.
- Rwanda *Rwanda Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
- Uganda *Uganda Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, February 2010
- Vietnam *Vietnam Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.
- Zambia *Zambia Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.

Abbreviations and Acronyms

DAC	Development Assistance Committee
EC	European Commission
EFA	Education for All
EGPRSP	Economic Growth and Poverty Reduction Strategy
EMIS	Education management information system
EOC	Evaluation Oversight Committee
EPDF	Education Program Development Fund
EU	European Union
FTI	Fast Track Initiative
GDP	Gross Domestic Product
GFATM	Global Fund to fight AIDS, TB and Malaria
GMR	Global Monitoring Report
GOM	Government of Moldova
IDA	International Development Association
IFAD	International Fund for Agriculture Development
MDG	Millennium Development Goal
MDL	Moldovan lei
MEY	Ministry of Education and Youth
MSPFC	Ministry of Social Protection, Family and Child
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPM	Oxford Policy Management
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
Unicef	United Nations Children's Fund
UPC	Universal Primary Completion

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Executive summary

S1. This report is a short desk study of the Fast Track Initiative's (FTI's) contribution to improving education outcomes in Moldova, part of a global mid-term evaluation of the initiative. The FTI is intended to fill gaps in education policy, finance, capacity and data with a particular emphasis on achieving universal primary completion.

S2. Moldova's policies in education are framed by the dual effect of both a declining population and a declining share of children within the total. Since 2000 the number of children aged five to 14 has dropped by 30%. This population lives increasingly in rural areas. The focus is therefore on optimisation of educational facilities, a reduction in the number of school places, a relocation of schools and an improvement in efficiency as defined by the pupil–teacher ratio.

S3. Education policies have been incorporated into the national medium-term development plans: the interim poverty reduction strategy paper, the Economic Growth and Poverty Reduction Strategy Paper 2004–2006 and the National Development Strategy 2008–11. These have tended to reflect the priorities of the specific education sector plans, the Education for All Strategy and Action Plan approved in 2003 and 2004 and the Consolidated Strategy and Action Plan of 2005. The global conference on Education for All in 2000, and a national conference in Moldova the following year, had a strong impact on the production of the earlier strategy. The Education for All Strategy, which contained four priority directions, was the first to have a results-based focus, to develop a costing simulation model and to call for a priority emphasis on early childhood education.

S4. Moldova was invited to join the FTI in November 2004 and was endorsed in May 2005. Following discussions with the local lead donor for education, Unicef, and the World Bank, it decided to focus FTI support exclusively on early childhood education. This subsector had declined in coverage greatly since independence but was starting to improve its enrolment rates, whereas the primary education subsector was much closer to achieving universal enrolment.

S5. Moldova revised its costing model and requested funding of USD 13.3 million from the Catalytic Fund to cover three years of financial gaps in that subsector. In December 2005 it was awarded an amount to cover two years of the funding gap, USD 8.8 million. This has been disbursed using a pure project modality for support to early childhood education. Release of the funds has been very slow. The Year 1 funding of USD 4.4 million did not begin to be disbursed until October 2006, and the Ministry of Education and Youth requested an extension until April 2008 to be able to spend it. Year 2 funding, the remaining USD 4.4 million was confirmed in March 2008 and is required to be spent by December 2009, four years after being awarded. Year 3 funding will not be approved because Moldova has moved out of the lowest income category of the World Bank's International Development Association (IDA). In addition Moldova has benefited from two rounds of funding from the Education Program Development Fund (EPDF), which is also part of the FTI but is managed and spent entirely by the World Bank.

S6. The Catalytic Fund grant project is supported by a high-level steering committee; an advisory group that brings together partners from across the early childhood education subsector; and a project management team for day-to-day implementation.

S7. In **policy and planning** the FTI has had a positive impact in that it was the prospect of receiving a Catalytic Fund grant that encouraged Moldova to develop a full sector plan (the consolidated strategy) from early childhood through to higher education. The early

childhood education subsector has received a greatly increased profile and the project has helped to develop standards and textbooks, train staff and refurbish educational facilities. However, it is not certain to what extent the policy development in information technology, higher and vocational education has been followed through in terms of implementation and results because the FTI itself is not supporting them and there are very few external donors in the sector. Moreover, the strategic documents that were produced with an eye on FTI endorsement built upon the very solid foundations that were already laid by the Government of Moldova and its partners in the context of EFA and other projects.

S8. In **finance** the education budget increased by 83% in nominal terms between 2005 and 2008, and an increasing share of it is spent on early childhood and basic education. External aid to education is low and commitments fluctuate each year. There are few major donors: only four partners have committed more than USD 1 million in total since 1999, with the World Bank being by far the greatest contributor. There is no indication that the FTI endorsement has encouraged other international donors into the sector. However, an innovation has been the attraction of funding from local communities to support early childhood education facilities. During Year 1 of the Catalytic Fund grant this amounted to over USD 200,000.

S9. In **capacity** the Catalytic Fund has provided support only in early childhood education. Here it has provided significant amounts of training and materials for the first time in 15 years and is developing a mentoring scheme. This is said to be effective. It does not address the main capacity gaps of the shortage of staff in the Ministry of Education and Youth.

S10. In **monitoring and evaluation** the overall quality of data does not appear to have been improved by FTI endorsement. There remain discrepancies in data between different sources. The FTI indicative framework is not used and the benchmarks seem largely irrelevant to Moldova's context. The government has its own "indicative framework" which consists mainly of disaggregated enrolment rates. However, the Catalytic Fund grant has provided the impetus for the submission of quarterly financial reports, mid-term and end-of-year implementation reports in early childhood education and periodic implementation reports for the whole education sector. Moreover, the EPDF funded the extension of the EMIS to the pre-primary education level.

S11. In **aid effectiveness** the Catalytic Fund's project-based approach has not contributed to the pooling of funds or the development of a sector-wide approach, particularly since there are so few donors to pool funds with. The aid modality used by the Catalytic Fund relies on World Bank procedures and is reported to be cumbersome. But coordination of stakeholders within early childhood education is starting to take shape and the FTI advisory group has a strong role in encouraging collaboration. This is the only coordination group in the education sector and it is to be hoped that its experience can be extended to other subsectors.

S12. Moldova's experience of the FTI as a fund for supporting early childhood education, not primary education, is unusual and can be explained by the high enrolment rates in primary education and the large decline in pre-primary education enrolment following independence. There is little recognition that the FTI is anything other than the Catalytic Fund. The FTI Secretariat is perceived as a fundraising body. The fund has been effective in making improvements in early childhood education but it has not had an obvious spillover effect on issues of efficiency and quality in primary education. The emphasis has not been on sustainability but the FTI may have encouraged the development of the forthcoming medium-term education plan which may allow for more secure funding for education into the future.

1 Introduction to the study

The Fast Track Initiative¹

1.1 The Education for All Fast Track Initiative (EFA-FTI) is a partnership of recipient and donor countries and agencies which was established in 2002 as a result of the 2000 Dakar World Forum on Education for All. Its main objective, linked both to the Education for All (EFA) goals and to the Millennium Development Goals (MDGs), is, "accelerating progress towards the core EFA goal of universal primary school completion (UPC), for boys and girls alike, by 2015" (FTI 2004, p3).

1.2 The FTI was designed as a compact that "explicitly links increased donor support for primary education to recipient countries' improvements in policy performance and accountability for results" (FTI 2004, p3). It aspires to help countries close four gaps in the education sector: financial, policy, capacity and data. The FTI Framework (2004) promotes five guiding principles: (i) country ownership; (ii) the use of indicative benchmarks to stimulate debate and facilitate reporting; (iii) support linked to performance in progressing towards UPC; (iv) minimisation of transaction costs by international partners; and (v) transparency.

1.3 Support for participating countries is based on the endorsement of a national education sector plan. Endorsement is intended to facilitate coordinated support from donors engaged in the education sector. There are also two FTI-specific instruments which can provide support at country level. These are the Catalytic Fund, which provides grant financing for eligible countries, and the Education Program Development Fund (EPDF) which provides grant financing for capacity building. The World Bank is the trustee for both funds and also hosts the FTI Secretariat in Washington DC.

The evaluation

1.4 As the FTI had been running for half its expected lifetime, the FTI partnership recognised the need to evaluate whether it is achieving the goals it has set itself. The evaluation was intended to provide an opportunity for reform and change where necessary. As stated in the terms of reference (FTI EOC 2008):

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels.

1.5 The evaluation has considered what progress has been made in overcoming the four gaps cited in ¶1.2 above, and also in improving aid effectiveness. It has drawn lessons from the FTI's strengths and weaknesses and made a series of recommendations intended to further improve future partnership programming and effectiveness. Most importantly it is hoped that as a result of this evaluation progress towards expanding and enhancing educational opportunities will be strengthened.

1.6 The evaluation includes nine full country case studies in Burkina Faso, Cambodia, Ghana, Kenya, Mozambique, Nicaragua, Nigeria, Pakistan and Yemen. In addition a number of much lighter desk studies are being undertaken, of which Moldova is one.

¹ See www.education-fast-track.org, "About FTI."

1.7 The methodology for the desk study was not as extensive as for the full country case studies which typically included a two-week field visit by a team of three or four evaluators. They were conducted by one evaluator and a research assistant on the basis of relevant literature which can be accessed without a visit to the country (including the FTI Secretariat archives for the country in question, plus a standard set of aid data derived from the OECD DAC records), plus consultation with one or two key informants by phone or email for clarification or to get the latest available documents.

1.8 The author of the Moldova desk study was familiar with the methodology of the evaluation, from participation in the Burkina Faso and Kenya country studies, and also with Moldova, from current work with the Ministry of Social Protection, Family and Child and with Unicef. She has drawn on this experience in the present study. The author also greatly appreciates the enormously valuable insights provided by the World Bank Task Team Leader, Mariana Moarcas, and the chair of the EFA-FTI advisory group in Moldova, Larisa Virtosu of Unicef Moldova, during telephone interviews. Any errors remain the author's own.

2 Background to Moldova

The changing face of the population

2.1 It is, of course, vital, when developing and implementing a policy that is intended to achieve universal coverage over many years – such as the goal of universal primary education – to have a full understanding of the way the size and structure of the population is changing. Moldova is similar to several of its neighbours that experienced a transition from a planned to a market economy in the 1990s, and a contrast to many of the countries endorsed by the FTI, in that one of its defining features since independence has been its rapidly declining population.

2.2 The total population has fallen every year since 1990, having declined from 4.36 million in that year to an estimated 3.57 million in 2008 (MSPFC (n.d.); MEY 2009). While much of that change is accounted for by the removal of the disputed territory of Transnistria from the population statistics in 1997, a considerable proportion – at least 100,000 – represents the continued decline in the population since that date. Throughout the 1990s the decline was attributable to migration alone but since 1999 the trend has been compounded by the fact that the birth rate is consistently below the death rate.

2.3 The population size has not yet stabilised. Between 2009 and 2020 the overall population is predicted to decline by a further 121,000, characterised by a decrease in the number of children and adults under 60, and a marked increase in the number of elderly people (OPM & EveryChild 2008). The share of children is expected to decrease from 22% to 19% of the population at the same time as the share of old people increases from 13% to 18%. In absolute terms this means that over the next 10 years the number of children is likely to fall by more than 100,000 from 773,000 to 665,000. The scale of these changes, with respect to the need for several thousand fewer classrooms and teachers in the space of just a few years, is very striking.

2.4 Besides the absolute drop in the number of people, at least two other factors are highly relevant for understanding policy-making in the education sector in Moldova. These are the change in the geographical distribution of the population and the change in the distribution of children among different age-groups. In terms of geography, there has been a shift in the concentration of people away from cities and into rural areas. In 1990 some 53% of the population lived in rural areas but by 2008 this had increased to 59% (MEY 2009). So even though there may be overcapacity in school facilities in some locations there may now be a shortage of school places in other parts of the country.

2.5 As for the age-groups of the population, there has been an absolute decline in the number of five- to 14-year-olds between 1990 and 2008, and a decline in all age-groups (0 to 19) since 2000. Since 2000 alone the number of five- to 14-year-olds has dropped by over 30% so the demand for places at primary and lower secondary education levels is greatly reduced (MEY 2009).

Economic trends

2.6 Moldova experienced a significant economic decline in the years immediately after independence in 1991, with a reduction in the real income of the population of some 72% in the first decade (GOM 2004a). In 2001 to 2004 there was a marked improvement in economic indicators with a growth in gross domestic product (GDP) of over 20% in real terms (GOM 2004a; World Bank 2008a). At this point the government developed its poverty reduction strategy, the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP),

which stressed the importance of the development of the education sector for building human capital and creating job opportunities (see **National development strategies** below).

2.7 During the implementation of the EGPRSP, in 2004–07, economic growth exceeded its target of an average of 5% per year, and public debt was reduced from 47% to 29% of GDP (IMF 2008). This was achieved despite increases in the price of energy imports and restrictions on exports of wine to Russia. The economy continues to receive a large share of its income in the form of remittances from abroad.

2.8 At a household level poverty was estimated at 30% of the population in 2006, with a much lower incidence of poverty in cities compared with small towns and rural locations (IMF 2008). Since then the government has introduced a means-tested social support benefit, in effect as of 2009, which provides a guaranteed minimum income to poor households. It is too soon to be able to assess the impact of the new benefit.

National development strategies

Interim Strategy for Poverty Reduction

2.9 In response to the challenges of economic and social reform, and inspired by the agreement of the Millennium Development Goals (MDGs) in 2000, Moldova developed an Interim Strategy for Poverty Reduction in October 2000 and approved a revised version of the strategy in April 2002 (GOM 2002). The strategy contained three main objectives, of which education forms a key component of one:

- Sustainable and inclusive economic growth.
- Human development policies emphasising increased access to basic services (especially primary medical services and primary education).
- Social protection policies targeting those most in need.

2.10 The education component observes the need to improve attendance, and not simply enrolment, in schools; the promotion of access for students from poor households; the improvement in the quality of teaching and the curriculum; the provision of a closer relationship between schooling and the labour market; and improvements in monitoring systems.

Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) 2004–2006

2.11 The successor to the interim strategy was the EGPRSP, which was approved in May 2004 and covered the period 2004–06. It was elaborated with the support of the president, the government, the parliament, civil society organisations and international partners, and was intended to provide a framework for coordination of sector strategies and for the efficient allocation of resources. The EGPRSP aligns itself with three long-term development objectives for Moldova – sustainable socially oriented development, the territorial reintegration of the country, and integration into the European Union. It focuses for the medium term on economic growth, poverty reduction and the development of human capital. It identifies a set of seven priority sectors where government resources may be most efficiently targeted, of which education is one component.

2.12 The EGPRSP picks up the targets and indicators of the global MDGs and adapts them to the Moldovan context, applying interim targets for 2006 and 2010 in addition to the 2015 goals. In the education sector the document notes that, "the second Millennium Development Goal on ensuring universal access to primary education has been largely achieved in Moldova" (GOM 2004a, p105). For this reason its adapted goal is for 100% net enrolment in secondary (gymnasium) education by 2015 from a base of 88% in 2002, with

interim targets of 89% in 2006 and 94% in 2010. The document contains priority actions relating to all aspects of the education system that are picked up by at a global level by the FTI, including the need to improve the efficiency of allocation of financial resources, enhance the technical capacity of teaching staff and create information systems for education management.

National Development Strategy 2008–2011

2.13 Following the expiry of the EGPRSP Moldova's main medium-term strategy document became the National Development Strategy (NDS) 2008–2011, which was approved in December 2007. This continues many of the themes of the EGPRSP and aligns them with the objectives of the Moldova-EU Action Plan with the aim of adjusting national policies to European equivalents (Government of Moldova, 2007). It is intended as a way of linking directly the policy framework with the medium-term expenditure framework (MTEF) to ensure that resources are allocated to cover strategic priorities.

2.14 In education, and in the light of the reduction in the number of children, the NDS highlights the need for the "optimisation of the school network [...] by cutting down the proportion of non-teaching staff in the total number of staff, by lowering maintenance costs, and by bringing the student/teacher ratio in line with international norms" (GOM 2007, p14). The MDG targets are adapted again to include maintaining literacy rates among young adults at 99.5% and increasing enrolment rates in pre-school education for six- and seven-year-olds to 98% by 2015.

2.15 The accompanying action plan includes 10 core activities in education, with several dozen sub-activities, covering all subsectors from early childhood through to higher education and teacher training. Almost all are said to be under the authority of the Ministry of Education and Youth. Some indicators are suggested but none have quantitative targets and they are mainly at the level of outputs rather than outcomes.

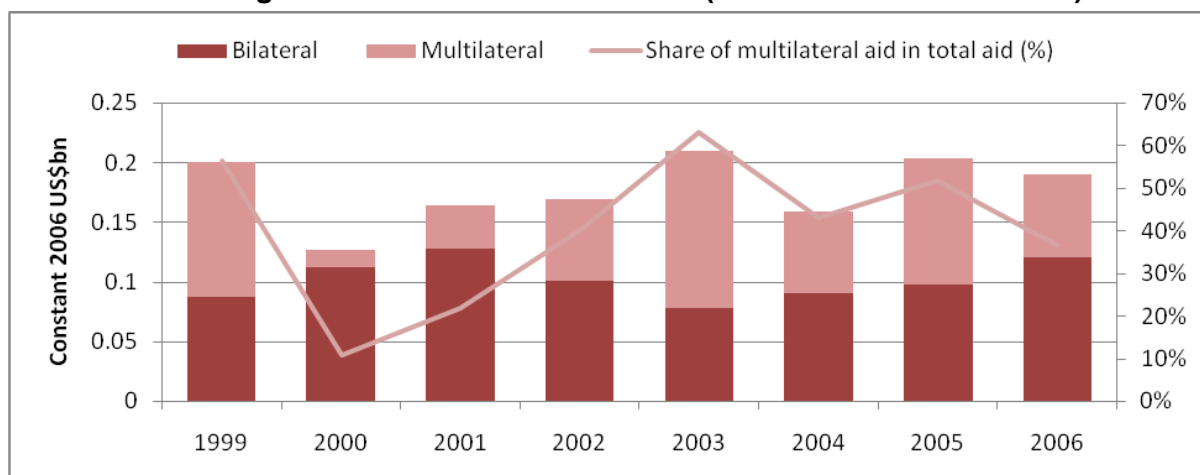
Aid relationships

Total aid flows

2.16 The Government of Moldova is supported by almost 30 multilateral and bilateral partners and international funds, who together have committed some USD 1.4 billion to Moldova between 1999 and 2006 (Annex Table C1). By far the largest donors are the United States, the World Bank and the European Union: these three partners contributed two-thirds of all commitments – USD 955 million – during that period (Annex Figure C1). Aid commitments fluctuate greatly from one year to the next but in 2006 they were close to their levels of 1999, at just short of USD 200 million (Figure 2.1).²

² Data here refer to commitments only, not disbursements, since data on disbursements in Moldova are incomplete.

Figure 2.1 Total aid commitments (constant 2006 USD billion)

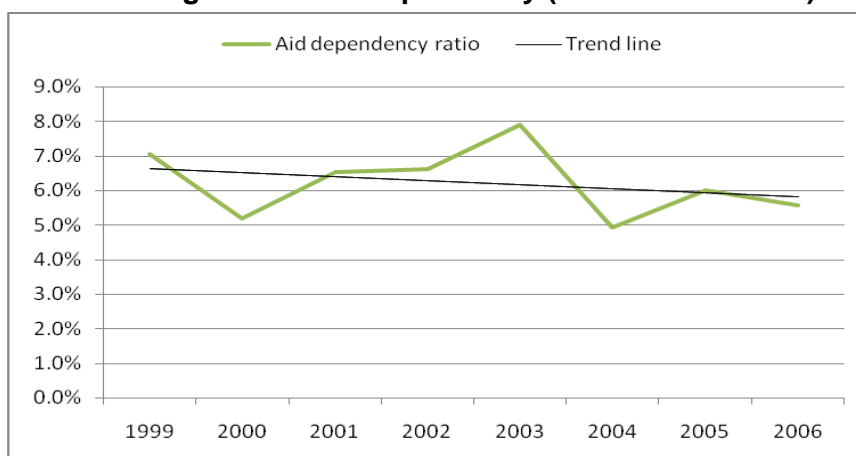


Source: Table C1

2.17 The share of multilateral aid as a proportion of the total has also fluctuated between 1999 and 2006, with a trough at 11% in 2000 followed by a steady rise peaking at 63% in 2003, and averaging 43% over the whole period.

2.18 These commitments indicate a slight decline in aid dependency in Moldova over the period, from 7% to 6% of gross national income (GNI) (Figure 2.2). During this time there has been only a slight variation in aid dependency, with a jump in 2002–2003 to 8% due to the general increases in aid volumes in those years, and a drop to 5% in 2004.

Figure 2.2 Aid dependency (commitments/GNI)



Source: World Bank 2008b

2.19 Much aid to Moldova remains in the form of a project approach: in 2006 some 254 projects were being implemented (Ministry of Economy and Trade 2006). However, the country also receives budget support such as the budget support for the social sector from the European Commission, which it accessed upon signing a memorandum for a EUR 45 million grant in 2007. It also receives both grants and loans from the International Development Association (IDA) of the World Bank.

2.20 The projects being implemented are unevenly dispersed across the 19 sectors identified in the EGPRSP. In 2006 there was a noticeable emphasis on economic and social

policy projects including social assistance (39 projects), the labour market (33 projects) public sector reform (32 projects) and education (23 projects) (Ministry of Economy and Trade 2006). Two sectors of the EGPRSP – industry, and research and innovation – received no technical assistance. However, the number of projects per sector does not match the emphasis in terms of financial allocations and the education sector fares particularly poorly in this comparison. Despite having a large number of projects its share of total financial allocations in 2006 was 12th out of the 17 sectors that received funding.

Aid coordination mechanisms

2.21 An assessment of aid coordination mechanisms in Moldova in 2004, at the time of preparation of the EGPRSP, identified technical assistance as the main form of aid provided to the country (UNDP 2004). Interventions were coordinated through regular meetings and thematic groups. Initiatives such as the development of the EGPRSP served as a focal point for the meetings and a means to align the objectives of external partners with those of the government.

2.22 In 2005 responsibility for coordination between governments and donors was taken up by the unit on external assistance coordination in the Prime Minister's office, with additional responsibilities conferred on the Ministry of Economy and Trade. In May 2006 the principal donors signed a partnership framework on, "Coordination and Harmonisation of Government and Donor Practices for Aid Effectiveness in the Republic of Moldova". This framework,

...commits the parties to joint reviews, harmonisation of indicators, and prior actions and synchronisation with Government budget cycles with a view to reducing transaction costs of assistance to the Government (World Bank 2008c, p13).

2.23 This encouraged regular meetings a quarterly harmonisation group and monthly meetings for exchange of information. In October 2006 Moldova endorsed the Paris Declaration.

3 Education in Moldova

Education system

3.1 Education is compulsory and free for all children aged seven to 16. The compulsory element consists of four years of primary education (Classes 1 to 4) and five years of secondary, or gymnasium, education (Classes 5 to 9). Students take a graduation examination at the end of their gymnasium studies, leading to a Certificate of Studies. This can be followed by a second stage of secondary, or lyceum, education (Classes 10 to 12), for which admission is dependent on examination results, and which leads to a Baccalaureat examination and a diploma. Alternatively students may opt to continue with two to three years of vocational training.³

3.2 For children who are classified as having special educational needs and who attend an "auxiliary school" for students with mild learning disabilities a different curriculum is offered, which does not vary according to the student. This equates to about four years of mainstream education and cannot lead to a diploma.

3.3 A number of higher education institutions exist, offering university-level courses lasting four to six years in a range of subjects. Admission to university is dependent on receipt of a Baccalaureat diploma. University education is not free for most students though some are eligible for scholarships.

3.4 Before the age of seven children are eligible to attend pre-school institutions. This is much more common at the ages of five and six than among much younger children.

Responsibilities for education

3.5 The main ministry with responsibility for education policy and coordination of policy implementation is the Ministry of Education and Youth (previously known as the Ministry of Education, Youth and Sports and earlier still the Ministry of Education). It oversees the regulation of education facilities and the attestation of teachers, and provides guidance to education providers from kindergartens through to universities. It also has methodological responsibility for general boarding schools and for the auxiliary schools for students with special educational needs.

3.6 At central government level some other line ministries, such as the Ministry of Agriculture and the Ministry of Health, operate education and training institutions with particular related specialisms. Meanwhile, at local level, local public authorities (*raions*) are responsible for the day-to-day management of schools and pre-schools.

3.7 Private education providers are permitted. They are concentrated mainly at the higher levels of education – lyceums and tertiary institutions including universities and colleges – more than at the pre-school or primary level, though a small number of private establishments exist for the early years of education (DAI Europe Ltd 2006).

Evolution of education policies and strategies

3.8 The Constitution of the Republic of Moldova was adopted in 1994 and forms the basis for the wide-ranging reforms that have taken place in economic, social and political fields since the country's independence. Article 35 of the Constitution confirms the right for

³ This summary draws on information from the International Organization for Migration 2009.

citizens to receive education without discrimination, and free of charge in state facilities (GOM 1994 and GOM 2003). The Constitution has been followed by the adoption of a series of legal and normative acts which cover in more detail aspects of education reform including management, finance, teacher training, changes in the curriculum, the provision of textbooks, examinations and inspection.

3.9 An early task was to create a Law on Education to outline the new set of principles, which depoliticised education, redirected it more towards the needs of the labour market and reorganised the financial and administrative mechanisms. The Law on Education no. 547 was adopted in July 1995 and sets out the expectations for the entire system of schooling from pre-school to postgraduate levels (GOM 1995). A new curriculum and new textbooks were developed, and between 1998 and 2001 almost all teachers at primary and gymnasium level underwent retraining in the use of the revised methodologies.

Education for All

3.10 In April 2000 Moldova participated in the World Education Forum in Dakar. The Framework for Action adopted by the forum, and the Regional Framework for Action adopted at the preparatory Conference on Education for All in Europe and North America in February 2000, acknowledge that the countries of Europe and North America are closest to meeting basic educational needs, with almost universal enrolment in full-time primary and lower secondary education (UNESCO 2003). However, they note that the transition to a market economy in the countries of eastern Europe gave rise to challenges in financing – a reduction in state expenditure, leading to low salary levels for teachers and demands for increases in private contributions for schooling – which in turn are likely to have an impact on the quality of education and the levels of dropouts and social exclusion.

3.11 The Regional Framework for Action states that basic education covers much more than a fixed number of years of primary education: it extends to lower secondary education, adult literacy and early childhood development, and should include children from vulnerable backgrounds. The framework proposes three operational goals for achieving the implementation of this "enlarged vision" of education, which relate to providing educational opportunities to children of school age, adults, and small children over the age of three respectively. It proposes that each country should develop a national action plan with precise measures for achieving these goals.

3.12 In response Moldova held a National Conference on Education for All in December 2001 during which the Education for All priorities were agreed. A national council was established; a national strategy "Education for All 2004–2015" and national action plan "Education for All 2004–2008" were drafted. The strategy was approved in April 2003 and its accompanying action plan was approved a year later, in May 2004.⁴

3.13 The strategy derives six goals specific to the context of Moldova from the international goals, including some quantified targets. These include extending early childhood education to 75% of three- to five-year-olds and to 100% of six- and seven-year-olds by 2007, maintaining adult literacy levels at 95% and promoting inclusive education. The strategy sets out detailed goals in early childhood care and education, access to quality basic education, inclusive and non-formal education, each with a set of overarching objectives and a comprehensive list of stages of intervention covering the reform of the legislative and institutional framework, human resources, finance, curriculum and community involvement. It specifies the roles and responsibilities of national and local level stakeholders and identifies the beneficiaries.

⁴ Additional information on the EFA in Moldova can be found at <http://efa.un.md/>

3.14 The strategy is said to be both the first results-based strategy in education in Moldova, and the first that recognised early childhood education as a national priority. It was also the first to produce a simulation model to identify the financial gaps for education that were not covered by the state.

3.15 The Education for All action plan of 2004 attempts to operationalise the strategy by itemising outputs and activities for each of the main components, listing responsible partners and dates and identifying internal and external funding sources. The objectives, outputs and activities vary slightly from those in the strategy. Numerous indicators are provided, though without quantified targets or any indication of the desired direction of change. There are more indicators at the level of activities than for monitoring the higher-level outputs and objectives.

Consolidated strategy and action plan for education

3.16 In November 2005 Moldova produced an updated strategy and action plan for the education sector – the Consolidated Strategy for the Education Sector, 2006–2008 (GOM 2005a and GOM 2005b). It is very closely aligned to the Education for All strategy and action plan but contains more details on some interventions which were omitted from the earlier strategy, such as on vocational and university-level education, and on the computerisation of the education system. Coming so soon after the Education for All strategy, and overlapping in its reference period, much of the analysis of the problems and identification of the key principles and objectives are very similar to the earlier document.

3.17 The strategy includes a reference to the importance of developing and implementing health promotion programmes including for infectious diseases and HIV/AIDS. In contrast to many of the countries endorsed by FTI, the prevalence of HIV/AIDS in Moldova is low. The main impact is on children who are affected by having family members living with HIV/AIDS, rather than children who are themselves infected of whom there are very few.

3.18 The Consolidated Action Plan contains an extensive matrix of activities to be undertaken within the term of the strategy. It uses a simulation model to estimate the cost of delivering the plan for the three years from 2006 to 2008 and compares these to the budget of the Medium-Term Expenditure Framework (MTEF) for the same period (see Table 5.1 below). It also contains a list of more than 100 indicators for monitoring progress, also without quantified targets.

3.19 The Consolidated Strategy and Action Plan have now reached the end of their life cycle, as has the national action plan "Education for All". A process is under way to develop an education sector strategy for 2009–13 and a medium-term action plan for 2009–11.

Other strategic documents

3.20 In addition to its national policies and strategies, Moldova is committed to delivering educational goals in a number of international documents. These include the UN Convention on the Rights of the Child, to which Moldova became a signatory in 1993, and the EU-Moldova Action Plan.

3.21 The UN Convention on the Rights of the Child recognises the rights of the child to education and proposes that primary education be made compulsory and free of charge for all children (UN 1989). It encourages the development of secondary and higher education, with access to higher education being dependent on capacity. It does not refer to the need for pre-school education.

3.22 The EU–Moldova Action Plan was signed in February 2005 for a duration of three years but extended by mutual agreement in February 2008. It is reported to have become, "one of Moldova's most important medium-term development strategies" (Barbarosie 2006). It contains policy objectives in education which relate mainly to the closer integration of vocational and tertiary education with EU procedures, including by adherence to the Bologna process for higher education, improving vocational education and extending exchange programmes for young people (DAI Europe Ltd 2006). It also calls for actions to, "remove factors limiting access to education for poor families' children and improve their access to primary and secondary education, in particular in the countryside" (EU 2005, p13).

Challenges in achieving EFA before 2004

3.23 The challenges of the education system in Moldova are radically different to those of many of the countries endorsed by the FTI. Similarly to many former Soviet republics, the country inherited at independence a culture which placed a great importance on the acquisition of knowledge. As noted above, enrolment rates were extremely high throughout the school system, and the ratio of pupils to teachers was very favourable. The task has therefore been not to radically increase the total number of schools and teachers but rather to maintain or restore levels of resourcing and to improve efficiency by reallocating resources to subsectors of the education system and geographical locations where they are most required. The EFA strategy highlights challenges in four areas: early childhood development, access to quality basic education, inclusive education and non-formal education and learning. Some of these challenges are outlined here.

Early childhood development

3.24 Pre-school programmes experienced a major decline immediately after Moldova's independence. The EFA strategy of 2004 states that participation in early childhood development programmes had dropped by 57% since 1992/93, and the number of staff had been reduced by 70%. Between 1994/95 and 1999/2000 the number of pre-schools dropped by one-third, from 1,774 to 1,135. The result was that four out of every five children under the age of five, and 40% of all five- and six-year-olds, were thought to be receiving no education programmes. The lack of pre-school education was much more evident in rural than in urban areas, and in less well-off households.

Mandatory (basic) education

3.25 **Supply of mainstream schools.** By 2004, faced with a rapidly declining population, the Moldovan school system was already operating at only 75% of its capacity (GOM 2004a). A key challenge has been to address the oversupply of school places by implementing a plan of strategic closure of schools and redistribution of teaching staff to localities where they are most needed. At the same time there has remained a geographical imbalance in the location of schools, with about one in six communities having no educational institution as of 2004 and many others having secondary schools but no primary school. Lack of transport to schools impedes access to education and for many children is a contributory factor to their placement in residential institutions away from their families rather than day schools. Many schools were experiencing a shortage of resources for repairs and utilities.

3.26 **Supply of residential schools.** The institutionalisation of children has been a challenge which cuts across the education and social protection sectors. In 2004 there were 63 institutions operating under the methodological guidance of the Ministry of Education, providing care and education to about 12,000 children. These include general boarding schools and also schools termed "auxiliary schools" which are for students who are reported to have slight physical, learning or behavioural disabilities. However, for most of these children the care element of the residential facility is at least as important as the educational

element since the majority are without parental care or come from vulnerable families who often could not afford to look after them at home. This has resulted in some children being committed to auxiliary schools, with their greatly reduced curriculum, even though their educational needs could be catered for in mainstream schools. The EFA strategy notes that there had been some limited attempts to integrate children with special educational needs into mainstream schools but this had been insufficient compared with the aims of the Dakar Framework for Action.

Non-formal education

3.27 Non-formal education is interpreted in Moldova as referring to extra-curricular activities of personal or social value (GOM 2003). This includes sports schools and centres such as for natural sciences, tourism and creative arts. These experienced similar losses of funding and closures of facilities as early childhood centres, with a reduction of one-third in the number of centres between 1992 and 2003, from 191 to 126 (GOM 2003).

Progress since 2004

3.28 It is not possible to report on education results in Moldova using absolute numbers without first remembering the context that the school-age population is shrinking very rapidly and there is an urgent need to rationalise the number of educational facilities and the number and location of personnel, including non-teaching staff, employed in the school system. It is therefore more appropriate to look at general trends in terms of rates of enrolment.

3.29 These trends show that net primary enrolment has declined slightly from 92% to 88% between 2001 and 2007, while enrolment at lower secondary level has remained roughly constant during this period at 86–87%, though still lower than its height in earlier years (Annex D and GOM 2004a). The drop-off in enrolment at primary level is greater in rural areas than in urban areas. One possible cause in the apparent decline is the considerable migration of children who accompany their parents as they seek work abroad, which, when temporary, may be causing a mismatch between the projected number of children in the population and the actual number resident. Others may have dropped out if they are left behind in Moldova, unsupervised or in the care of relatives, while their parents go abroad for work.

3.30 Meanwhile, net enrolment at pre-primary level is reported to have experienced a remarkable recovery, from 42% in 2001 to 71% in 2007 (Table 3.1). This is a strong change from the decline in the 1990s when the financial crisis and the squeeze in the education budget brought about a loss in coverage of pre-primary-age children with education services. The number of pre-school institutions has increased in almost every year since 2001. However, a strong note of caution should be expressed about the validity of these official figures since the reported trend in net enrolment in Table 3.1 does not increase in proportion with the reported change in the number of children in pre-school education in the same table. It is not known which figures are correct. This highlights the necessity for improvements in monitoring of the education sector.

Table 3.1 Enrolment in pre-school education, 2000–2007

	2000	2001	2002	2003	2004	2005	2006	2007
Enrolment rates in pre-school education (%)								
Net enrolment	38.5	42.4	52.4	58.7	63.7	68.6	68.5	71.1
Gross enrolment	44.1	47.6	57.0	61.1	66.1	70.7	70.1	72.6
Enrolment rate of children aged 3–6	37.9	39.3	41.3	43.1	45.8	49.2	53.0	59.1
Enrolment rate of children aged 6–7	56.8	68.8	66.5	78.8	69.1	75.6	81.7	85.0
Number of preschool institutions	1135	1128	1192	1246	1296	1295	1305	1334
Children in preschool institutions (000s)	94	97	104	107	110	113	116	160
Teaching staff, thousand	8.9	9.0	9.6	9.0	10.0	10.3	10.5	10.9
Number of children per 100 places ¹	65	66	69	69	70	71	73	75

Source: Unicef 2009. Note: (1) this indicator refers to the number of actual spaces available compared with the number of places that would be available if the whole building were in an appropriate state of repair.

3.31 Results on other aspects of educational achievement were not readily available to the research team. This is discussed further in the subsection on monitoring and evaluation in Aid effectiveness below.

4 The FTI in Moldova

FTI endorsement

4.1 **The Government of Moldova was invited by the FTI Secretariat to apply for participation in a letter in November 2004**, following the approval of the country's action plan on Education for All. The endorsement process moved swiftly and in March 2005 the Ministry of Education submitted a request for USD 11 million from the Catalytic Fund to support early childhood development. The World Bank and the UN organisations working in the education sector (UN Development Programme, Unicef and UNESCO) appraised and endorsed the Consolidated Strategy and Action Plan for Education in April 2005 and the following month, in May 2005, Moldova was formally endorsed as a partner in the FTI by the FTI Secretariat.

4.2 **Moldova's involvement in the FTI has been heavily concentrated on efforts to improve education outcomes by increasing access to, and quality of, pre-school education nationwide.** This is because of the rapid drop-off in pre-school enrolment during the 1990s and early 2000s, while enrolment and completion rates in primary education already stood at over 90%: the Consolidated Strategy for the Education Sector notes that, "primary school attendance is practically assured for all children in the Republic of Moldova". High quality pre-school education is recognised as an important contributing factor in improving education outcomes at subsequent stages of schooling. This is fully in line with the first of the six Education for All objectives set at Dakar in 2000 though it is different to the emphasis placed on direct support to primary education in many countries endorsed by the FTI.

4.3 **The five objectives supported by the FTI are the five objectives for early childhood development in the Consolidated Strategy and Action Plan for the Education Sector 2006–2008.** These are:

- Increasing enrolment in pre-school education in urban and rural areas and among vulnerable social groups.
- Extending access to pre-school education for children at risk.
- Increasing the quality and efficiency of early childhood health care and education (with an emphasis in the FTI on the education component).
- Providing training on early childhood development to staff in educational institutions.
- Consolidating local partnerships and community involvement.

4.4 **The FTI is seen to provide support to meet these objectives exclusively by means of a traditional project approach** using funds from the Catalytic Fund, supported by the EPDF. The FTI progress report of February 2008, for example, is entitled "Progress Report: Education for All–Fast Track Initiative Project" and describes only the progress made in "implementation of project components [to] confirm the MEY's readiness for the second FTI Grant release". There is no discussion of any FTI activity other than those in the project implemented under the grant.

Catalytic Fund Support

4.5 **In November 2005 Moldova submitted a request for a Catalytic Fund grant amounting to USD 13.3 million**, evenly spread over three years. This represented the recalculated financing gap for early childhood development (revised from the USD 11 million noted in ¶4.1 above) which was derived from the cost simulation model during the development of the Consolidated Strategy and Action Plan for the Education Sector. The

cost simulation model had been used under the consolidated strategy to calculate the financing gap for every subsector.

4.6 At its meeting in Beijing in December 2005 the Catalytic Fund Strategy Committee approved two years of funding to Moldova of USD 4.4 million each (FTI 2005a). In accordance with the rules at the time, the third year of funding would be considered upon satisfactory performance in the execution of the first two years' funding.

4.7 Two changes have taken place, which mean that Moldova can no longer receive the Year 3 funding. First, at the meeting of the Catalytic Fund committee in Washington DC in September 2007, it was agreed that the focal countries for Catalytic Fund grants should be the low-income categories eligible for World Bank International Development Association (IDA) support (FTI 2007b). At its meeting in Tokyo in April 2008 the committee clarified that this meant only countries that were classified as Category I (*per-capita* income of USD 905 or below) or Category II (*per-capita* income of USD 906–USD 1,735) would be eligible. Some Category III countries (*per-capita* income of USD 1,736–USD 3,595) already received support but would not receive new grants beyond the end of the existing agreement.

4.8 At the time Moldova was a Category II country and therefore still expected to be eligible for Year 3 funding. This was confirmed at the Tokyo meeting which noted that Moldova was one of eight countries still operating under the old-style agreement that provided two years funding with the prospect of a third dependent on performance (FTI 2008a and FTI 2008b). It said that Moldova could either submit the request for the Year 3 funding or apply for a new-style three-year package of funds which would require preparation of a revised strategy.

4.9 But this changed in early 2009 when Moldova changed its status from a Category II country to a Category III lower-middle income country. The FTI Secretariat informed the lead donor, Unicef Moldova, that the country was no longer eligible for its third year of funding, and asked the donor to advise the government accordingly.

4.10 The funds have been slow to be released and spent. The Year 1 funding was divided into two tranches and the period for spending and accounting for it was extended to the end of August 2007, more than 18 months after the initial approval. But the funds did not begin to be accessed until October 2006 and within a few months the Ministry of Finance requested an extension for using Year 1 funds still further, to 1 April 2008, i.e. two years and three months from the date of approval (Table 4.1).

Table 4.1 Contributions from the Catalytic Fund (current USD m)

	2006	2007	2008	2009	2010	2011
Allocations	4.4	4.4	0	0	0	0
Grant agreement amounts	4.4	0	4.4	0	0	0
Disbursements	0.25	1.3	3.4	n/a	n/a	n/a

Source: Fast Track Initiative, Catalytic Fund Minutes.

4.11 The Year 2 funding of a further USD 4.4 million was confirmed in March 2008 but, again, implementation had a slow start and there may be a need for a short extension. The current closing date for use of Year 2 funds is 31 December 2009.

4.12 The funding from the Catalytic Fund is self-contained and operates as a project rather than in a pooled fund or through budget support. The funds are drawn from a Special

Account by agreement with the World Bank, using regular World Bank procedures. The agreement refers exclusively to role of the World Bank, as supervising entity, rather than to the wider pool of education partners such as Unicef, the sector lead, and UNESCO. Part of the fund is disbursed through a sub-grant agreement to the Moldova Social Investment Fund to carry out the construction activities. The funds are included in the annual state budget law as a single budget line and are included in the reporting on the execution of the budget that is submitted to the Ministry of Finance.

EPDF support

4.13 The Europe and Central Asia region of the EPDF, of which Moldova is a member, was established in 2006 and has so far secured two rounds of funding from the global EPDF. The first round, of USD 1.06 million, was disbursed in 2006–08 and the second round, of USD 2.78 million, is being disbursed in 2008–09. As one of five countries in the region, Moldova has been allocated a share of the funds amounting to USD 660,600 (FTI 2008b).

4.14 Moldova has used these funds for technical assistance mainly to support implementation of the activities funded under the Catalytic Fund in the pre-school education subsector, not for capacity-building activities in the wider education sector. Examples of its use in the first round include:

- Hiring a consultant to support the MEY with the selection of teaching and learning materials.
- Needs assessment for pre-school education for children with special needs.
- Elaboration of standards for pre-school facilities.
- Hiring two architects to design pre-school facilities.
- Contracting a software developer to produce an education management information system (EMIS) for pre-schools.
- Preparing the bid for Year II funding of the Catalytic Fund.

4.15 In the second round it has requested USD 35,000 for developing the education sector plan, USD 195,000 for capacity-building, USD 75,000 for M&E and USD 30,000 for strengthening donor partnerships by hosting a conference on FTI outcomes (FTI 2007a).

4.16 The country received the full allocation that it requested under the EPDF, and also received an additional portion to cover supervision of the fund's use. All EPDF funds in Moldova are executed by the World Bank, not by the government.

Moldova and FTI governance

4.17 **The FTI in Moldova is strongly associated with the World Bank**, the supervising entity. Unicef, the lead donor in the education sector, is involved in supervision missions and heads the advisory group described in ¶4.18 below. The responsible agency on the government side is the MEY.

4.18 **Several coordinating mechanisms exist through which other stakeholders may participate: the project steering committee, the advisory group and the Project Management Team** (MEY 2008). The project steering committee includes members from several ministries, UN organisations and non-governmental organisations, and supervises the direction of the work. The advisory group provides advice on technical issues and shares some overlap in its membership with the steering committee but also includes a university and local government representative. Day-to-day implementation is carried out by the project

management team, hired by Unicef, under the lead of the project executive director who is the vice-minister of the MEY.

4.19 **In July 2009 Moldova joined the Board of Directors for the FTI.** In this role it will be expected to provide guidance and coordination across the whole FTI partnership.

5 Developments in education, and FTI's contribution

Education policy and planning

5.1 Education for All has a high profile in Moldova, particularly within the MEY, Ministry of Social Protection, Family and Child (MSPFC) and among international partners. It was the elaboration of the Education for All strategy and action plan that enabled Moldova to become eligible to apply for FTI endorsement. That strategy, even before FTI endorsement, demonstrated that the Government of Moldova and its partners were able to develop a credible plan for early childhood and basic education with a results-based focus and a realistic costing model. The EFA strategy was developed by the government with the support of a joint UN project from UNESCO, Unicef and the UNDP. The introduction of the EGPRSP at about the same time provided an opportunity to see education priorities reflected in a national medium-term plan; this integration was successfully achieved and strengthened Moldova's bid for FTI endorsement.

5.2 However, it was the prospect of receiving a Catalytic Fund grant that is reported to have led the government to take the EFA strategy and action plan one stage further, in order to fulfil the FTI Secretariat's requirement for a, "full sector [...] plan, [...] rather than only part of the plan" (FTI 2005a). This was the impetus for the Consolidated Strategy and Action Plan to be drafted so soon after the EFA plan had been approved. The consolidated strategy leant very heavily on the EFA strategy for many of its sections but it added three additional priorities, namely information technology, higher and vocational education. This was the first time that a comprehensive education strategy had been produced covering all types of education from early childhood through to higher level education. The additional sector priorities for post-mandatory education were included even though it had already been decided that the focus of Moldova's bid for Catalytic Fund money would be on early childhood education. In this respect the Catalytic Fund can be seen to have had a positive influence on the promotion of sector-wide planning in education in the country.

5.3 The expanded list of seven priorities required a substantial revision of the costing simulation model which had been developed for the EFA strategy. So the principle of using a costing model was not new, but the calculation of the total finance gap for all levels of education was carried out for the first time as part of the consolidated strategy. The model uses three resource scenarios: a current resource scenario, which assumes no resources are available beyond what is known in the MTEF; a middle scenario, which assumes that 60% of additional desired expenses can be funded, and a high scenario, which assumes that all additional expenses will be met as outlined in Table 5.1. The high scenario shows that 8% of the strategy is unfunded, amounting to MDL 436 million, or about USD 35 million, of which more than one-third consists of the shortfall in funding for early childhood education. The early childhood education subsector also has the highest absolute gap out of all subsectors, with only 81% of estimated costs being included in the MTEF.

Table 5.1 Estimated costs of Consolidated Action Plan and MTEF provisions 2006–2008 (MDL m)

	Included in Plan	Included in MTEF		Not in MTEF (finance gap)	
		MDL million	%	MDL million	%
1. Early education and development	854	689	81%	165	19%
2. Children's access to quality basic education	3501	3345	96%	157	4%
3. Education and development of children in difficulties	144	131	91%	13	9%
4. Non-formal education	174	146	84%	28	16%
5. Education system computerisation	307	270	88%	37	12%
6. Secondary professional and specialised education	106	104	98%	2	2%
7. Higher and post-graduate education	289	256	88%	34	12%
Total	5375	4939	92%	436	8%

Source: GOM 2005a. Note: In converting the funding gap to dollars the action plan uses the exchange rate USD 1 = MDL 12.4.

5.4 An important consideration in determining whether any benefit has been obtained from the production of a full sector plan and costing model is whether the state or its external partners have made any use of the information and actions outlined in the three new priorities – information technology, higher and vocational education. Certainly the FTI itself and the implementers of the Catalytic Fund grant have not devoted any resources to these three areas. In the donor appraisal of the consolidated strategy, which is a necessary precursor to FTI endorsement, commentary and recommendations on these other subsectors has a markedly light touch. During this desk study it was not possible to find evidence that the work that was expended in elaborating these further priorities has resulted in attracting additional resources or changing considerably the focus of the ministry's approach to education policy.

5.5 On the other hand, it certainly seems to be the case that the chosen emphasis of the FTI bid on early childhood education has resulted in greater attention being paid to that area than was previously the case. It may seem quite surprising that it was decided to focus the bid for Catalytic Fund money exclusively on early childhood education even though that subsector comprised only about one-third of the total funding gap in education. It is understood that this was the outcome of high-level discussions between the Government of Moldova and external partners, particularly Unicef, during which it was advocated that a concentration on the one area would better revitalise the subsector than would have been the case if the government had attempted to cover all gaps. However, the argument is not clearly set out in documentation and the primary education sector appears not to be considered at all. The FTI appraisal document states,

Donors consider the gaps in financing the other components of the *Consolidated Action Plan* (non formal education, education system computerisation, secondary professional and specialized education, higher and post-graduate education) are also important, but are not the FTI's major concerns (Anon 2005, p6).

But the reasons for this judgement are not provided.

5.6 It might also seem surprising that the FTI Secretariat supported the decision to devote all Catalytic Fund resources to early childhood education since the explicit purpose of

the FTI is, "accelerating progress towards the core EFA goal of *universal primary school completion*" (FTI 2004, p3). This indicates that perhaps there is a blurring in understanding of the purpose of the FTI between supporting the achievement of all EFA goals and supporting the achievement of one goal in particular. Moldova has benefited from this flexibility, or uncertainty, of purpose given its already high rate of primary school completion.

5.7 Regarding the policy focus within early childhood education itself, the Catalytic Fund grant has brought about actions in a number of different areas including the construction and refurbishment of kindergartens, the writing of new teaching materials, the development of standards and the training of teachers. At the time that Moldova was approved for Catalytic Fund money funds were requested under the specific measures in the action plan associated with the consolidated strategy, but the exact roadmap to achieve these measures had not yet been elaborated, and Moldova had not used EPDF funding to help create one. The details had to be developed once funding was approved. This planning process was one reason for the lengthy delay in the start of project implementation, alongside the reorganisation of the MEY and turnover in ministry personnel, and the time taken to select the project management team. A review of Year 1 implementation identified an excessive focus on construction at the expense of other aspects of early childhood education policy, so the emphasis has been reversed for Year 2 implementation.

5.8 To conclude on the impact of the FTI on policy development, it is apparent that the FTI's main influence has been in early childhood education but that the prospect of a Catalytic Fund grant has supported development of education policies in other subsectors. However, it is not certain to what extent the policy development in information technology, higher and vocational education has been followed through in terms of implementation and results. Moreover, the strategic documents that were produced with an eye on FTI endorsement built upon the very solid foundations that were already laid by the Government of Moldova and its partners in the context of EFA and other projects.

Financing of education

Overall education expenditure

5.9 The EGPRSP reports that the education sector's share of the budget, which stood at about 25% in 1996/97, was reduced sharply to around 16% of the budget in 1999 after the economic collapse, and took until about 2002 to recover to its original share (GOM 2004a). The period of reduced spending on education heralded the emergence of a greater number of private institutions in the higher education sector.

5.10 By 2005, when the consolidated strategy was being developed, Moldova was spending some MDL 2.7 billion per year on education. This increased to MDL 4.9 billion in 2008, a nominal increase of 83% (Table B2 and Table B3). There has been a slight decentralisation of resources between 2005 and 2008. Budgets of local authorities now constitute 68% of all expenditure in education compared with 61% in 2005. In this time the early childhood education and basic education subsectors increased their expenditure by more than this average increase, with early childhood education expenditure increasing most of all: expenditure in 2008 stood 123% higher than its 2005 levels. The influence of the FTI's focus on this sector is evident. By 2008 early childhood education had increased its share of total education expenditure from 16% to 19%. This is not predicted to change further over the next three years.

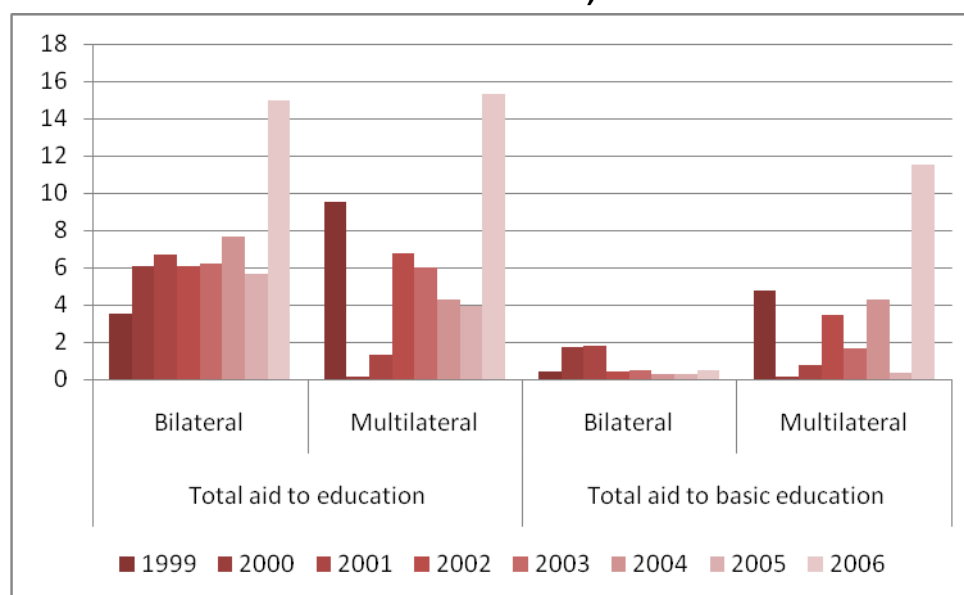
5.11 The development of the Consolidated Strategy and Action Plan, as with all strategies and action plans in Moldova, did not in itself oblige the government to provide funding for the activities contained within it: only the Law on State Budget can allocate financial resources.

However, by specifying estimates for resource allocation it may have contributed to the change in the distribution of funding among subsectors. It is not possible to make a direct link between the changes because the programmes specified in the budget do not exactly match the names of the priority areas shown in the strategy and action plan.

External aid to education

5.12 **Aid commitments to education and basic education are relatively low**, and have fluctuated sporadically over the period 1999–2006, with peaks in 1999 and 2006. Total commitments from all donors to education during that eight-year period amounts to just over USD 100 million (Table C3 and Figure 5.1).

Figure 5.1 Total commitments to education and basic education (constant 2006 USD m)



Source: UNESCO 2008

5.13 **Of this, less than one-third, or USD 33 million, is reported to have been devoted to basic or early childhood education** (Table C4). Although the share of aid to basic education has varied between 1999 and 2006, it has remained almost the same as its 1999 levels, differing by less than one percentage point. Just four donors have committed more than USD 1 million in total between 1999 and 2006. By far the largest contributor is the World Bank, with USD 22 million. The second largest, even with only one year of funding committed by that date, is the FTI Catalytic Fund, with USD 4.4 million (the remaining two are the Netherlands and Greece). From this point of view the injection of the Catalytic Fund grant can be seen as a very significant contribution to the support for financing of the education sector in Moldova.

5.14 **A major intention of the Catalytic Fund, though, is to encourage the entry of new donors into the sector**, or to encourage existing donors to devote more funds to basic education. There is no evidence that either of these scenarios has happened. The World Bank was already providing funding under its relatively large "Quality Education in Rural Areas of Moldova" project; Unicef was focusing on the provision of technical assistance rather than financial resources. In 2006 the World Bank and the FTI were the only donors who committed more than USD 500,000 of resources to basic education. Interviews with experts suggest that this picture has not changed since that date.

5.15 An innovative way in which the Catalytic Fund has encouraged additional resources into the sector is by harnessing contributions from local communities. Much of the Catalytic Fund grant is disbursed through the Moldova Social Investment Fund which carries out refurbishment works in kindergartens and community centres. There was some discussion as to whether to allow the contributions of local communities. Eventually it was agreed that communities could provide both funds and labour, and this was done. During the Year 1 stage of the Catalytic Fund it is reported that the fund catalysed an additional USD 212,000 of resources from local communities (MEY 2008).

Capacity development

5.16 The development of capacity in education can be viewed in terms of the provision of support for the development of staff at central and local government level, and also for teachers and other frontline personnel. A third aspect of capacity development is the provision of appropriate equipment to enable staff to carry out their tasks effectively.

5.17 In terms of government capacity, the MEY has faced constraints in terms of the number of staff. Since independence its total staff is said to have been reduced from about 150 to about 50. The result is that there are relatively few people in the ministry available to focus on the development and implementation of policies. This was not identified as a weakness in the donor appraisal of the education sector plan. However, the FTI has experienced this challenge itself during the implementation of the early childhood education project. The solution has been for Unicef to employ a project team to implement the Catalytic Fund project. The team has worked closely with the one member of ministry staff responsible for early childhood education. Much of the development of capacity has therefore taken place outside the ministry. However, this is not considered to be a negative observation since the staff who have worked on the project are nationals who remain within the education system and who communicate regularly with wider partners in the sector such as non-governmental organisations and universities.

5.18 As for teaching staff, part of the challenge in developing capacity is that of retaining staff who have gained professional skills and experience. The EGPRSP identifies low salaries of teaching staff as a factor which creates difficulties in recruitment and retention of teachers. In 2003 it was reported that the average teacher's wage was about two-thirds of the average salary in Moldova (GOM 2004a). This resulted in an increasing reliance on an ageing workforce of teaching staff often close to or at retirement age: at the time of the development of the EFA strategy more than half of all teaching staff had been in post for over 18 years (GOM 2003). With insufficient numbers entering teaching, some subjects were not being taught and some teachers were taking on additional workloads.

5.19 The contribution of the FTI in improving the capacity of teaching staff has been solely in the early childhood education subsector, during the implementation of the project funded by the Catalytic Fund grant. The Catalytic Fund is reported to have provided the first training for pre-school teachers to be undertaken in Moldova in 15 years, and also the first funding for the development of standards for professional development. It may be too soon to obtain information yet regarding the impact of this training on educational outcomes for children. However, it seems that more of such training is desirable. An assessment of the readiness of Moldova to access Year 2 of the Catalytic Fund grant observed that:

The project is too focused on rehabilitations of kindergartens and opening of new community centres, and less on developing human capacity and improving [the] pedagogical environment (Zafeirakou 2007, p7).

5.20 The FTI has made an effort, through the Catalytic Fund grant, to contribute also to the provision of equipment for capacity development relating to the development of the EMIS. The Catalytic Fund implementation progress report of November 2007 noted that computers had been delivered to all raions but that training was now necessary to ensure their appropriate use. This training was subsequently provided to system administrators and users at raion level. It is not known whether this has produced effective results.

5.21 Finally, the FTI advisory group is planning a conference in Moldova on the FTI and early childhood education in autumn 2009 which is expected to bring together experts from across the region to share their experiences in this subsector.

Data and monitoring and evaluation (M&E)

5.22 Efforts were made to collect, analyse and disseminate education data even before FTI endorsement. This was done through routine administrative data collection by line ministries, as well as by the National Bureau of Statistics. The FTI appraisal document finds the indicators in the plan "relevant and measurable" (Anon 2005, p11). It contains a general recommendation to, "consolidate human and institutional capacities related to data collection, processing and analysis" but it is unclear what this refers to.

5.23 **Moldova received support from the EPDF to improve the management information system of early childhood education.** However, the overall quality of data does not appear to have been improved by endorsement under the FTI. The implementation progress report of November 2007 expressed particular concern about the quality of monitoring and evaluation in the education sector. It notes that different calculation methods are used by the MEY and the National Bureau of Statistics.

5.24 **A flagship component of the FTI was meant to be the indicative framework,** which provides an indicative benchmark of education indicators displayed by countries that are comparatively successful in education outcomes. However, in Moldova there is no mention of the indicative framework in documentation relating to FTI implementation. The Country Information Form, which is submitted annually to the FTI, contains a table with a summary of indicators that is similar to the indicative framework. However, Table 5.2 reveals that much of this information is not available.⁵ Some figures that are reported are clearly inaccurate.⁶

⁵ Defined as survival to the last grade, (primary completion rate), starting from 95% in 1999, was reported to be down to 91% in 2004 (UNESCO 2007). On the basis of these 2004 figures, a review by Unicef 2008 had argued that Moldova was unlikely to achieve the second MDG. However, the rate was up to 97% in 2005 (98% for girls)(UNESCO 2008).

⁶ See the figures on annual instructional hours which appear to state that children receive about 60 hours of education per week. This indicates a misunderstanding in the definition of the indicator.

Table 5.2 Education indicators reported on FTI Country Information Form, 2008

	Actual values				Targets	
	2003/04	2004/05	2005/06	2006/07	2010	2015
Education expenditure as % GDP	6.8	7.2	8.2	8.5	7.7	N/A
Education share of budget	19.2	19.3	20.1	20.1	19.2	N/A
Primary education share of education Budget	N/A	14.2	12.3	13.6	15.2	N/A
% of recur. Pr.Ed.Budget to non-teacher salary exp,	N/A	N/A	N/A	N/A	N/A	N/A
Gross Intake Rate	99.8	97.9	96.7	94.4	97.0	99.5
Girls' GIR	99.6	97.2	96.1	93.6	97.0	99.5
Primary Completion Rate	N/A	N/A	N/A	N/A	N/A	N/A
Girls' PCR	N/A	N/A	N/A	N/A	N/A	N/A
Repetition rate	0	0	0	0	0	-
Student enrolment	198,911	184,159	171,024	160,528		
Girls' enrolment	96,804	89,274	83,035	77,864		
Pupil teacher ratio	14	13	13	13		
% of private education	N/A	N/A	N/A	N/A		
Annual instructional hours	3,094	3,094	3,094	2,958		

Source: World Bank 2008a.

5.25 One reason for the non-use of the indicative framework may be that it is perceived to be irrelevant for the Moldovan context. There are several examples of this.

- Some targets have already been met by the time of endorsement. For instance, the target for 2010 for education expenditure as a percentage of GDP and the education sector's share of the budget had already been met by the time of endorsement.
- Benchmark figures may not be appropriate for Moldova's advanced state of education and for its demographic profile. The share of the education budget that is devoted to primary education is reported but is not influenced by the Catalytic Fund, which provides funds only for pre-school education. The target here – 15% – is a long way from the 42%64% benchmark suggested by the indicative framework, but this may be influenced by the fact that Moldova already has a very highly developed secondary and tertiary education sector, and the declining population means that the number of children in each year group at secondary level is much larger than each cohort at primary level.
- Targets do not reflect the education system. The concept of "repetition" is said not to exist in Moldova. Students who have low marks at the end of the gymnasium stage of education are said to get simply a certificate of attendance instead of taking graduation examinations (World Bank 2008a).
- Student enrolment is declining annually. As above, though, this is not only reflective of a reduction in the proportion of children going to school, but indicates also the decline in the school-age population. This reduction is leading to a further decrease in the pupil–teacher ratio from its already low base of 14:1 to 13:1, a very long way from the benchmark of 40 proposed by the FTI indicative framework. This does not imply that Moldova should remove two-thirds of its teachers, since the benchmark is likely to be more of an aspiration for countries

which have much greater numbers of pupils per teacher rather than an instruction for countries that have already much lower ratios. It flags the question of efficiency of resource allocation in the Moldovan education system, but other than that is largely irrelevant as an indicator.

5.26 While the government has not been using the indicative framework, its external partners have used it to provide evidence to the government of the kind of statistics that are reported on internationally in order to attempt to encourage the government to gather comparable statistics for UNESCO and other collectors and analysts of data. In order for this to be achieved it will be necessary for the government to be persuaded of the benefits of international benchmarking, and for support to be provided to collect the information, given the scarce resources at central government level.

5.27 The MEY reports instead on a different "indicative framework" with several dozen indicators (Annex D). The table is almost entirely focused on disaggregations of enrolment by subsector and geographical location. There is not an emphasis on completion or attendance, nor on measures of quality or educational outcomes.

5.28 The Catalytic Fund has required the government to carry out some additional monitoring and reporting. It must submit unaudited quarterly financial reports 45 days after the end of each quarter, as well as mid-term and end-of-year implementation reports on the use of the Catalytic Fund grant and the progress in the implementation of the consolidated strategy and action plan. It seems that this is additional to any reporting that the government might otherwise have done. The team was not able to ascertain whether this is considered burdensome.

5.29 Moldova has participated in a number of international learning assessment studies in recent years (but this participation was unrelated to FTI and there was no attempt to begin monitoring the impact of higher pre-primary enrolment on learning). The results of these studies point to a low starting point in terms of learning outcomes.

- Trends in International Mathematics and Science Study (TIMSS): Moldova participated in 1999 (Grade 8) and 2003 (Grades 4 and 8) but not in 2007. In both science and mathematics, the scores were well below international and regional averages. Between 1999 and 2003, average scores increased slightly in science but fell considerably in mathematics. Girls outperformed boys in mathematics.
- Progress in International Reading Literacy Study (PIRLS): Moldova participated in 2006 and scored third from last in the region, above FYR Macedonia and Romania, and on par with the PIRLS scale average.

Aid effectiveness

Aid modalities

5.30 The FTI was designed to promote "improved coordination, complementarity and harmonisation in donor practices and financing" to support education sector strategies (FTI 2004, p4). This 'implies moving towards a sector-wide approach (SWAp), wherever appropriate'.

5.31 **However, international support to the education sector in Moldova uses a project-based approach.** The FTI Country Information Form for 2008 reports,

The modality used by donors is direct support to projects or programs in the form of grants or credits such as the EFA FTI [Catalytic Fund] Grant, [and] the [World

Bank-] supported Quality of Education in Rural Areas of Moldova; the Ministry of Education and Youth operates with separate special accounts for such grants / credits. (World Bank 2008a, p6).

5.32 This is due in part to the fact that there are few donors operating in the education sector, and therefore little opportunity for widespread pooling of resources. As was noted earlier the World Bank project cited above, along with the FTI Catalytic Fund grant project, are now the main financial contributors; Unicef takes the lead technical role in the FTI project but is not involved in the World Bank project. UNESCO and UNDP have some interests in the sector.

5.33 Nor is there any sign of an attempt to move towards a sector-wide approach in education: grants for projects are described as, "the usual form of assistance" (World Bank 2008a, p6). This has the advantage of familiarity and simplicity from the perspective of the Government of Moldova. The constraint is that it is necessary to take time to recruit a project implementation team, who can take several months to be identified and approved. This has been a contributing factor in the delay in disbursement of the Catalytic Fund grant, with the result that two "years" of funding has in fact been spread over four calendar years.

5.34 The aid modality used for the Catalytic Fund has not eased disbursement. One commentator observed on the length of time taken to receive funds that, "This is not Fast-Track". The compulsory use of World Bank procedures is said to be a cause of delay. The Year 2 funding is being distributed differently to the Year 1 funding by being split between the government and the Moldova Social Investment Fund so that the latter does not have its funds directed through the government.

5.35 It is not apparent from any written reports that the FTI is perceived as a separate entity from the World Bank. The grant agreement for the Catalytic Fund is written in accordance with World Bank procedures, and all correspondence takes place with the World Bank as the administrator of the grant. Reporting on the progress made under the Catalytic Fund grant notes that the, "FTI grant is implemented in accordance with World Bank guidelines". The official progress report on implementation of the Catalytic Fund grant describes the initiative as the, "World Bank-led Fast Track Initiative". The FTI Country Information Form for 2008 refers to the "EPDF executed by the World Bank".

Donor coordination

5.36 The FTI's contribution to donor coordination and harmonisation is starting to take shape in the early childhood education sector, though it has been very limited in the broader education sector as a whole. Since the approval of the Consolidated Strategy and Action Plan for the Education Sector, coordination has focused on inward-facing activities such as participation in the steering committee and advisory group for the Catalytic Fund grant project.

5.37 The experience of the advisory group is highlighted by participants as a key innovative feature of the FTI Catalytic Fund's implementation in Moldova. Whilst the foundation of a steering committee was obligatory to oversee the disbursement of the funds, the advisory group was not compulsory. It is seen as a great success in bringing together the wider education community to discuss the strategic direction of early childhood education sector policy. This includes the participation of civil society and universities in addition to the Office of the Prime Minister, the MEY, Ministry of Finance, Unicef, UNESCO and the World Bank. While the steering committee operates at the highest level, involving ministers and vice-ministers, the advisory group acts on an operational level and includes people with day-to-day responsibility for implementing policy in the subsector. They in turn provide

advice to the vice-minister in making decisions related to the implementation of the Catalytic Fund grant. There has been collaboration to produce the joint donors' evaluation report on the implementation of the Consolidated Strategy and Action Plan for the Education Sector and the EFA–FTI project Year II; and to approve teaching materials and develop standards in early childhood education.

5.38 The partnership that now exists under the Catalytic Fund grant advisory group was already beginning to be formed before FTI endorsement, under the EFA strategy, but the role of guiding the expenditure of the Catalytic Fund is reported to have strengthened the focus of the group.

5.39 **The advisory group is the only coordination group in the education sector.** For this reason it is hoped that it will eventually be able to extend its experience to other sectors. This has not yet been achieved.

6 Conclusions

6.1 **Relevance.** Moldova has had an unusual experience of the FTI in that it has used the initiative as a source of funding for a project-based approach to policy in early childhood education. This has been relevant to the needs of the country because of its relatively high enrolment at primary and lower secondary levels already. The focus on early childhood education has been relevant because it was established as a priority under the EFA strategy and yet the government was not receiving support from any other donors in that sector.

6.2 The needs of the Moldovan government were relevant to the stated aims of the FTI: there is a hard core of students of primary education age that remains hard to reach. It appears that the government may have opted for a stronger early childhood education system as a way to tackle access problems further down the primary education cycle. However, it can be questioned whether other, more direct measures could also have been financed with FTI support. It seems that despite high enrolment rates in primary education there are many issues to be resolved in that subsector in relation to improving efficiency and quality. A stronger emphasis of FTI on outcomes would have therefore been warranted.

6.3 There is little recognition in Moldova that the FTI has any relevance other than as a source of financing, and more specifically that the FTI is anything other than the Catalytic Fund. The EPDF is perceived to be an instrument that is largely driven by the World Bank. The terms FTI, EFA and Catalytic Fund are used fairly interchangeably. The "FTI implementation reports" concentrate on the implementation of the Catalytic Fund grant.

6.4 There was not a very strong sense that the FTI as an initiative would have so much relevance if it did not provide the Catalytic Fund money. The FTI Secretariat is perceived as a fundraising body and not, for instance, as an advisory body on developing and implementing sound education sector policies or sharing experiences from other countries.

6.5 **Effectiveness.** The Catalytic Fund has been very effective in promoting the goal of increased early childhood education and has delivered results in terms of greatly increased attendance, continuing the trend begun with the inclusion of early childhood education in the EFA strategy before Moldova was endorsed by the FTI. It has also achieved effective results in terms of teacher training, the provision of teaching and learning materials and the development of child-centred policy documents in early childhood education, including standards. It has resulted in the construction, creation or refurbishment of several dozen kindergartens and community centres providing early childhood education as well as a centre that looks after children with special educational needs. These are intended to serve as centres of excellence to be replicated in other locations.

6.6 It has not had an obvious spill over effect in terms of increased enrolment rates at other levels of schooling. This is because it has no mechanisms for influencing these other sectors directly, because of its project approach in early childhood education. The FTI does not seem to have been effective yet in catalysing inputs from new or existing donors, though it has had some successes at local level with the contributions from communities. It is too early to identify the effectiveness of increasing pre-primary enrolment in improving the quality of education outcomes at primary level, though international experience suggests that this focus is likely to contribute to improved school readiness and better attendance.

6.7 There is said to have been a success in donor coordination in terms of the effective use of an advisory team on early childhood education though this has not yet spread to other subsectors.

6.8 **Efficiency.** The disbursement of the Catalytic Fund has been characterised by delays owing to numerous reasons including the use of World Bank procedures and the extended time taken for the government and external partners to agree on the composition of the team for implementation. The funding gap of USD 8.8 million in early childhood education, which was calculated in relation to two calendar years, is being disbursed by the Catalytic Fund over a period of four years. The third year of funding which was requested has not been approved.

6.9 **Sustainability.** The emphasis of the Catalytic Fund project has not been on sustainability, but rather on "revitalising" a subsector which had suffered particularly badly after Moldova's independence. There is a strong sense that if additional funds cannot be obtained from the Catalytic Fund then some of the progress that has been made in early childhood education in recent years may not be able to be maintained. This confirms that the emphasis to date has not been on sustaining long-term funding for the sector. However, the current preparation of a revised education sector strategy with a slightly longer outlook, till 2013, with a very long-term strategic vision for education over 15 years, may strengthen Moldova's ability to provide for sustained funding to all subsectors of the education system.

Annex A Matrix summary of evaluation findings

STREAM 1: Policy and Planning		
Context:		
<p>Pre-Nov 2004:</p> <ul style="list-style-type: none"> • Big impact from EFA conferences in Dakar, 2000, and Moldova, 2001. • Credible EFA strategy and action plan developed with cost simulation model, though doesn't cover full sector (higher and vocational education omitted) • Education a key component of national strategies including interim PRSP, 2002, and EGPRSP, 2004. EFA goals incorporated into EGPRSP. • Millennium Development Goals adapted to Moldovan context and incorporated into EGPRSP, including in education. • Main cross-cutting issues are regional inequities and population decline. Both recognised in strategies. <p>Post-Nov 2004:</p> <ul style="list-style-type: none"> • Consolidated Strategy and Action Plan for whole education sector approved 2005. Includes detailed cost simulation model, based on earlier model but with additional modules. • EU–Moldova Action Plan, 2005, contains policy objectives, especially for higher education • National Development Strategy 2008–11 highlights need for optimisation of the education system 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> • Prospect of Catalytic Fund grant contributed to impetus for sector-wide consolidated strategy, developed from EFA strategy • Catalytic Fund grant focused exclusively on early childhood education including development of standards, training, construction of early childhood facilities • Planning and coordination processes supported by establishment of advisory group for early childhood education • Conference on early childhood education planned for October 2009 		
Relevance - <i>Were the objectives of FTI support to policy and planning relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to developing quality education plans encompassing UPC targets? To what extent did FTI contribute to implementation of sector policies?</i>	Efficiency - <i>How economically was FTI support to country level policy and planning translated into results?</i>
<ul style="list-style-type: none"> • Focus on early childhood education is relevant for 'revitalising' the subsector which had declined during the 1990s (though EFA strategy before FTI was first to raise issue) • Not clear how directly relevant this subsector is for a fund which is explicitly related to improvements in primary education 	<ul style="list-style-type: none"> • FTI Catalytic Fund effective in encouraging development of whole sector policy • Not clear whether Moldova has benefited from the additional sector policies and planning in higher education compared with previous EFA strategy – Catalytic Fund is not operating there and it is not certain who is using these policies • Education stakeholders have FTI advisory group as forum for participating in discussions on early childhood education. Said to be effective 	<ul style="list-style-type: none"> • Evolution of EFA strategy into consolidated strategy was very fast with the prospect of Catalytic Fund grant • FTI endorsement before a detailed early childhood education plan was drafted resulted in inefficient delays at start of Catalytic Fund project • EPDF has contributed to development of early childhood education policy but is barely recognised as having anything to do with the FTI
Sustainability: <i>Are the changes that took place in policy and planning interventions likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> • Donors in-country concerned that progress in early childhood education will not survive without continued Catalytic Fund support • But country is now developing medium-term (2009–2013) and long-term (15-year) education sector plans which may embed early childhood education in overall strategic vision for education sector 		

STREAM 2: Finance		
Context: <i>What was the situation at level zero with respect to education finance? What was happening in country before FTI?</i>		
<p>Pre-Nov 2004:</p> <ul style="list-style-type: none"> • Share of budget to education recovering from post-independence decline • Very few external donors operating in education sector. <p>Post-Nov 2004:</p> <ul style="list-style-type: none"> • Increasing share of budget to early childhood education and basic education • Continued low levels of external donor interventions in education • Low donor activities mean no joint annual reviews of the finance of education sector 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>FTI specific inputs:</p> <ul style="list-style-type: none"> • USD 8.8 million of Catalytic Fund grant for early childhood education • Two rounds of EPDF funding • Cost simulation model, updated in prospect of Catalytic Fund grant, calculates three scenarios of funding gap for whole of education sector, with highest scenario gap amounting to USD 35 million 		
Relevance - <i>Were the objectives of FTI support to education finance relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to a stronger education budget process? To what extent did FTI contribute to the increase in total funds for primary education?</i>	Efficiency - <i>How economically was FTI support to country level finance for education translated into results?</i>
<ul style="list-style-type: none"> • Catalytic Fund financial support for early childhood education very relevant as this has largest financial gap of all subsectors in absolute terms and as proportion of required funding • But not clear whether FTI support for early childhood education has freed up funding for any other sectors, or how other gaps will be met • Use of EPDF funds is relevant for supporting Catalytic Fund goals but not used for any other subsector 	<ul style="list-style-type: none"> • Pure project approach of Catalytic Fund has had little effect on budget processes • Significant effect in terms of increased funds for early childhood education • Funds for basic education have also increased by more than the average for the sector as a whole, though not clear that this is related to FTI given that it has not operated in that sector • No discernible catalysing effect on other international donors. Very little donor activity in the education sector • Innovative catalysis of over USD 200,000 of community funding to support renovation of kindergartens 	<ul style="list-style-type: none"> • Process for disbursing funds has been inefficient. Funds that were due to cover a gap for two calendar years have taken four years to be disbursed. Reportedly due to use of World Bank procedures as well as delays in planning and about selection of project implementation team • Moldova requested three years of funding but its third year of funding was cancelled because it ceased to be in the lowest income category according to World Bank classification • There has been an attempt to improve efficiency of disbursement in Year 2 compared with Year 1 by apportioning money directly to the Moldova Social Investment Fund, responsible for the construction works, rather than entirely through the government
Sustainability: <i>Are the changes that took place in the education budget process and the level of finance for primary education likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> • Sustainability of funding is uncertain now in the light of major political changes and a 20% budget cut across all ministries because of the economic crisis. It is hoped that sustainability will be supported by the existence of the costing simulation model and the planned development of medium- and long-term sector strategies 		

STREAM 3: Data and Monitoring & Evaluation		
Context: <i>What was the situation at level zero with respect to data and M&E? What was happening in country before FTI? Was quality and use of data relevant to the context and to the monitoring needs of the education strategies?</i>		
<ul style="list-style-type: none"> • Situation regarding data are similar before and after FTI endorsement • Discrepancies between National Bureau of Statistics, line ministry data and unofficial data from e.g. non-government sources • Information not collected in line with international standards • National and sector strategies and action plans contain lists of indicators with few quantitative targets and no indication of how information will be collected or the implications of any findings • Indicators focus mainly on the output level (number of students enrolled, number of schools, number of teachers) more than on quality outcomes 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
FTI specific inputs: <ul style="list-style-type: none"> • EPDF supported extension of EMIS to pre-primary education • Requirement for quarterly financial monitoring reports of Catalytic Fund grant disbursement • Requirement for Catalytic Fund implementation report at mid-term and end of term of each "year" of funding 		
Relevance - <i>Were the objectives of FTI support relevant to data and M&E needs? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to improved collection of data and better information services? To what extent is there better use of data to inform policy and funding?</i>	Efficiency - <i>How economically was support to country data and M&E translated into results?</i>
<ul style="list-style-type: none"> • Indicative framework not very relevant to a country with radically different population structure and education system compared with many other FTI countries • Indicative framework indicators might have been more relevant for satisfying international databases but have not been used in this context 	<ul style="list-style-type: none"> • Catalytic Fund has not been used to contribute to improved data collection, so not surprising that it has not had much effect. Data continue to be variable between sources. • No evidence during desk study that there is better use of data at national or local levels to inform policy and funding 	<ul style="list-style-type: none"> • Questions concerning the efficiency of FTI's contribution to improved data quality are not pertinent given the lack of attention to this area
Sustainability: <i>Are the changes that took place in data and M&E management likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> • Questions concerning the sustainability of FTI's contribution to improved data quality are not pertinent given the lack of attention to this area 		

STREAM 4: Capacity		
Context: <i>What was the situation at level zero with respect to capacity? To what extent was the capacity adequate for EFA and UPC targets?</i>		
<ul style="list-style-type: none"> • Human resource capacity in Ministry of Education and Youth has declined since independence from over 150 to about 50 • Challenge of recruitment and retention of new teaching staff. Many staff are near or at retirement age • Over-capacity in numbers of non-teaching support staff. Teaching staff not distributed around the country in accordance with areas of greatest need • Initial steep decline in number of pre-primary facilities. This has now been reversed 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>FTI specific inputs:</p> <ul style="list-style-type: none"> • EPDF used for training and development in pre-primary education • Catalytic Fund used for training of pre-primary educators, reported to be first training received in 15 years. Also mentoring scheme being developed • Provided computers to raion education departments, though initially without necessary training 		
Relevance - <i>Were the objectives of FTI support to policy and planning relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to implementation of measures to strengthen capacity? To what extent was quality capacity created to implement policy and services?</i>	Efficiency - <i>How economically was FTI support to country level capacity building translated into results?</i>
<ul style="list-style-type: none"> • EPDF and Catalytic Fund activities very relevant for filling capacity gaps in the early childhood education sector • No use of funds for wider capacity development initiatives 	<ul style="list-style-type: none"> • Too soon to identify the effects of training and mentoring provided by the Catalytic Fund • Report to assess Moldova's eligibility for receipt of Year 2 Catalytic Fund grant observed that too much effort was being devoted to construction, and too little to human resource capacity development 	<ul style="list-style-type: none"> • Capacity-building activities have not been easy to start and implement within the timeframe of the Catalytic Fund grant. The deadline for disbursement of Year 2 funds is having to be extended in order to allow time for the mentoring activities to be carried out.
Sustainability: <i>Are the changes that took place in capacity likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> • Too early to assess the sustainability of capacity-building activities since much of this has been developed only in the last year. 		

STREAM 5: Aid Effectiveness		
Context: <i>What was the situation at level zero with respect to aid effectiveness? What was happening in the sector before FTI? To what extent was aid for education efficiently & effectively provided?</i>		
<ul style="list-style-type: none"> • Very few donors are operating in the education sector; even fewer are operating in the basic education sector, which accounts for only one-third of aid commitments • Aid delivered entirely through project modality • With so few donors active (the two main donors are now the World Bank and the FTI, while technical assistance is provided by Unicef and other members of the UN country team) there is no donor coordination group 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
FTI specific inputs to improving aid effectiveness: <ul style="list-style-type: none"> • Mechanism for disbursing Catalytic Fund grant project is not harmonised with government: uses independent project implementation team funded by Unicef, because there is only one person in the Ministry of Education and Youth responsible for the whole of the early childhood education subsector • FTI Advisory Team has been created as coordination group for early childhood education subsector • Catalytic Fund inputs unpredictable. Moldova requested funds for three years but received funding for only two. Two calendar years of funding has been disbursed over four calendar years because of delays in agreeing project team, identifying facilities to be renovated, and use of slow World Bank procedures 		
Relevance - <i>Was FTI support to aid effectiveness relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to more international aid, and to aid that is better, coordinated and more coherent with domestic efforts in the sector?</i>	Efficiency - <i>How efficiently was aid delivered?</i>
<ul style="list-style-type: none"> • Project approach is relevant given that no other aid modality existed in the education sector • Use of separate implementation team also relevant, considering the lack of staff in the ministry for implementing projects • EPDF not channelled through government at all, so not relevant for improving aid modalities 	<ul style="list-style-type: none"> • Advisory team is a very effective and innovative example of harmonisation in education as it is the first stakeholder coordination group in the sector, though only operates for early childhood education • No sign that other donors have increased their contributions or harmonised their funding in line with the consolidated strategy and action plan developed in order to access Catalytic Fund • FTI not understood as anything other than fundraising body and grant provider 	<ul style="list-style-type: none"> • Advisory team improves efficiency of dialogue and policy development in early childhood education though not yet in other sectors
Sustainability: <i>Are the changes that took place with respect to aid effectiveness likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> • Advisory team is said to be important for bringing together people from the wider education community including universities and non-government organisations and it is hoped by local partners that this can not only be sustained in the long run but also extended to other subsectors in education, in addition to early childhood education 		

Annex B Government financial data

Table B1 GDP (current and constant 2006 USD m) and GDP deflator

	1999	2000	2001	2002	2003	2004	2005	2006
GDP (current USDm)	1,171	1,288	1,481	1,662	1,981	2,598	2,988	3,408
Inflation (annual %)	45	27	12	10	15	8	9	13
GDP Deflator (1=2006)	0.42	0.53	0.59	0.65	0.75	0.81	0.88	1
GDP (constant 2006 USDm)	2,822	2,439	2,502	2,557	2,653	3,222	3,389	3,408
Real GDP growth (%)		-13.50%	2.60%	2.20%	3.80%	21.50%	5.20%	0.50%
Cumulative GDP growth over the period 1999–2006	20.8%							
Average annual growth over the period 1999–2006	2.39%							

Source: World Bank 2008b.

Table B2 Expenditure on education, 2005–08, and budget, 2009–11, by programme (MDL 000s)

Name of the Programme	Total public expenditures (MDL 000s)				Increase 2005–2008		Forecast (MDL 000s)		
	2005	2006	2007	2008*	MDL 000s	%	2009	2010	2011
Total	2,697,013	3,605,799	4,269,440	4,931,676	2,234,663	83	5,422,205	5,650,080	6,060,093
By programme:									
"Preschool Education"	422,703	526,893	735,871	942,982	520,279	123	1,027,801	1,099,545	1,166,807
"Secondary Education" ¹	1,376,702	1,937,144	2,275,253	2,759,577	1,382,874	100	2,861,960	2,997,379	3,160,126
"Secondary Specialized Education"	135,765	188,863	208,554	218,382	82,617	61	298,302	298,313	360,641
"Higher Education"	494,621	594,692	646,347	642,448	147,827	30	802,197	814,576	917,146
"Post-Graduation Education"	42,347	56,854	63,463	63,656	21,308	50	71,479	72,139	72,951
"Professional Development"	11,467	10,069	11,228	13,800	2,333	20	15,646	15,806	19,839
"Extra-Curricular Education"	192,023	260,380	301,423	255,578	63,555	33	290,795	292,140	300,443
"Information and Communication Technologies in Education"	0	4,810	-	-	-	-	-	-	-
"Policy Development and Management in the Field of Education"	21,385	26,093	27,257	31,255	9,870	46	36,959	36,714	37,074
"Training for Endowed Teaching Staff within the Network "Education and Research"	-	-	46	4,000	-	-	17,066	23,466	25,066
By funder:									
State budget, total	1,041,223	1,267,599	1,470,322	1,580,768			1,874,194	1,929,896	2,061,750
<i>Grants and credits, foreign projects</i>	600	30,500	55,153	91,176			56,436	63,650	0
<i>Special funds and means</i>	506,334	529,484	539,716	460,265			553,504	548,264	547,679
Budgets of territorial-administrative units	1,655,290	2,338,200	2,799,118	3,350,908			3,548,011	3,720,183	3,998,343
Allocations for rise in salaries	-	-	-	-			381,200	519,800	519,800
Total for sector	2,697,013	3,605,799	4,269,440	4,931,676			5,803,405	6,169,880	6,579,893

Source: MEY 2009. Note: (1) It appears that expenditure on primary education is included in the programme entitled "secondary education". This could not be verified.

Table B3 Share of expenditure on education, 2005–08, and budget, 2009–11, by programme (%)

Name of the Programme	Share of total public expenditure				Forecast		
	2005	2006	2007	2008	2009	2010	2011
Total	2,697,013	3,605,799	4,269,440	4,931,676	5,422,205	5,650,080	6,060,093
By programme:							
"Preschool Education"	16	15	17	19	19	19	19
"Secondary Education" ¹	51	54	53	56	53	54	53
"Secondary Specialized Education"	5	5	5	4	5	5	6
"Higher Education"	18	16	15	13	15	14	15
"Post-Graduation Education"	2	2	1	1	1	1	1
"Professional Development"	0	0	0	0	0	0	0
"Extra-Curricular Education"	7	7	7	5	5	5	5
"Information and Communication Technologies in Education"	0	0	0	0	-	-	-
"Policy Development and Management in the Field of Education"	1	1	1	1	1	1	1
"Training for Endowed Teaching Staff within the Network "Education and Research"	-	-	0	0	0	0	0
By funder:							
State budget, total	39	35	34	32	35	34	34
<i>Grants and credits, foreign projects</i>	0	1	1	2	3	3	0
<i>Special funds and means</i>	19	15	13	9	30	28	27
Budgets of territorial-administrative units	61	65	66	68	65	66	66

Source: MEY 2009. Note: (1) It appears that expenditure on primary education is included in the programme entitled "secondary education". This could not be verified.

Annex C Moldova external aid data⁷

Aid in all sectors

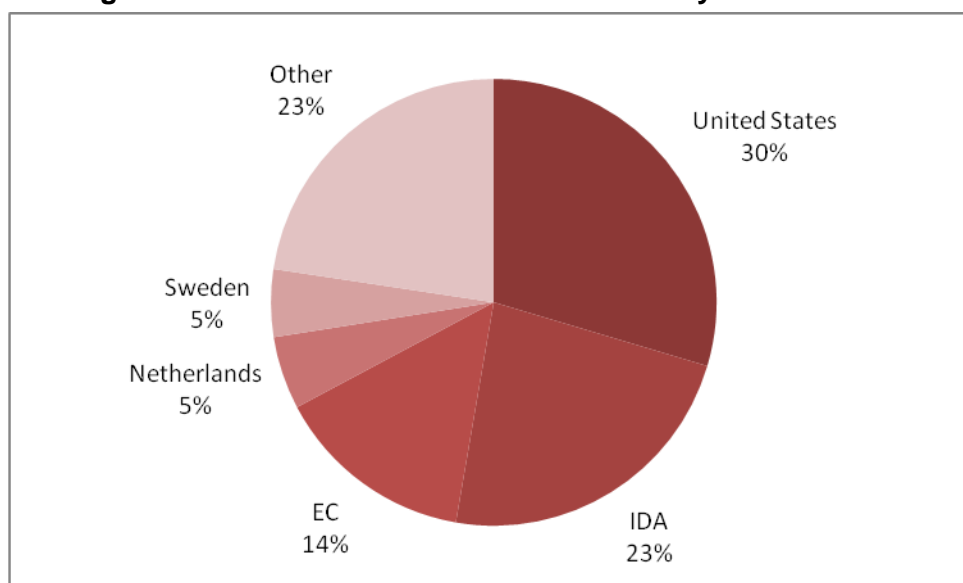
C.1 Table C1 reports total levels of aid committed to Moldova between 1999 and 2006. Figure C1 summarises the share of total commitments by the main donors.

Donor	Table C1		Total aid commitments by donor (constant USD m)						Total aid commitments 1999–2006
	1999	2000	2001	2002	2003	2004	2005	2006	
Austria	0.03	0.25	0.23	1.13	2.45	3.45	6.78	2.28	16.60
Belgium	0	0	0.15	0.03	0.04	0.04	0.25	0.11	0.62
Canada	0.09	0.07	0.04	0.01	0	0	0	0	0.21
EC	23.92	1.42	29.29	22.18	33.75	14.30	68.51	12.57	205.94
Finland	0	0.10	0.82	0.08	0.04	0.05	0.22	1.10	2.42
France	1.83	2.49	2.05	2.83	3.87	5.81	30.61	7.21	56.70
FTI	0	0	0	0	0	0	0	4.40	4.40
Germany	2.71	3.77	8.54	5.43	3.80	10.61	3.10	6.51	44.46
GFATM	0	0	0	0	12.78	0	0	0	12.78
Greece	0	0	0	0.47	2.05	2.26	1.66	2.51	8.94
IDA	78.37	11.60	5.67	45.11	68.39	45.60	21.97	51.85	328.55
IFAD	9.49	0	0	0	16.24	7.51	13.41	0	46.64
Ireland	0	0	0	0.14	0.08	0.02	0.15	0.06	0.45
Italy	0.41	1.04	0.84	0.78	0.74	0.55	0	0	4.37
Japan	4.71	3.78	10.77	3.73	1.38	3.23	3.42	6.24	37.25

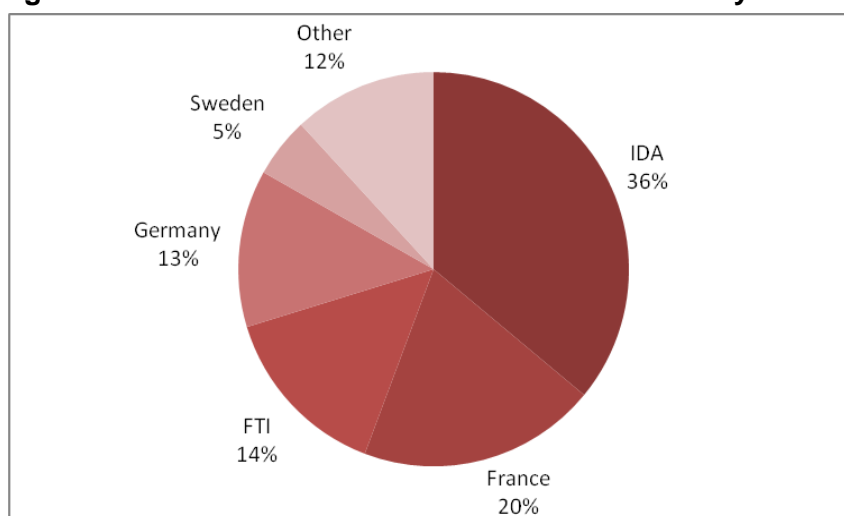
⁷ The following charts and tabulations rely on the data used in the 2009 Global Monitoring Report (which cover the period 1999–2006 in the case of commitments and the period 2002–2006 in the case of disbursements, in constant 2006 USD). The original source of these data is the OECD DAC creditor reporting system (CRS). The multilateral data in the GMR external aid database is incomplete because the EC was the only multilateral agency reporting data on disbursements to the OECD DAC Secretariat (although IDA provided unofficial data). For this reason disbursements are not reported on here.

Donor	1999	2000	2001	2002	2003	2004	2005	2006	Total aid commitments 1999–2006
Luxembourg	0	0	0	0.26	0.29	0.45	0.08	0.16	1.23
Netherlands	4.38	36.69	16.90	2.61	0.59	1.01	5.46	7.35	74.99
Norway	0	0.94	1.22	1.58	3.11	1.64	2.99	2.74	14.23
Portugal	0	0	0	0	0.01	0	0	0.00	0.01
Spain	0.04	0.05	0.02	0.02	0.04	0.02	0.06	0.01	0.25
Sweden	2.29	3.63	8.12	7.68	3.23	11.23	9.83	23.46	69.47
Switzerland	0.00	2.37	3.03	2.30	3.37	3.94	5.58	8.26	28.86
UNAIDS	0	0	0.02	0.00	0.16	0	0.08	0	0.26
UNDP	0.76	0	0	0	0	0	0	0	0.76
UNFPA	0	0	0.17	0.19	0.19	0	0	0	0.56
Unicef	0	0.85	0.83	0.70	0.98	1.12	1.56	1.00	7.05
United Kingdom	2.34	3.26	9.10	1.52	6.02	0.89	4.71	4.37	32.20
United States	68.33	54.05	65.84	70.33	46.35	44.99	22.99	47.66	420.53
Total	199.70	126.37	163.66	169.10	209.96	158.70	203.41	189.84	1420.73
<i>Bilateral</i>	87.16	112.50	127.68	100.93	77.47	90.17	97.87	120.02	813.79
<i>Multilateral</i>	112.54	13.87	35.98	68.18	132.49	68.53	105.54	69.82	606.94
<i>Share of multilateral aid in total aid (%)</i>	56%	11%	22%	40%	63%	43%	52%	37%	43%

Source: UNESCO 2008. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Figure C1 Share of total aid commitments by donor 1999–2006

Source: Table C1.

Aid to education⁸**Figure C2 Share of total commitments to education by donor 2006**

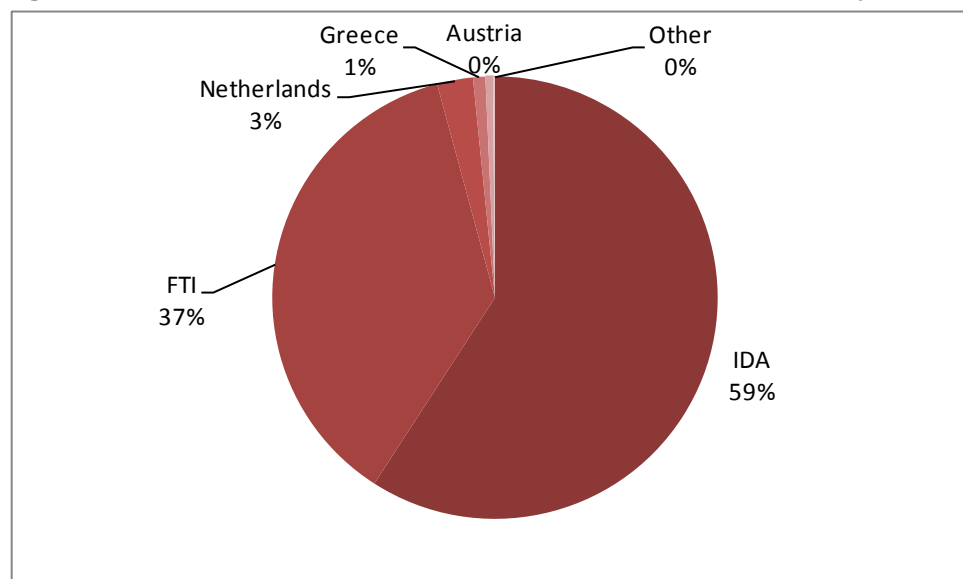
Source: Table C3

C.2 The most significant donor in terms of aid to education in 2006 was the IDA commanding a 36% share, followed by France with 20%. The first contribution from the FTI was also featured in the list of top five donors in 2006, representing a 14% share. Over the

⁸ The following figures show total (rather than just direct) aid flows to education and basic education. These broader definitions include assumptions about the use of aid flows that are not strictly assigned to education or basic education (following the convention adopted by the GMR): Total aid to education = Direct aid to education plus 20% of direct budget support; Total aid to basic education = Direct aid to basic education plus 10% of direct budget support plus 50% of direct aid to education not specified by level.

period 1999–2006, the IDA and France remain the top two donors. Followed by Germany, the Netherlands, and the EC at the top five.

Figure C3 Share of total commitments to basic education by donor 2006



Source: Table C4

Direct aid to education

C.3 As elaborated in the note to Table C1, total aid to education and basic education are calculated according to the GMR conventions that apportion certain amounts of General Budget Support (GBS) and aid to education that isn't specified by level. Table C2 below details the breakdown of aid to education by category, as well as presenting the figures for General Budget support and Total aid to education and basic education.

Table C2 Direct aid to education (constant 2006 USD m) – commitments

Category	1999	2000	2001	2002	2003	2004	2005	2006
Education unspecified	0.85	0.13	0.39	0.76	3.58	0.60	0.52	0.36
Basic education	0.00	0.17	0.19	0.10	0.41	4.28	0.43	10.51
Secondary education	0.03	0.00	0.00	0.72	0.42	0.18	0.07	6.31
Post-secondary education	2.62	2.69	3.12	4.60	7.76	6.86	8.62	10.46
General Budget Support	47.43	16.36	21.46	33.41	0.00	0.00	0.00	13.14
10% GBS	4.74	1.64	2.15	3.34	0.00	0.00	0.00	1.31
20% GBS	9.49	3.27	4.29	6.68	0.00	0.00	0.00	2.63
Total aid to education	12.98	6.26	7.99	12.86	12.18	11.92	9.64	30.27
Total aid to basic education	5.17	1.87	2.53	3.82	2.20	4.58	0.69	12.00

Notes: total aid to education = all direct aid to education + 20% GBS; total aid to basic education = direct aid to basic education + 50% Education unspecified + 10% GBS.

Table C3 Total commitments to education by donor, 1999–2006 (constant 2006 USD m)

Donor	1999	2000	2001	2002	2003	2004	2005	2006	Total 1999–2006
Austria	0.03	0.10	0.16	0.16	0.20	0.36	0.51	0.84	2.35
Belgium	0	0	0	0.00	0.03	0	0.04	0.07	0.14
EC	0	0	0	0	2.65	0	3.58	0	6.22
Finland	0	0	0	0	0	0	0	0.07	0.07
France	1.76	0.97	1.48	2.11	2.75	3.45	3.92	5.97	22.43
FTI	0	0	0	0	0	0	0	4.40	4.40
Germany	1.28	1.66	1.77	2.10	2.26	2.88	0.04	3.91	15.89
Greece	0	0	0	0.45	0.87	0.72	0.60	0.49	3.14
IDA	9.49	0	1.13	6.68	3.27	4.24	0	10.90	35.71
Italy	0.39	0.01	0.05	0.50	0	0	0	0	0.95
Japan	0	0	0	0	0.04	0.05	0.07	0.02	0.19
Netherlands	0	3.27	3.18	0	0	0	0	0.63	7.08
Norway	0	0.04	0	0.02	0	0	0	0	0.06
Portugal	0	0	0	0	0	0	0	0.00	0.00
Spain	0.04	0.05	0.02	0.02	0.04	0.02	0.06	0.01	0.24
Sweden	0	0	0	0.74	0	0	0	1.49	2.23
Switzerland	0	0	0	0	0.01	0.04	0.10	1.36	1.50
Unicef	0	0.17	0.19	0.07	0.05	0.04	0.38	0.01	0.91
United States	0	0	0	0	0	0.13	0.35	0.11	0.58
Total	12.98	6.26	7.99	12.86	12.18	11.92	9.64	30.27	104.10
<i>Bilateral</i>	3.50	6.09	6.66	6.10	6.21	7.64	5.69	14.96	56.85
<i>Multilateral</i>	9.49	0.17	1.32	6.76	5.97	4.28	3.96	15.31	47.25
<i>Share of multilateral aid in total (%)</i>	73%	3%	17%	53%	49%	36%	41%	51%	45%

Source: UNESCO 2008. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Table C4 Total commitments to basic education by donor 1999–2006 (constant 2006 USDm)

donor	1999	2000	2001	2002	2003	2004	2005	2006	Total 1999–2006
Austria	0	0	0	0	0.01	0.08	0.08	0.07	0.24
Belgium	0	0	0	0	0.001	0	0	0	0.00
France	0.39	0.04	0.18	0.01	0.01	0.02	0.05	0	0.70
FTI	0	0	0	0	0	0.00	0	4.4	4.40
Germany	0.04	0.00	0	0.00	0.05	0	0.02	0.00	0.11
Greece	0	0	0	0.11	0.44	0.20	0.15	0.11	1.01
IDA	4.74	0	0.57	3.34	1.64	4.24	0	7.10	21.63
Italy	0	0	0	0.25	0	0	0	0	0.25
Japan	0	0	0	0	0	0	0.01	0.00	0.01
Netherlands	0	1.64	1.59	0	0	0	0	0.31	3.54
Norway	0	0.02	0	0.02	0	0	0	0	0.04
Spain	0	0.00	0	0	0	0	0	0	0.00
Sweden	0	0	0	0.01	0	0	0	0	0.01
Unicef	0	0.17	0.19	0.07	0.05	0.04	0.38	0.01	0.91
United States	0	0	0	0	0	0	0	0.002	0.00
Total	5.17	1.87	2.53	3.82	2.20	4.58	0.69	12.00	32.86
<i>Bilateral</i>	0.42	1.70	1.77	0.41	0.51	0.30	0.31	0.49	5.92
<i>Multilateral</i>	4.74	0.17	0.76	3.42	1.68	4.28	0.38	11.51	26.94
<i>Share of multilateral aid in total (%)</i>	92%	9%	30%	89%	77%	93%	55%	96%	82%

Source: UNESCO 2008. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Annex D Indicative Framework of the Educational System

Domain/Indicator	2001	2002	2003	2004	2005	2006	2007
Selected population characteristics ('000)							
Total	3634.5	3627.2	3617.7	3383.3	3599.8	3589.9	3581.1
Population aged 3–6	177.3	167.3	159.1	150.2	135.2	...	148.0
Population aged 7–10	225.7	213.6	199.3	188.1	177.9	...	170.0
Population 11–15	350.5	334.1	320.5	303.5	293.5	...	281.0
Poverty indicators * , **							
Absolute Poverty Line (MDL per adult equivalent per month)	257.3	270.7	303.5	327.0	353.9	747.4	839.3
Absolute Poverty Rate	54.6	40.4	29.0	26.5	29.1	30.2	25.8
Extreme Poverty Line (MDL per adult equivalent per month)	201.5	212.0	235.5	258.1	278.5	404.2	453.9
Extreme Poverty Rate	38.0	26.2	15.0	14.7	16.1	4.5	2.8
International Line USD 2.15 PPP per person/day (MDL/person/month)***	183.9	193.7	216.2	239.5	268.0	-	-
Poverty rate (expenditures per equivalent)	32.3	21.0	11.5	11.4	14.4	-	-
International Line USD 4.3 PPP per person/day	-	-	-	-	-	...	...
Poverty rate (expenditures per equivalent)	-	-	-	-	-	34.5	...
Gross enrolment ratios (%)							
Pre-primary - overall	47.6	57.0	61.1	66.1	70.7	70.1	72.6
Urban	65.6	75.5	80.4	84.8	89.2	87.2	88.8
Rural	38.6	47.7	51.3	56.4	61.0	61.0	63.6
Primary (grades 1–4) - overall	99.5	99.5	99.8	97.9	96.7	94.4	94.0
Urban	101.3	101.7	104	102.8	102.4	100.5	100.9
Rural	98.5	98.3	97.7	95.5	93.7	91.4	90.5
Lower secondary (grades 5–9) - overall	91.1	92.3	92.2	92.5	93.0	90.5	90.1
Urban	95.1	95.9	95.6	96.6	97.7	95.4	95.4
Rural	88.5	90	90.1	90.1	90.3	87.9	87.3
Net enrolment ratios (%)							
Pre-primary – overall	42.4	52.4	58.7	63.7	68.6	68.5	71.1
Urban	58.6	71.9	77.8	82.0	86.7	85.4	87.4
Rural	33.8	44.8	49.0	54.2	59.1	59.4	62.0
Primary (grades 1–4) - overall	92.4	92.7	92.4	91.0	87.8	87.6	87.7
Urban	94.6	94.8	96.4	95.5	92.1	93.3	94.0
Rural	91.3	91.6	90.4	88.7	85.6	84.7	84.5
Lower secondary (grades 5–9) - overall	86.8	87.9	87.5	88.5	86.8	86.2	85.6
Urban	91.2	91.6	90.8	92.1	90.1	90.4	90.0
Rural	84	85.7	85.4	86.3	84.9	83.9	83.3
Pre-school education							
Pre-school institutions - overall	1128	1192	1246	1269	1295	1305	1334
Urban	318	313	309	309	309	307	...
Rural	810	879	937	960	986	998	...
Children in pre-school institutions -overall ('000)	96.5	104.0	106.5	109.7	113.1	116.2	120.1
Urban	47.8	49.7	50.1	50.8	52.1	53.9	...
Rural	48.6	54.4	56.5	58.9	61.0	62.3	...
Places in pre-school institutions - overall ('000)	145.6	150.2	154.0	156.1	159.1	159.6	160.2
Urban	64.6	63.7	63.1	63.7	63.5	63.2	...
Rural	81.0	86.5	90.8	92.4	95.7	96.4	...
Children per 100 places - overall	66	69	69	70	71	73	79
Urban	74	78	79	80	82	85	...

Rural	60	63	62	64	64	65	...
Number of groups - overall ('000)	4.3	4.6	4.7	4.9	5.0	5.2	...
Urban	2.1	2.1	2.2	2.2	2.6	2.3	...
Rural	2.2	2.4	2.6	2.7	2.8	2.9	...
Children/group ratio – overall	23	23	23	22	23	22	...
Urban	23	23	23	23	21	23	...
Rural	22	22	22	22	23	22	...
Pedagogical staff -overall ('000)	9.0	9.6	9.8	10.0	10.3	10.5	10.9
Urban	4.5	4.5	4.4	4.4	4.5	...	...
Rural	4.6	5.1	5.4	5.6	5.8	...	...
of which educators – overall	6.9	7.3	7.5	7.6	7.8	8.0	8.3
Urban	3.6	3.6	3.6	3.6	3.6	...	...
Rural	3.3	3.7	3.9	4.0	4.2	...	...
Children/educator ratio - overall	14.0	14.2	14.2	14.4	14.5	14.5	14.5
Urban	13.3	13.8	13.9	14.1	14.5	...	...
Rural	14.8	14.7	14.5	14.7	14.5	...	...
General schools, gymnasiums, lyceums							
Pupils ('000)	618.4	603.4	578.7	546.6	517.0	491.5	461.0
Primary (grades 1-4)	224.5	212.6	198.9	184.2	171.0	160.5	151.7
Urban	80.8	74.6	69.3	64.5	60.8	57.2	54.9
Rural	143.7	138.0	129.6	119.7	110.3	103.3	96.9
Boys	114.6	109.1	102.1	94.9	88.0	81.5	...
Girls	109.9	103.5	96.8	89.3	83.0	79.0	...
Lower secondary (grades 5-9)	319.0	308.0	295.2	280.4	267.5	254.2	239.5
Urban	128.1	122.7	116.4	108.1	100.9	94.2	87.3
Rural	190.9	185.3	178.8	172.3	166.6	160.0	152.1
Boys	161.3	155.7	149.4	143.1	136.2	130.0	...
Girls	157.7	152.3	145.8	137.3	131.3	124.2	...
Upper secondary (grades 10-11(12))	71.9	80.0	81.9	79.4	76.0	74.4	67.4
Urban	45.2	51.2	52.1	49.8	46.8	46.6	44.0
Rural	26.8	28.8	29.8	29.6	29.2	27.8	23.4
Boys	31.6	35.2	36.0	34.4	32.7	31.9	...
Girls	40.3	44.8	45.9	45.0	43.3	42.5	...
Special schools							
Pupils ('000)	4.9	4.8	4.8	4.9	4.5	4.3	4.0
Secondary professional education							
Number of institutions	82	83	83	81	78	78	75
Matriculation ('000)	16.7	16.5	16.7	15.6	15.4	15.5	16.2
Graduates ('000)	15.4	14.9	15.5	14.7	11.3	14.5	12.9
Pupils ('000)	23.0	22.6	22.8	22.7	25.0	23.7	24.5
in state institutions	22.5	22.1	23.0	22.5	24.9	23.4	24.3
in non state institutions	0.5	0.5	0.4	0.2	0.2	0.2	0.2
Boys	14.6	14.3	14.2	14.1	15.9	15.3	...
Girls	8.4	8.4	8.6	8.6	9.1	8.4	...
Pedagogical staff ('000)	2.3	2.2	2.2	2.3	2.4	2.5	2.4
Secondary specialised (colleges)							
Number of institution	67	63	60	56	51	49	49
State	44	43	45	43	42	42	43
non state	23	20	15	13	9	7	6
Matriculation ('000)	5.5	5.1	10.0	10.6	10.7	9.9	10.1
of which on a contract basis	2.1	2.0	5.2	5.7	4.9	5.0	4.8
Graduates ('000)	6.6	5.1	4.3	3.5	4.9	3.8	6.4

Annex D: Indicative Framework of the Educational System

Pupils ('000)	17.0	15.2	18.7	23.6	27.1	30.2	31.3
in state institutions	14.0	12.5	16.9	21.5	24.7	27.9	28.8
in non state institutions	3.0	2.7	1.8	2.2	2.4	22.9	24.1
Boys	7.2	6.5	8.2	10.5	12.0	13.2	...
Girls	9.8	8.7	10.5	13.1	15.0	17.0	...
Pedagogical staff -overall ('000)	2.0	1.7	1.8	1.9	2.0	2.0	2.0
Higher education							
Number of institution	47	45	40	35	35	31	31
State	16	17	17	18	18	17	17
non state	31	28	23	17	17	14	14
Matriculation ('000)	24.7	28.1	30.2	31.9	34.6	25.9	23.8
of which on a contract basis	19.6	22.3	24.2	25.3	22.4	18.1	15.6
Graduates ('000)	12.5	14.5	15.3	15.3	17.4	17.0	20.0
Pupils ('000)	86.4	95.0	104.0	114.6	126.1	128.0	123.0
in state institutions	63.5	71.2	80.9	93.6	104.4	106.7	102.0
in non state institutions	22.9	23.8	23.1	21.0	21.7	22.7	21.0
Males	36.9	41.2	44.0	46.3	53.1	...	...
Females	49.5	53.9	60.0	68.2	73.0	...	...
Pedagogical staff -overall ('000)	5.3	5.5	5.7	5.9	6.2	6.6	6.4

Source: MEY 2009.

Annex E Timeline of the FTI in Moldova

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
1980-1990		<p>Until independence (1991), the Moldovan economy was highly integrated into the USSR economy through the mechanism of the inter-republican division of labour and economic ties with the other union republics.</p> <p>The break up of the USSR's economic zone led to the collapse of the established system of economic ties, banking, monetary and payment systems. Barter transactions and non-payments were growing in number undermining the financial stability of both economic agents and the state. Lack of budget resources and the need to support relatively high budget commitments led to a budget deficit, which, in its turn, contributed to rising inflation.</p>			
1990-1999	<p>March 1990 World Conference on Education for All, in Jomtien, Thailand adopted the World Declaration on Education for All, which stated that all have a right to education. The conference recognised the setbacks experienced in the 1980's by many South nations and made a commitment to meeting basic learning needs of every citizen.</p>	<p>A switch from the centrally planned economy to the market economy was executed energetically by various Moldovan governments (price liberalisation, foreign trade and investment, opening up the internal market, mass privatisation, agrarian reform, introduction of the local currency in 1993, and formation of a new banking system).</p> <p>In the course of 1990–1996 all sectors of the economy experienced a large-scale decline in production aggravated by the imbalance of the financial system at the macro- and micro levels (high and hyper inflation in 1992-1993, a sizable budget</p>	<p>1995 Law on Education adopted by the Parliament</p> <p>In 1996–1997 around a quarter of consolidated budget expenditures, which corresponded to approximately 10% of GDP, were allocated for education.</p>		<p>During the first ten years of independence (1991–2001), the GDP dropped by three times, the real income of the population contracted by 72% and the average pension in terms of purchasing power declined by 75%. This situation occurred mainly due to: (a) the lack of a coherent, long term and comprehensive vision among the political class during the 1990s regarding the future of the country and of the economy; (b) the ineffectiveness of the economic and social policies adopted, and especially of the tools used for their implementation; (c) the fast pace of economic reforms compared with the rate of institutional change and</p>

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Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
		<p>deficit in 1996 accounted for 9.7% of GDP, persistent devaluation of the national currency etc.).</p> <p>1997 registered a weakening of the crisis (for the first time GDP grows of 1.6%, the inflation rate fell up to 12%, and the budget deficit decreased substantially).</p> <p>1998–1999 new spiral of the crisis (triggered by the Russian crisis): GDP output fell by 10%, industrial output fell by 25%, agricultural output by 20%, exports and imports slumped by almost 50%.</p> <p>During the 1990s the birth rate and life expectancy were falling, and the death rate was rising.</p>			<p>changes in social protection mechanisms; (d) the divergence between the economic priorities of the governing bodies of the '90s and the social priorities of the majority of the population.</p>
<p>1999</p>	<p>Education For All (EFA) Assessment 1999–2000, involving six regional conferences revealed that the EFA agenda had been neglected.</p>	<p>In 1999 (the lowest point of the crisis) GDP output accounted for only 34% of the 1989 level, industrial output 32%, and agriculture 50%.</p> <p>The average wage in real terms was only about 25% of the 1990 level, the average pension about 17%, the unemployment rate reached 11.1%.</p> <p>December 1997– December 1999: the devaluation of the Leu against the dollar, by 2.5 times, led to a substantial rise in the expenditures for the servicing of foreign debt, expressed in the national currency. Inflationary processes increased.</p>	<p>Following the economic crisis in 1998 education expenditures were reduced significantly. In 1999 the share of education expenditures was reduced to 16.4% of total budget expenditures (corresponding to 4.7% of GDP).</p>		

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Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2000	<p>United Nations Millennium Summit in 2000, 189 world leaders signed up to try and end poverty by 2015 when they agreed to meet the Millennium Development Goals.</p>	<p>In 2000 the Moldovan economy moved onto a growth trajectory thanks to the stabilisation of eastern markets, primarily Russia, rising domestic demand due inter alia to increasing money inflows from labour migrants, and restrictions on the growth of money supply, which helped reduce inflation. From 2000 to 2003, GDP rose by 24.1%, industrial output by 54.1%, and investments in fixed capital by 21.5%. This process was accompanied by a de-synchronisation between domestic demand and production, and between exports and imports which resulted in an increase in a trade deficit that in 2002 amounted to 24.9% of GDP and a sizeable foreign debt (81.9% of GDP in 2002)</p> <p>First step in EGPRSP development was the approval in October 2000 of the Interim Strategy for Poverty Reduction*.</p>	<p>Between 1990 and 2000, primary school enrolment rates for both sexes rose at all levels. At the higher education level, however, female enrolment significantly outpaced male enrolment, increasing from a female to male ratio of 0.92 in 1990 to 1.29 in 2000. Over the period 1990-2000 the average duration of studies per person decreased by 3 years.</p>		<p>* The priority focus of EGPRSP is to improve the living standards of the nation's citizens and the social protection of the poorest including the system of social guarantees, to create new job opportunities especially for poor, to provide access to good quality medical services, and to build high quality human capital through educational and scientific development.</p> <p>The EGPRSP process includes the following steps – development, adoption, implementation, monitoring and evaluation of the Strategy (DAIMES).</p>
2001	<p>G8 Meeting – Genoa, Italy. July 2001: G8 countries establish an EFA Task Force, to be led by Canada</p>	<p>In the 2001 elections the Communist Party of Moldova (CPM) registered a decisive victory.</p> <p>The Government has followed a more <i>dirigiste</i> approach, creating barriers for business and rent-seeking opportunities that have exacerbated corruption. It also has reversed some earlier-completed privatisation deals, as well as some accomplishments of past programs of reform.</p>	<p>December 2001 National Conference "Education for All" establishes the EFA priorities for Moldova, created the National Council and set the time limits for the development of the EFA Strategy and National Action Plan.</p>		

Annex E: Timeline of the FTI in Moldova

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2002	<p>G8 Washington, DC USA. April 2002: The Development Committee endorses the proposed EFA Action Plan and approves the Fast Track Initiative (FTI).</p> <p>Education for All (EFA) Amsterdam, Netherlands. April 2002: Developing countries and their external partners agree at a Dutch-World Bank sponsored conference on broad principles for scaling up EFA efforts; the Netherlands commits 135 million Euro to set the process in motion.</p> <p>G8 Kananaskis, Canada. June 2002: agreement to significantly increase bilateral assistance for the achievement of EFA and to work with bilateral and multilateral agencies to ensure implementation of FTI.</p> <p>EFA Global Monitoring Report was established to monitor progress towards the six EFA goals.</p>	<p>In 2000–2002 practically all sectors of the economy showed growth in real wages – in average wages increased by almost 50% (especially in agriculture, education, and healthcare). Starting in 2001 there was a rise in pensions, and in 2001-2002 the real average pension increased by almost 64%. Agriculture accounted for 21,0% of GDP and 49,6% of all employed, industry accounted for 17,3% of GDP and 11,4% of employment. The remittances of labour migrants accounted for 19.5% of gross disposable household income.</p> <p>In 2002 over 40% of the population lived below the absolute poverty line. Poverty has generated a range of social problems, including an exodus of 35–40% of the economically active population abroad. From 1999 to 2002 poverty level fell by 45%. The poverty incidence in 2002 was below 50%, whereas in 1999 it was over 70 %. Income inequality expressed by the Gini coefficient rose since 1990 and reached 0.44 in the late 90s; but in 2000–2002 the coefficient fell slightly to 0.42. The poverty level among children in 2002 was 45.2% (especially in rural areas (50%) due to large family size and relatively low incomes of rural households.</p> <p>The level of preparation of students from rural environment remains insufficient, with a grade gap of around 20 points in comparison with urban pupils.</p>	<p>From 1999 to 2002 state expenditures for healthcare rose from 2.9% of GDP to 3.6% of GDP, and for education from 4.7% of GDP to 5.6%. *</p> <p>In 2002, following the economic recovery education expenditures increased to 23.9% of total budget expenditures (corresponding to 5.6% of GDP). Nevertheless, in comparison to early 90s, education expenditures were reduced significantly in real terms. The reduction in the financing of educational institutions has resulted in an increased reliance upon charging fees for services rendered.</p> <p>Over the transition a number of private sector institutions were created, with currently around 35% of universities and 21% of colleges being private sector establishments. In total around 77% of higher education students pay for their tuition, with the fee varying from 3000 to 9000 lei.**</p>		<p>* However, access of the population to social services remains limited because the level of their pre-crisis state financing has not yet been restored, and a considerable part of services are provided for payment – about 40% of medical services and over 30% of services in education.</p> <p>** The insufficient public financing, coupled with the increasing reliance upon fees and the reduction of living standards over the transition period have resulted in reduction of access to education for the poor. Currently only around 56% of children aged 3 to 6 years old are enrolled in pre-school institutions, a factor which is likely to have an adverse effect on their future performance at primary school. The enrolment rate in primary education has dropped from 96% in 1997 to 93% in 2002. In 2002 the gross enrolment rate in gymnasiums was 87.9%.</p>

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Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2003	<p>Rome Declaration on the harmonisation of aid, Rome, Feb 2003.</p> <p>FTI Donors Meeting – Paris, March 2003: Donors agree on modus operandi for FTI that is country driven, secure funding for the seven countries and agree on an operating framework for FTI.</p> <p>The FTI Catalytic Fund (CF) was established. It aims to provide transitional grants over a maximum of 2–3 years to enable countries lacking resources at country level but with FTI endorsed education sector plans to scale up the implementation of their plans.</p> <p>FTI Partnership Meeting Oslo Meeting, November 2003: Ministers and senior officials from the first FTI countries, Civil Society and donors meeting together for the first time. Discussion of the definition, modalities, instruments, and governance of the FTI partnership. Agreement that FTI should be opened to all low-income countries.</p>	<p>During the period of 2001–2003, a sizeable improvement in economic and social indicators was registered: GDP grew by 21.6% in real terms, the monthly average wage by 71.2% and the average monthly pension by 93%. Despite some improvement, the Republic of Moldova, measured by GDP per capita (USD 542 in 2003), continues to be the last but one among the ex-soviet countries, and the last among the countries of Central and South-Eastern Europe.</p> <p>Low gross savings (17,1% of GDP in 2003) and low investments in fixed capital indicate that the fundamentals for stable and sustainable economic growth are not yet in place.</p>	<p>The low level of salaries, amounting to 69% of the average salary in the economy in 2003, adversely affects the quality of education. As a result the sector is not able to retain qualified personnel and, especially, young specialists and is characterised by ageing of the didactic staff.</p> <p>In 2003–2004 the total required teaching staff was 2,305 specialists. Of the 1800 young teachers that were appointed only 1052 took their position covering only 45.6% of needs. The system is characterised by inefficient use of financial, human and material resources, while education expenditures per pupil vary significantly among institutions, by 2–3 times. The ratio of pupils to teacher is low, while the ratio of students to support staff is very high. Payments for energy account for a quarter of total expenditures. Educational institutions work at around 75% of their capacity and the envisaged 40% decrease in number of pupils by 2010 will require the network's optimisation. Education management training as well as re-training of teaching staff continues to be weak.</p>	<p>April 4 2003 Government Approval of "Education for All" National Strategy</p>	

Annex E: Timeline of the FTI in Moldova

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2004	<p>Education Programme Development Fund (EPDF) was established in November 2004 as a funding window under the FTI to support low income countries improve the quality and sustainability of their education sector planning and program development.</p> <p>FTI Partnership Meeting, Nov 2004, Brasilia, Brazil, third meeting of the FTI partnership. There was agreement on the FTI Framework document and the need for more formal Assessment Guidelines.</p>	<p>In April 2004 the Government of the Republic of Moldova organised the National Forum for presenting the Economic Growth and Poverty Reduction Strategy.</p> <p>According the EGPRSP (2004–2006) in 2004 the poverty level among households headed by people with unfinished secondary education is 49.4% and for those with no education is 59.2%. Persons without education and illiterates constitute 20% of the poor, while those with primary and incomplete secondary are a further 42.6%, comprising 61.8% in total. For the non-poor, these two groups comprise 38.2%.</p> <p>The enrolment rate in secondary general education of children from poor households is around 74 %, while their enrolment in higher education is only 7 %. This compares with 81% and 24% for children from non-poor households respectively. There are significant differences regarding access to education of children from rural and urban localities. The share of secondary and higher education graduates from rural localities is 76% and 6% respectively. This compares with 81 % and 29% for graduates from urban localities.</p> <p>In 2002 per capita consumption of poor households on education amounted to only a tenth of the expenditures of non-poor households.</p>	<p>The successful implementation of the EGPRSP over the period 2004–2006 is explicitly linked to reaching sufficient progress towards the achievement of the Millennium Development Goals by 2015. Among the goals: Ensure equal opportunities for all children to study in gymnasiums (increase the ratio of net enrolment in gymnasium education from 88.0% in 2002, to 88.9% in 2006, 93.8% in 2010 and 100% in 2015).</p> <p>In Moldova the institutionalisation of orphans and children from vulnerable households was widely used as a means for their social protection. In 2004 total 63 special institutions and boarding schools are operating in Moldova.</p> <p>Educational institutions are totally non-existent in 250 localities. These correspond to around 16% of total localities in the country and have a child population of around 10,000. In another 60 localities there are only primary schools with 1700 pupils, while 500 localities have only gymnasiums. The poor quality of roads, coupled with lack of transportation and finance are additional factors hampering access to education.</p> <p>May 5 2004 the EFA NAP was officially approved by the Government</p>	<p>May 21 2004 Government Approval of the 2004–2008 National Action Plan "Education for All"</p> <p>November 12 2004 Letter of FTI presentation and informative documentation sent to the Minister of Education of Moldova</p>	<p>The reduced access of population to education, the poor quality of rendered services, and the outdated equipment in many educational institutions, are not only a result of insufficient financing, but are also exacerbated by the inefficient distribution and use of available means. At present the share of total expenditures channelled to financing pre-school institutions is around 16.2%, the share primary and secondary general education is around 57.2% (compared to 69% in OECD countries), while secondary professional education and higher education account for 4.3% and 10.1% respectively.</p>

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Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2005	<p>March 2005, Paris Declaration, was endorsed by over one hundred Ministers, Heads of Agencies and other Senior Officials. Who committed their countries and organisations to continue to increase efforts in the harmonisation, alignment and management aid for results with a set of monitorable actions and indicators.</p> <p>UN World Summit New York, September 2005: delegates were accused of producing a "watered-down" outcome document which merely reiterates existing pledges.</p> <p><i>Meeting of the Catalytic Fund Strategy Committee Beijing (China) on December 2, 2005</i></p>	<p>The Country Assistance Strategy (CAS) sets out the World Bank Group's planned lending and non-lending support to the Republic of Moldova over the period 2005/06–2008/2009. It is aligned with the priorities detailed in the country's EGPRSP (Moldova's version of the PRSP).</p> <p>CAS defines two scenarios: a Base Case and a High Case. The Base Case reflects the current country context and Moldova's Performance-Based IDA Allocation. Over the four year CAS period (2005/06–2008/2009), the Base Case lending envelope will be SDR63 million (USD 90 million equivalent). The High Case provides about 50% more resources, for a total envelope of SDR96 million (USD 137 million equivalent). <i>See Annex A and B for details on Base Case and High Case scenarios.</i></p> <p>The number of people affected by long-term unemployment decreased from 60,4% in 2000 to 48,9% in 2005. In 2005 the highest share of unemployed are aged 15–24 (29,6%) and 35–49 (38,7%); unemployed people with secondary vocational education form a share of 30,3% of the total number of unemployed, the ones with lycee and secondary education – 24,7%, the ones with gymnasium education – 17,1%, and the ones with post-secondary vocational education and with a university degree – 15,1% and respectively 11,5%</p>	<p>A number of measurable improvements are expected by the end of the CAS period, including: Improvements in the quality of basic (primary and lower secondary) education, and an increase in primary school net enrolment in rural areas from 96 percent to 98 percent and upper secondary from 28 percent to 35 percent*.</p> <p>The amount of public expenditures for education raised from 5,5% in 2000 to 6,8% of the GDP in 2005.</p> <p>March 15 2005 Government Approval of Millennium Development Goals in the Republic of Moldova up to 2015 and of the First Country Report on "Millennium Development Goals in the Republic of Moldova"</p> <p>August 16 2005 Government Approval of the Programme of "Educational System Modernisation in the Republic of Moldova"</p>	<p>March 4 2005 Moldova Minister of Education Letter of request for the <i>Endorsement of the Republic of Moldova's Education Plan</i>. Moldova requests to examine the possibility to finance the EFA National Action Plan section on "Early Childhood Education and care" with the amount of approx USD 11.</p> <p>May 11 2005 Endorsement Letter sent to Moldova (Moldova is the latest country to be endorsed by FTI)</p> <p>November 10 2005 the Ministry of Education of Moldova completes its proposal to receive FTI approval and funding. Moldova prepared a "Consolidated Strategy for the Education Sector (2006–2008) and a "Consolidated Action Plan for the Education Sector (2006–2008)" has been extracted with specific activities, calendar of execution, costs and financing sources** (including an Annex with Evaluation and Monitoring Indicators)</p>	<p>* There is some evidence of improvements in the quality of education (as measured by student performance), but challenges remain and inequities persist: many children still do not perform well on tests of basic literacy and numeracy skills; resources in schools are still lacking, and the gaps in performance between urban and rural students are widening.</p> <p>** The amount of USD 426,6 mln. is required for the implementation of the consolidated action plan on education (2006–2008). Out of that, the 92% is financed by the Government and the gap of 8% (USD 34,6 mln) should be covered by external sources. Moldova requests to examine the possibility to finance the "Early Childhood Education and care" compartment with the amount of approx USD 13.1mln. There is an increase of USD 2mln from the previous request.</p>

Annex E: Timeline of the FTI in Moldova

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2006	<p>Committee on the Rights of the Child (41st session), Geneva, Switzerland.</p> <p>Educational Roundtable, World Bank/IMF Annual Meetings, September 2006, Singapore. The meeting focused on the progress that Finance Ministers from developing countries have made in preparing long term plans to achieve the education MDGs</p> <p><i>FTI Catalytic Fund Strategy Committee meeting</i> took place in <i>Cairo</i> on the 12th of November 2006. In this meeting the eligibility criteria regarding accessing the Fund were changed, allowing countries with large number of in-country donors to apply.</p>	<p>The revenue generated by the process of labour force migration increased from 13,8% of the GDP in 2000 to 33,5% of the GDP in 2006.</p>		<p>January 13 2006 Letter to the Ministry of Education. FTI is satisfied with the Republic of Moldova's revised Education Strategy and its Action Plan for 2006-08). A country team is established.</p> <p>January 17 2006 Letter of Notification of a Grant from the FTI Catalytic Fund to Moldova</p> <p>March 15 2006 Letter "Request of Assistance for Preparation of a Grant Agreement for Moldova"</p> <p>April 25 2006 Letter by the Ministry of Education sent to the Unicef Resident Representative to coordinate the agenda and next steps.</p> <p>May 15 2006 Letter of Agreement: World Bank agrees, as administrator of grant funds provided under the EFA-FTI Catalytic Trust Fund, to make a grant (Grant Number TF056717) in an amount not exceeding USD 4,400,000 to the Republic of Moldova. The Grant became effective on May 25, 2006. The amount is available in two tranches: USD 3.0 million (accessed in October 2006) and USD 1.4 million. The closing date of the Grant for Year 1 is August 31, 2007.</p>	

FTI Mid-Term Evaluation – Moldova Case Study

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2007	<p>Committee on the Rights of the Child (45th Session).</p> <p>Keeping our Promises on Education, May 2007, Brussels, organised by the EC, the UK and the World Bank. The objective was to seek concrete proposals and commitments for action to deliver on the promise to give all the world's children a full primary education by 2015.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Bonn, Germany, on May 23, 2007</i></p>		<p>For details see the Mid Term Report on the Implementation of the Consolidated Strategy and Action Plan in the Education Sector. <i>See Annex G</i></p>	<p>January 29 – February 2 2007 A World Bank team visited Moldova to conduct a supervision mission of the EFA-FTI Catalytic Trust Fund (Phase 1) <i>See Annex F for details</i></p> <p>March 2007 Moldova MEY reported the achieved progress of the implementation of the Project during the period September 2006 – February 2007</p> <p>April 3 2007 Letter of request for extension of the closing date of the Project till April 1 2008.*</p> <p>April 23 2007 World Bank (IDA) Letter of acceptance for the extension of the closing date</p> <p>May 9–18 2007 A World Bank team visited Moldova to conduct a supervision mission of the EFA-FTI Catalytic Trust Fund**</p>	<p>* This time should be used for the renovation works and the endowment of the kindergartens with equipment and furniture (constitutes 80% from the total budget of the project)</p> <p>** While, disbursements to date reached only USD 620,843 representing a little over 14 % of the amount allocated for Year 1, it seems there are good chances to increase spending given that implementation arrangements for rehabilitation activities have been made.</p>
	<p>In Oct 2007, the German Federal Ministry for Economic Cooperation and Development organised an international forum on "Capacity Development for Education for All: Putting Policy into Practice." Participants recommended more strategic use of the EPDF to support capacity development activities</p> <p><i>Catalytic Fund's Strategy Committee meeting, Dakar, December 10 2007</i></p>		<p>In terms of budgetary allocations, according to the MEY report, the pre-school education allocations in Moldova increased from 496 million MDL in 2006 to 661 million MDL in 2007, the Grant resources representing 9% of this amount. Virtually all the resources from the EFA-FTI Grant are used to finance the items identified in the Consolidated Action Plan.</p>	<p>November 2007 Progress Report on Moldova EFA-FTI Catalytic Trust Fund (Year I Financing, 1st Tranche) <i>See Annex H</i></p> <p>November 29 2007 World Bank Letter to solicit Moldova to the respect of the Closing Date and Grace Period After Closing</p>	

Annex E: Timeline of the FTI in Moldova

Date	International Context	Moldova Context	Education Policy in Moldova	FTI in Moldova	Comments
2008	<p>September 2008, Accra summit on aid effectiveness, donor countries have agreed to end the fragmentation of aid.</p> <p>Donors agreed to donate half of aid directly to governments of low-income countries, rather than to individual projects.</p> <p>Donors have also agreed to coordinate aid better.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Tokyo, April 22, 2008</i></p>			<p>January 2008 Implementation Progress Report. The disbursement is on track with 51% of funds disbursed of Year I funds while commitments under signed contracts reached about 90%.*</p> <p>February 29 2008 Official Progress Report EFA-FTI. According to the Project Implementation Status: funds were disbursed in the amount of USD 2,26 million (51% of total project funds) The total amount of committed funds is USD 4,16 million that is 95% of the total project funds. <i>See Annex I</i></p> <p>February 27 – March 4 2008 A World Bank team visited Moldova to conduct a supervision mission of the EFA-FTI Catalytic Trust Fund</p> <p>March 14 2008 World Bank Letter in view of Moldova's access to EFA-FTI Grant Year II. A Progress Report on Year I is attached. <i>For details see Annex J</i></p> <p>March 20 2008 <i>EFA-FTI Catalytic Trust Fund</i> Amendment to the Letter Agreement. The Bank acknowledges the intention of the Catalytic Trust Fund Strategy Committee through the EFA-FTI Secretariat to provide the Recipient with a second year grant allocation of USD 4,400,000 as a result of successful implementation during the previous allocation as set out in a letter to the Bank dated March 4, 2008.</p>	<p>* Not clear why is decreased from 54% to 51% from November to January</p>

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