VET GOOD MULTILEVEL GOVERNANCE IN MOLDOVA

Assessment Report

Executive Summary, Conclusions and Recommendations, Selected Annexes

PREFACE

The assessment of effectiveness of VET system in Moldova, made with the use of ETF VET Good Multilevel Governance approach, is based on the review of institutional arrangements of VET system in the country addressing the key areas of VET good multilevel governance and financing. The way to implement ETF methodological tools to support on conducting a review of VET system in the country addressing its institutional approaches and performance, was discussed and agreed with Moldovan high-level stakeholders during a Workshop held in February 2020.

It should be mentioned that it has not been possible, under the restrictions due to the COVID19 crisis situation, to conduct this review in a manner that, ideally, would be desirable. Nevertheless, this report does provide a strong evidence basis, which can be used by the policy makers for taking corresponding decisions.

For the assessment, the following hypothesis was put forth: ***"The Moldovan VET and skill policies in LLL perspective, are implemented through a** [governance] **architecture which might be more effective and efficient through revisiting the key segments of its current institutional arrangements addressing stakeholder performance whilst using legal and fiscal (financing, funding and budgetary) practices for steering the system change"***. This hypothesis was tested in the framework of the review, and was mainly confirmed.

The English version of the Study Report consists of four parts.

This is the **Part 1**, which presents an overview of Education and VET in Moldova, the VET policy framework (including assessment of relevance and credibility) and the legal framework; explains the context, objectives and the methodology of the study, as well as provides the main findings related to the institutional arrangements of the VET system, which are based on a thorough desk research and interviews conducted with the key stakeholders. Short summary of the national stakeholders' self-assessment on core VET Skills Governance Functions and Coordination Mechanisms, are also included in this part.

The **Part 2** provides the findings on the VET financing, on a number of VET practices, such as identification and defining of the learning outcomes and the content of education (NQF, standards and curricula), VET planning, monitoring and evaluation, strategic planning, social partnership, work-based learning and dual education, tracer studies, lifelong learning, and quality assurance, as well as the regional/local experiences.

The **Part 3** contains the Conclusions and the Recommendations based on the analysis of the findings presented in the first two parts of the Report.

The **Part 4** comprises the Bibliography and a package of Annexes. The latter include both methodological and technical information.

In this Romanian version, the Executive Summary, the Conclusions and the Recommendations, as well as selected Annexes are included.

CONTENTS

ABBREVIATIONS

AC	Administrative Council
ADA	Austrian Development Agency
ANACEC	National Agency for Quality Assurance in Education and Research
ANQEP	National Agency for Qualification and Vocational Education and Training
AP	Action Plan
ASOO	Agency for VET and Adult Education
CEDA	Centre for Entrepreneurial Education and Business Assistance
CIDDC	Child Rights Information Centre
CNSM	National Trade Union Confederation of Moldova
CoCI	Chamber of Commerce and Industry
CoE	Centre of Excellence
CRDÎP	National Centre for VET Development
CSO	Civil Society Organisation
CVET	Continuing Vocational Education and Training
DCT	Data Collection Tool
DEMP	Department of Educational and Migration Policies
DevRAM	Development of Rural Areas in the Republic of Moldova
DGE	Directorate General for Education
DGERT	Directorate for Employment and Industrial Relations
EKKA	Quality Agency for Higher and Vocational Education
EMIS	Education Management Information System
EQF	European Qualifications Framework
ESF	European Social Fund
ETB	Education and Training Boards
ETF	European Training Foundation
EU	European Union
FECR	Finance in Education, Culture and Research
FET	Further education and training
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HR	Human Resources
HVAA	High Value Agriculture Activity
ICT	Information and Communications Technologies
IEFP	Institute for Employment and Vocational Training
IES	Institute of Education Sciences
ISCED	International Standard Classification of Education

IT	Information Technologies
IVET	Initial Vocational Education and Training
LED	Liechtenstein Development Service
LLL	Lifelong Learning
LLL	Lifelong Learning
LM	Labour Market
LMO	Labour Market Observatory
M&E	Monitoring and Evaluation
MCT	Methodical Centre for Training
MDL	Moldovan Leu
MoAFI	Ministry of Agriculture and Food Industry
MoARDE	Ministry of Agriculture, Regional Development and Environment
MoE	Ministry of Education
MoEC	Ministry of Education and Culture
MoECR	Ministry of Education, Culture and Research
MoEFP	Ministry of Education and Vocational Training
MoEI	Ministry of Economy and Infrastructure
MoEL	Ministry of Employment and Labour
MoER	Ministry of Education and Research
MoES	Ministry of Education and Science
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
MoHERI	Ministry of Higher Education, Research and Innovation
MoHLSP	Ministry of Health, Labour and Social Policy
MoIA	Ministry of Internal Affairs
MoL	Ministry of Labour
MoLMSS	Ministry of Labour, Migration and Social Security
MoNE	Ministry of National Education
MoSA	Ministry of Social Affairs
MoSE	Ministry of Science and Education
MPSV	Ministry of Labour and Social Affairs
MŠMT	Ministry of Education, Youth and Sports
NAVET	National Agency for Vocational Education and Training
NBS	National Bureau of Statistics of the Republic of Moldova
NCCVET	National Coordination Council for VET
NCTVETD	National Centre for TVET Development
NCTVETD	National Centre for Technical and Vocational Education and Training Development

NCVETS	National Council of VET Students
NEA	National Employment Agency
NGO	Non-governmental organisation
NNCC	National Commission for Collective Bargaining
NQF	National Qualification Framework
OS	Occupational Standard
OSCA	Estonian Skill Forecasting System
OSMED	Organisation for Small and Medium Enterprises Development
PA	Pre-accession
PAME	Policy Analysis, Monitoring and Evaluation
QA	Quality Assurance
QS	Qualification Standard
RM	Republic of Moldova
RMIC	Republican Methodical-Instructional Cabinet
SC	Sector Committees
SDP	Strategic Development Plans
SEPE	State Public Employment Service
SME	Small and Middle Enterprises
SNQ	National Qualification System
SOLAS	Further Education and Skills Service
SSC	Sector Skills Council
TC	Teachers' Council
TNC	Teachers' National Council
ToR	Terms of Reference
TU	Trade Union
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEVOC	International Centre for Technical and Vocational Education and Training
USAID	United States Agency for International Development
VET	Vocational Education and Training
VNFIL	Validation of Non-formal and Informal Learning
WB	World Bank
WBL	Work-Based Learning

EXECUTIVE SUMMARY

VET Good Multilevel Governance is a model for VET policy-making management based on coordinated action to effectively involve VET public and private stakeholders at all possible levels (international, national, sectoral, regional/local, provider) for objective setting, implementation, monitoring and review. Good multilevel governance in VET aims to reinforce interaction and participation of such stakeholders whilst improving relevance, accountability, transparency, coherence, efficiency and effectiveness of VET policies.

The European Training Foundation (ETF) has developed a *VET Governance Toolbox* which should be adapted to a country reality and country needs, with a focus on the following components:

■ Method for vision building;

■ Assessment of institutional arrangements;

■ Costing, Budgeting, Financing and Funding;

■ Role of Social Partners linking VET policy to Labour Market needs;

■ Territorial Governance (sub-national governance dimension);

■ Monitoring and assessment of progress in VET multilevel Governance.

Furthermore, ETF defines *Institutional Arrangements* as the organisation of policies, rules, norms and values that countries have in place to legislate, plan and manage the execution of development, the rule of law, the measurement of change, and other such functions of state; and suggests that *Review of Institutional Arrangements* aims to ensure that the policies defined (strategies, regulations, laws, etc.) are backed up by the appropriate capacities to make them realistic. This includes human resources and organisational arrangements, but also financial resources that will make it possible.

In 2019, the Minister of Education, Culture and Research (MoECR) of the Republic of Moldova formally requested ETF to support implementing multilevel governance approach for assessing VET system in Moldova in the context of the last phase of the Moldovan VET Strategy implementation.

In this context, the ETF VET Governance Toolbox was agreed to be used for a tailored review of VET system in Moldova, and during the Workshop *"Launching a Policy Discussion on VET & Skills Good Multi-Level Governance in Moldova"* organised by ETF in cooperation with MoECR (18th February 2020), main views, ambitions, expectations and other key policy issues for implementing methodological approach on, and review of VET & Skills good multilevel governance in the country were shared and exchanged among high level and other key country stakeholders and ETF.

This Report which consists of four parts[1], presents:

■ Results of reviewing and assessing **institutional arrangements** within the Moldovan VET system which was based on the ETF VET Good Multilevel Governance approach (and the tool-box) adapted to the local context with strong consideration of the recommendations made by, and the agreements with, the national stakeholders. Structure, tasks and responsibilities, institutional and HR capacities, subordination and accountability, performance, funding and other aspect of all key VET structures and the links between them are identified and described;

■ Summary of the results of the **national stakeholders' self-assessment** on core VET Skills Governance Functions and Coordination Mechanisms, conducted with use of the ETF VET governance inventory – Data Collection Tool (DCT);

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[1] For learning more about the content of each part of this Report, see the Preface.

- Analysis of the business processes (including decision-making processes) in such particular **VET practices** as: Identification of skills need and defining the content of VET, including NQF, Standards and curricula; Annual enrolment planning (State Order); Monitoring and Evaluation; Strategic planning, Social Partnership, Work-based learning and Dual education, Tracer studies, Lifelong learning, and Quality assurance, as well as the Regional/local experiences;
- Analysis of the present **VET funding and financing**: mechanisms, roles, efficiency;
- **Conclusions** based on both findings of the implemented study accompanied with the results of the analysis carried out by the Experts, and the generalisation of the statements made by the VET system key stakeholders;
- **Recommendations** related to the most problematic VET aspects and also covering many other areas where improvements seem particularly urgent.

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The following types of coordination mechanisms were considered within the review: Legislative – normative-oriented; Institutionalised – policy advice-oriented; Public-Private Partnerships-oriented; Knowledge creation-oriented.

Accordingly, the following was addressed:

- National and sectoral (VET-related) *policy and strategy documents* in terms of vision of VET, its development goals and objectives;
- Main *VET-related legal acts* (laws, sub-laws, regulations, etc.) for identifying the established *business processes* and *legal relations* between the bodies involved in VET governance;
- Key *VET actors* at national and sectoral levels, *directly or indirectly involved in VET governance.*

Based on the initial study implemented during the inception phase of the project as well as considering the recommendations of the Launching Workshop, the following VET players were covered by the review:

A. **Governmental Bodies**: Ministry of Education, Culture and Research; Ministry of Health, Labour and Social Protection (MoHLSP); Ministry of Agriculture, Regional Development and Environment (MoARDE); Ministry of Finance (MoF).

B. **Public Institutions:** Republican VET Development Centre; National Agency for Quality Assurance in Education and Research; Republican Methodical-Instructional Cabinet under MoHLSP; Labour Market Observatory; Methodical Training Centre under MoARDE; Centres of Excellence, Colleges, and VET Schools.

C. **Councils and Committees:** Economic Council to the Prime Minister; National Coordination Council for VET; National Qualification Council; National Council of VET Students; Sector Committees for VET.

D. **Social partners and CSOs:** Chamber of Commerce and Industry; National Confederation of Employers (Patronat); Organisation for small and medium enterprises development; National Trade Union Confederation of Moldova; some individual private companies.

E. **Development partners** (and or their projects)**:** Liechtenstein Development Service; Centre for Entrepreneurial Education and Business Assistance; Austrian Development Agency; World Bank in Moldova; USAID; Swiss Agency for Development and Cooperation; GIZ; Pro Didactica Educational Centre.

The review was implemented *via* mixture of desk research and field work. The desk research was focused on thorough analysis of the national legislation, policy and strategy documents, legal acts

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defining the scope of authorities and the functions of numerous bodies directly or indirectly involved in the VET governance, the rules and procedures on different VET practices. A certain scope of statistical data on the Moldovan education system and specifically on VET, was also processed.

The field works, due to the restrictions caused by the COVID19 crisis, were carried out in distance, with use of electronic means of communication. In total 38 individual interviews and two group interviews were provided. In total, about 40 organisations and/or their units were considered for this review.

<p style="text-align:center">*   *   *</p>

The main sector policy document, the **Vocational Education and Training Development Strategy 2013-2020,** defined the general objective as: *'Modernise and streamline the VET in order to increase the competitiveness of the national economy, by training competent and qualified workforce, in line with current and future requirements of the market'*; and identified six specific objectives: 1) Restructuring the VET into two levels – secondary and post-secondary and reconfigure the network of institutions by 2017; 2) Ensuring the VET based on competences and adjust it to the labour market requirements; 3) Increasing the quality of the VET by improving the efficiency of the utilisation of financial means and by creating and implementing the quality assurance system; 4) Scientific, cultural and methodological provision of the VET, so that all curricula are adjusted to the NQF by 2020; 5) Increase the quality of the teaching staff and improving their motivation, so that, by 2020, the entire teaching staff is trained according to the NQF; 6) Increasing attractiveness and access to the VET.

The VET Development Strategy provides a detailed analysis of the challenges facing the sector. *Inter alia*, these include:
■ weakness of quality assurance system and the NQF in VET;
■ difficulties in adjusting the qualifications to the actual needs of the labour market, incompliance of curricula with its requirements, and inefficiency of developing and publishing teaching and learning materials;
■ the necessity of upgrading the skills and capacities of the VET teachers, managers and administrators in line with modern standards;
■ an ageing infrastructure (buildings, equipment etc.) of the VET system and inefficiency of its use;
■ poor management on the allocation and administration of finances;
■ a need to strengthen the role of the social partners, specifically the business community and civil society in the VET policy-making, decision-taking, policy management and service delivery processes;
■ limited access to information technologies and poor use thereof in VET.

During the period from 2013 till 2020, considerable achievements in implementation of the VET Strategy and developing this system were registered. Situation in many VET clusters have been improved and some VET practices strengthened. Nevertheless, none of the challenges could be considered as fully or significantly overcome, therefore, the Strategy remained ***relevant*** during the entire period of validity. Moreover, many of those challenges will most likely remain pertinent also for the next medium-term period.

The ***credibility*** of the VET policy was also mainly ensured in terms of a) Track record in policy implementation; b) Policy financing; c) Institutional capacity and ownership; and d) Analytical basis and data quality.

Presently, a new National Development Strategy "Moldova 2030" is under elaboration, and the Education Strategy 2030 covering also the VET sector, will be derivative of it. Therefore, the present

period selected for this review, seems exceptionally opportune, and the proposed options for restructuring the VET governance and increasing its effectiveness, may be well-timed.

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The VET system in Moldova has a complicated structure with involvement of numerous players both public and non-public. There are many horizontal and vertical links, including administrative and methodological. Some forms of cooperation between the stakeholders are formalised and institutionalised, while others are based on memoranda or similar documents. Although certain non-state actors do participate in VET governance but their role is predominantly consultative, while the decision-making authority almost solely belongs to the governmental bodies.

The VET system and its governance are centralised at the national level. No regional or local bodies have tasks in this area. The sectoral dimension is limited to the Sector Committees for Professional Training, which are composed of social partners' representatives. Those Committees have again consultative role within the corresponding sectors of economy.

There are 89 public VET institutions in Moldova. They are subordinated to the Ministry of Education, Culture and Research (42 VET schools, 19 Colleges, and 8 Centres of Excellence), the Ministry of Health, Labour and Social Protection (4 Colleges and 1 Centre of Excellence), the Ministry of Agriculture, Regional Development and Environment (6 Colleges and 2 Centres of Excellence), and the Ministry of Internal Affairs (1 College).

Thus, the above Ministries are directly responsible for VET governance and are accountable to the Prime Minister's Office. The Ministry of Finance participates in the VET governance through different processes of the VET institutions' funding, while other line Ministries have indirect relations to the VET Governance, e.g. through participation in elaboration of qualification standards and modification of the Nomenclature of fields of professional training and specialties.

There are a number of support structures under MoECR, MoHLSP and MoARDE as well as various Councils but the levels of their functionality and the effectiveness are different. The key structure which should ensure social partnership in the field of VET, i.e. National Council for VET Coordination is not functioning since 2017, while the Republican Centre for VET Development is under-staffed and under-funded and in fact, almost non-operational. At the same time Republican Methodical-Instructional Cabinet of MoHLSP and Methodical Centre for Training of MoARDE cannot effectively fulfil their primary tasks, due to the shortage of staff and also because of being loaded by some other ministerial duties.

There are numerous Social Partner organisations, which are formally involved in different VET processes, in accordance with the corresponding legal acts. A large number of donors are providing considerable assistance to the Moldovan VET system development, and the EU, with its Budget Support, remains the largest among them. Many CSOs are also active in supporting the VET system improvements.

The effectiveness of VET system governance is assessed as average; it is slow and cannot ensure that VET meets the modern LM requirements. There is also a significant bureaucracy. The main reasons of that particularly are the political instability which leads to high level of turnover in the Government, ministries and other state institutions; as well as the lack of funding which results in considerable shortage of workforce at the level of the ministries and public support structures. Another issue is that the VET governance tasks are not clearly and properly distributed among the corresponding bodies. In addition, there is an obvious lack of HR capacities to organise and implement the VET governance effectively. Another important deficiency is absence of a structure

playing an intermediate role between the policy making-level (Government, Ministries) on one hand, and the VET institutions and other players (e.g. Sector Committees, Social partners, NGOs, Donors and other partners), on the other.

At the institutional level, the management effectiveness is also questioned. In the VET institutions, there are four management bodies, i.e. three types of Councils and the Director (*executive manager*). The distribution of the tasks between the two Councils is not really based on clear principles, and the scope of functions of every type of Council differs as by the types of institutions. All three types of Councils are chaired by the Director and they do not seem effectively independent bodies. The Social partners have a very limited representation only in one of the Councils.

According with the position of many stakeholders, there are too many VET institutions in the country, compared with the number of students and the total population. Extensive number of stakeholders expressed their support to transferring the agriculture colleges to the jurisdiction of MoECR, justifying this particularly by the fact that the agro-institutions are somewhat isolated from the entire VET system, and also that there is no public agriculture sector in the country, therefore, also no public employers for those institutions' graduates. Some of the stakeholders propose to transfer also the medical VET institutions to MoECR.

The Centres of Excellence are a new type of VET institution introduced in 2015 and assigned to executing a number of additional tasks compared with other VET institutions. However, at present, none of the CoEs is capable to exercise its role according with the statute and fulfil all its functions, due to the lack of human capacities, managerial and didactic, and financial scarcity. A large number of donors are providing considerable assistance to the CoE, however, considering the present mission of CoEs, they still need much more for and the support has to be systematic, coming chiefly from the national system, in order to assure sustainability. Many tasks that are supposed to be performed by a VET meso-level institution (e.g. a VET Centre) and sectoral entities, are put on the CoEs' shoulders which has already proven its bankruptcy.

A number of bodies are formally responsible for monitoring and evaluating different aspects (practices) of VET as well as the functioning of the entire system. The VET Development Strategy 2013-2020 defined a monitoring and evaluation framework for the policy level, where the MoECR Board, NCCVET, Sector Committees, businesses, as well as CSOs and development partners, should be involved and independently monitor the Strategy implementation. This has never become a reality. At the institutional level, the (internal) monitoring system is established appropriately and the VET institutions regularly publish annual monitoring reports. Evaluation of performance is also planned as a mandatory action at the end of the institutions' every SDP implementation period. At the same time, the external monitoring and evaluation of the institutions is entirely missing. Although the public VET institutions submit annual activity reports to MoECR, no any administrative decisions are taken based e.g. on the level of the institutions' Strategic Plan performance.

The VET funding as a share of the total State budget is slowly decreasing (from 2.8% in 2018 to 2.1% in 2020), however, in absolute amount it is relative stable (~1.1 billion MDL). A new *per capita* VET financing mechanism introduced in 2017, is based on rational, equitable and transparent allocative methodology, however, it is applied only partly: the rates are calculated with consideration of the budget ceiling but not based on the real cost of training as by the categories of qualifications. This new funding mechanism foresees also a considerable level of autonomy for the institutions in managing the allocated financial means. Nevertheless, there are many issues related to the capacities of the VET institutions to work under this new conditions, which means also a high level of responsibility and requires a certain business way of thinking. The new mechanism provides the VET institutions also

with wide opportunities of additional activities for income generation which are mainly not utilised, sometimes due to the institutions' profile, but more often because of the lack of school managers' capabilities and motivation (moral and fiscal) to initiate any entrepreneurial activity.

The normative acts seemingly cover and regulate almost all aspects of the VET system functioning, nevertheless, there are many issues related to the legislation. Some aspects are poorly regulated, there are legal acts and normative documents which are ambiguous or contradicting each other. In several cases, practical implementation of the acts' requirements is complicated due to numerous reasons, particularly lack of funding, limited capabilities of human resources, etc.

The legal dimension of the Social partnership in VET seems properly defined, and there is a Concept of the Social Dialogue Platform in VET which is built on 3 levels (national, sectoral and institutional). However, in practice, the situation is not much encouraging. At the national level, the role of mediator between the VET institutions and the labour market is assigned to NCCVET, which has not been active since 2018. CRDÎP which should facilitate the relationship between the national economic environment and the VET system, is factually dysfunctional. At the sectoral level, the Sector Committees for VET are responsible for the Social partnership but their effectiveness is still far from being satisfactory. The institutional level is also mainly failed due to not full capability of the CoEs to perform their role of mediation between the local economic agents and Colleges and VET schools.

Of 9 recently established Sector Committees for VET, not all are formalised yet, and some are still non-active. The Committees are acting in accordance with the Law on Sector Committees for Vocational Training. The SCs do not always manage to execute their functions properly and achieve the goals. The main reason is busyness of the members with their primary jobs and lack of time to be allocated for the SC activities, and probably also a certain deficiency of commitment. Other main issues are the shortage funds and human resources including absence of technical secretariat, which results particularly in inability to apply for, and implement projects funded by NGOs or donors. The aggregated (generalised) opinion of the key stakeholders about the SCs is that they are not effective enough yet and have no any considerable impact.

In 2017, Government adopted the Moldovan NQF based on professional knowledge, skills and competencies, and with a structure similar to EQF. MoECR is authorised to develop and approve methodologies and procedures necessary for the NQF application. All NQF-related procedures are well regulated and the roles of the different players are clearly defined. However, there are several issues in this field, related specifically to the effectiveness and efficiently of the following chain: development of Occupational Standards – development of Qualification Standard – development, introduction and implementation of a Curriculum. Other challenges in this field are: the VET institutions' limited capacities to adapt the curricula or create new VET courses/programmes by themselves; absence of any regulation for awarding and recognising partial qualifications; the requirement of accrediting the non-formal training programmes, including the short-term courses, which almost by all stakeholders is considered as an unnecessary complication.

At the national level, ANACEC is the structure having a mission to develop and promote the culture of quality in the field of IVET, CVET and Higher education. At the VET institutional level, the internal quality is monitored by the Commission for Internal Evaluation and Quality Assurance, while in the enterprises involved in VET process, there is no body responsible for quality assurance. VET institutions (both public and private) and their programmes (initial and continuing) are subject to external quality evaluation by ANACEC every five year, for accreditation purposes. ANACEC only develops the quality assurance policies but not directly evaluates the quality at each institution in terms of the performance results.

The existent quality assurance mechanisms do not include assessment of the final results produced by the VET providers for ensuring the appropriateness of those VET products, through e.g. VET students' and graduates' or company's satisfaction surveys.

Currently WBL is institutionalised and seems well regulated. Its mandatory status at all VET levels, for both initial and continuous VET, is pinned down by the normative acts. The responsibilities of different stakeholders are also defined by normative acts. MoECR is the dominant body in the process of developing the legal framework, while the participation of other actors, e.g. Sector Committees, CRDÎP, CoCI, in elaboration of methodological recommendations for WBL programmes, facilitation the organisation of WBL, quality assurance, etc., is missing completely. There are also challenges related specifically to the quality, the effectiveness and efficiency of the WBL. Anyway, it has a well-built recognition in the country but the cooperation with economic agents is mostly limited to the provision of places for internships, with low or non-participation in other VET processes.

Dual VET has been introduced in 2014 with a gradual positive trend in the last four years. This is largely due to the essential support from the development partners. However, training and learning environments differ a lot from one case to another, depending on the sector and the region as well. It remains to be a challenge for small companies, and it is in little demand particularly in the agriculture area, where small businesses and individual farms are not motivated and fully prepared to provide dual VET.

Tracer Study mechanism was among the expected results of the VET Strategy for 2013-2020. Accordingly, MoECR developed and piloted a Methodology in the period between 2015 and 2017. However, after 2017, this mechanism was no longer implemented due to lack of resources and capacities. The VET Institutions do not have functional and sustainable mechanisms for conducting Tracer Studies. The situation is more advantageous in the sector of healthcare where the MoHLSP keeps record of the number of all medical graduates and medical workers via SIERUSS system managed by the Agency for Public Health. It is anticipated that the EMIS module for VET, which is being developed by MoECR with the WB support, will contain a domain with statistical data about the graduates' job placement and further education.

LLL has gained prominence during the last years. However, continuous professional training is intermittently provided by a limited number of institutions on request, and some companies provide short courses for their own needs, i.e. to train new workers or upgrade the qualifications of their own employees. There is small number of VET institutions providing CVET programmes. This is conditioned by the fact that the accreditation of those programmes is a long and expensive process as it must follow an accreditation path similar to the formal IVET programmes awarding qualifications. In general, there is still a lack of clarity about how LLL can be operationalised, systematically and systemically. Currently, adult training is limited, and its financing remains low. There is a need of public policies to implement a well-resourced, learner-centred, coordinated and rights-based approach to LLL systems.

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In the Part 3 of this Report, 16 main recommendations are made. They are targeted at the following 7 objectives: 1) Establishing an effective VET policy making scheme, based on social partnership and equipped with operational Monitoring and Evaluation system; 2) Rationalising the VET governance institutional settings; 3) Optimising the VET providers network; 4) Increasing effectiveness of VET practices; 5) Increasing VET funding and optimising VET financing scheme; 6) Improving VET legislation; and 7) Optimising International Support. Those recommendations are:

R.1: Establish a tripartite (or quadripartite) National VET Council.

R.2: Assign coordination of the Sector Committees' activities to the VET Council.

R.3: Establish VET Teachers' National Council.

R.4: Operationalise the system of Monitoring and Evaluation of the VET policy implementation and external Monitoring and Evaluation of the VET institutions and the entire VET network performance.

R.5: Establish an effective national structure assigned for the complete scope of VET support activities.

R.6: Expand the capacities of the VET Department and MoECR and revise its tasks.

R.7: Revise subordination of the public VET institutions.

R.8: Rationalise the public VET institutions' network.

R.9: Unify the types of VET institutions and revise the concept of Centres of Excellence.

R.10: Introduce a multi-level and multi-stakeholder governance and management of VET institutions.

R.11: Introduce a system of licencing for the offered qualifications.

R.12: Include optimisation of the VET practices in the new VET Strategy as expected outcomes.

R.13: Increase VET funding.

R.14: Ensure full-fledged and consistent per-capita VET financing mechanism.

R.15: Revise the legislation so that it serves best for effective implementation of the VET policy and strategy.

R.16: Establish a VET donors' coordination platform.

In addition, a set of **accompanying** recommendations are also made. They are not less important than the main ones but relate to the structures responsible not solely for VET or not directly involved in the VET governance. These are:

R.17: Restructure the Policy Analysis, Monitoring and Evaluation Department at MoECR and expand the capacities.

R.18: Review the level of the ANACEC independence.

R.19: Expand the capacities of the NQF Department at MoECR and revise its tasks.

R.20: Promote the National Council of VET Students.

1. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

The main purpose of the primary phase of the review was to identify the actors at national and sectoral levels, directly or indirectly involved in Moldovan VET governance, their structure, tasks and responsibilities, institutional and HR capacities, subordination and accountability, performance, funding, and the links between them.

In addition, the policy and legal frameworks of the VET in Moldova were studied in details.

Furthermore, an inventory of opinions of the stakeholders about different VET practices and issues was formed.

The critical analysis of the above issues as well as development of recommendations on the possible options of the VET governance restructuring was the purpose of the follow-up phase of this review.

For the assessment, the following hypothesis was put forth: ***"The Moldovan VET and skill policies in LLL perspective, are implemented through a*** [governance] ***architecture which might be more effective and efficient through revisiting the key segments of its current institutional arrangements addressing stakeholder performance whilst using legal and fiscal (financing, funding and budgetary) practices for steering the system change"***. This hypothesis was tested in the framework of the review, and was mainly confirmed.

The conclusions presented in the Section 2 of this Report, are based on both findings of the implemented study accompanied with the results of the analysis carried out by the Experts, and the generalisation of statements made by the VET system key stakeholders. It is not surprising that the non-state actors were more critical in their judgements compared with the representatives of the governmental structures and public institutions who, however, have also expressed a number of concerns related to the situation in the VET system and specifically its governance. The results of the self-assessment exercise (see the Section 4, Part 1 of this Report) were also taken into consideration.

While formulating the conclusions, the experts attempted to do it objectively to a possible extent, and keep a balanced approach to both positive aspects and the existing challenges.

During the implementation of this review, the authors arrived at a firm conviction that the principal need of the Moldovan VET governance and the system in a whole, is not only its optimisation for ensuring cost-efficiency, but more importantly, making it effective and fit for purpose which presently can hardly be considered as the case. Therefore, the actions recommended in this Report, although will most likely cause additional costs but if done properly and comprehensively, will return the expenses and lead to tangible results.

The following ***7 objectives*** are defined as priorities at which the recommendations are targeted:

1. **Establish an effective VET policy making scheme**, **based on social partnership** and equipped with operational Monitoring and Evaluation system for policy implementation and system performance;

2. **Rationalise the VET governance institutional settings**, including VET support structures;

3. **Optimise the VET providers network**, including VET institutions reorganisation, revision of their subordination, profiles, functions and the level of autonomy, introduction of a licensing system, as

well as revision of the VET institutions internal governance scheme by means of introducing multi-stakeholder management structures. A special focus is on the Centres of Excellence;

4. **Increase effectiveness of** business processes related to the specific **VET practices** such as: Standards and curricula, Career guidance, Tracer studies, Quality assurance, Work-based learning and Dual education, Teacher training;

5. **Increase VET funding and optimise the financing scheme**;

6. **Improve the VET legislation**;

7. **Optimise international support** *via* better coordination and communication.

The table below provides summary of the *main* 16 Recommendations according with the objectives, as well as the corresponding challenges and the expected results.

In the Section 3, those Recommendations are presented in details and necessary justifications are given. Implementation options which include the proposed timeframe, required financial resources and the variables to be defined locally, are proposed as well.

In addition, a set of *accompanying* recommendations are made. They are not less important than the main ones but relate to the structures responsible not solely for VET or not directly involved in the VET governance.

SUMMARY OF RECOMMENDATIONS

№	b) Objective	c) Main Challenges	d) Recommendations	e) Expected Results
1	**f) Establishing an effective VET policy making scheme, based on social partnership and equipped with operational Monitoring and Evaluation system** g)	• Non-public VET stakeholders do not effectively participate in VET policy making and decision-taking processes, which results in lack of acceptance and ownership of the VET policy and strategy by a wider VET community and limits the latter's political and practical support to the VET development. • The SCs are not effective enough and have no any considerable impact, while businesses are not always motivated to closely cooperate with the SCs. • The VET teachers have no any influence on policy-making or forming the VET legal base. • The monitoring and evaluation framework for the policy level, defined by the VET Development Strategy, has never become a reality. • External monitoring and evaluation of VET institutions is entirely missing. • The internal monitoring reports produced by VET institutions do not result in any administrative decisions.	*R.21: Establish a tripartite (or quadripartite) National VET Council* *R.22: Assign coordination of the Sector Committees' activities to the VET Council* *R.23: Establish VET Teachers' National Council* *R.24: Operationalise the system of Monitoring and Evaluation of the VET policy implementation and external Monitoring and Evaluation of the VET institutions and the entire VET network performance*	➢ Opportunity to develop an informed and balanced VET policy which is relevant and credible and considers the needs and interests of all key stakeholders. ➢ Increased effectiveness of the Sector Committees and improved motivation of the private sector representatives to support VET. ➢ The VET teachers' voice is heard while developing VET policies and drafting corresponding legal acts. ➢ Platform for experience and best VET practices sharing among VET teachers. ➢ A system for collecting and analysing credible and trustworthy information to be used for management and informed decision-making at institutional and policy levels, is in place.
2	**h) Rationalising the VET governance institutional settings**	• The VET system does not enjoy necessary methodological support, and the VET players' activities are poorly coordinated due to the fact that the existing VET support structures – CRDÎP, RMIC and MCT are underfunded and understaffed. Moreover, they are assigned to implement some ministerial tasks, which are beyond their mandates, thus, demonstrating low functionality and being mostly inefficient. • The staffs of the Ministries dealing with VET, including the VET Department of MoECR, are extremely limited and their workload includes a large portion of functions non-relevant to the ministerial activities, which results in insufficient effectiveness of VET governance.	*R.25: Establish an effective national structure assigned for complete scope of VET support activities* *R.26: Expand the capacities of the VET Department at MoECR and revise its tasks*	➢ Full-scale and effective methodological support provided to all VET aspects (practices) and VET institutions by a professional independent structure subordinated directly to MoECR. ➢ Appropriate coordination of all VET players' activities. ➢ MoECR VET Department is released from the VET institutions daily management and supervision functions and is solely responsible for policy developing and implementing, having also tasks of coordinating the VET providers' network and providing administrative support. ➢ The VET Department has all necessary capacities to fulfil its functions effectively.

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№	b) Objective	c) Main Challenges	d) Recommendations	e) Expected Results
3	i) **Optimising the VET providers network**	• Compared with the students' population, the number of the VET institutions over the country is too large and many of them are not cost-efficient. • The offer of qualifications in many VET institutions is not rational. • The VET network is fragmented between different ministries which complicates implementation of the unified state VET policy. • Existence of three types of institutions is an unnecessary complication and this segregation specifically affects attractiveness of the VET Schools. • At present, none of the Centres of Excellence is capable to exercise its role effectively according with the statute and fulfil all its functions due to the lack of human capacities, managerial and didactic, and financial scarcity. • Many tasks that are supposed to be performed by a meso-level VET structure and/or sectoral entities, are put on the CoEs' shoulders which has already proven its bankruptcy.	*R.27: Revise subordination of the public VET institutions* *R.28: Rationalise the public VET institutions' network* *R.29: Unify the types of VET institutions and revise the concept of Centres of Excellence* *R.30: Introduce a multi-level and multi-stakeholder governance and management of VET institutions* *R.31: Introduce a system of licencing for the offered qualifications*	➤ Increased effectiveness of a unified state education policy implementation through defragmentation of the responsibility for VET provision and for the management of the public VET providers network. ➤ Concentration of resources and increased efficiency of their allocation and use which is supposed to result to improved cost-effectiveness of VET provision in general. ➤ Optimisation and consolidation of various methodological support structures which are also presently scattered among different ministries. ➤ Increased effectiveness of VET institutions management and due involvement of non-public stakeholders in decision making processes at institutional level. ➤ Increased flexibility and attractiveness of all VET institutions. Considerably improved appropriateness of CoEs and increased motivation of VET institutions to be(come) CoEs. ➤ Increased relevance of the offered qualifications to the Labour Market and existence of at least minimal pre-requisites for quality of the training process.
4	j) **Increasing effectiveness of VET practices**	• Decision-taking procedures and the business processes are not efficient and effective for many VET aspects or practices, such as Standards and curricula development, Career guidance, Tracer studies, Quality assurance, Work-based learning, Dual education and Teachers training, etc.	*R.32: Include optimisation of the VET practices in the new VET Strategy as expected outcomes*	➤ Increased effectiveness of the VET practices through optimisation of business processes and simplification of bureaucratic procedures.

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№	b) Objective	c) Main Challenges	d) Recommendations	e) Expected Results
5	k) **Increasing VET funding and optimising VET financing scheme**	• The VET funding as a share of the total State budget is decreasing and its absolute amount is not increasing over years. • The new per capita VET financing mechanism is applied only partly as the rates are calculated with consideration of the budget ceiling but not based on the real cost of training as by the categories of professions/qualifications.	*R.33: Increasing the VET funding* *R.34: Ensure full-fledged and consistent per-capita VET financing mechanism*	➢ Continuously improved VET institutions' facilities, equipment and the methodological base, developed HR capacities and increased remuneration ensuring highly proficient VET staff. ➢ Established and effectively running VET support structure providing high quality expertise; ➢ Expanded capacities of the VET governance structures and increased quality and widened scope of measures serving good governance (data collection and analysis, research, consultations, VET advocacy and promotion, etc.). ➢ Improved quality of VET provision due to appropriate funding as per qualification.
6	l) **Improving VET legislation**	• Some VET aspects and practices are poorly regulated by normative acts, there are legal acts and normative documents which are ambiguous or contradicting each other. • In several cases, practical implementation of the legal acts' requirements is complicated particularly due to lack of funding, limited capabilities of human resources, etc.	*R.35: Revise the legislation so that it serves best for effective implementation of the VET policy and strategy*	➢ VET legislation serves concrete objectives established by the VET Strategy. ➢ Provisions of the legal acts corresponds to the available financial, institutional and human resources necessary for implementing those provisions.
7	m) **Optimising International Support**	• International support to VET has room for improvement.	*R.36: Establish a VET donors' coordination platform*	➢ Better coordination of the donors' activities, increase of the projects' effectiveness and improvement of their targetedness.

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2. CONCLUSIONS

The conclusions are presented according with the VET system clusters.

Institutional Setup of the VET Governance and the VET Institutions Network

■ The VET system in Moldova has a **complicated structure** with involvement of numerous players both public and non-public. There are many horizontal and vertical links, including administrative and methodological. However, some of them **do not work properly** due to different reasons including **poor regulation or low motivation**. Some examples are: the Coordination Group of LMO that includes representatives of all ministries and the Administrative Council of NEA which is a tripartite body, but the members of both collective structures demonstrate low motivation to participate and work effectively; the Sector Committees, where mainly the lack of funding does not encourage their members' motivation to contribute to the Councils works; the Centres of Excellence are not specifically motivated (and also not capable) to perform their role of mediation between the local economic agents and Colleges and VET schools.

■ Some **forms of cooperation between the stakeholders are formalised and institutionalised**, while others are **based on memoranda or similar documents, or on merely non-formal agreements**. For example, the LMO operates on the basis of a partnership agreement between MoHLSP and NEA on one side and the MoEI, MoF, MoECR, MoARDE, NBS, the National Institute for Economic Research, the National Confederation of Employers, the National TU Confederation, the CoCI, the Bureau of Migration and Asylum, on the other; businesses provide WBL places for students under the contract and/or agreement signed between them and the VET providers; Dual VET is organised on the basis of a cooperation agreement concluded between a VET institution and economic unit.

■ Although certain non-state actors do participate in VET governance, but their role is predominantly consultative, while the **decision-making authority almost solely belongs to the governmental bodies.**

■ The **VET system of Moldova and its governance are centralised at the national level**. No regional or local bodies have tasks in this area. At the same time, there are specific examples of good cooperation between the public VET institutions and the local authorities, which are at least worth to be considered and disseminated.

■ At the same time, there are **numerous Social Partner organisations**, which are formally involved in different VET processes, in accordance with the corresponding legal acts.

■ A **large number of donors** are providing considerable assistance to the Moldovan VET system development, and the EU, with its Budget Support, remains the largest among them.

■ **Many CSOs** are also active in supporting the VET system improvements.

■ The public VET institutions are subordinated to four different ministries which are directly responsible for VET governance and are accountable to the Prime Minister's Office. This **fragmentation of the VET network between the ministries** is not unequivocally accepted by all VET players as being efficient.

■ The **Ministry of Finance participates in the VET governance through different processes of the VET institutions' funding**, while other line ministries have indirect relations to the VET

Governance, e.g. through participation in elaboration of qualification standards and modification of the Nomenclature of fields of professional training and specialties.

■ There are a **number of support structures under MoECR, MoHLSP and MoARDE** as well as **various Councils but the levels of their functionality and effectiveness are different**. The key structure which should ensure social partnership in the field of VET, i.e. National Council for VET Coordination is not functioning since 2017, while the Republican Centre for VET Development is under-staffed and under-funded and in fact, almost non-operational. At the same time, the Republican Methodical-Instructional Cabinet of MoHLSP and Methodical Centre for Training of MoARDE cannot effectively fulfil their primary tasks, due to the shortage of staff and also because of being loaded by some other ministerial duties.

■ The **effectiveness of VET system governance is assessed as average**. It is **slow ('behind the time') and cannot ensure that VET meets the modern LM requirements.** There is also a significant bureaucracy. The main reasons of that particularly are the political instability which leads to high level of turnover in the Government, ministries and other state institutions; as well as the lack of funding which results in considerable shortage of workforce at the level of the ministries and public support structures. For example, the VET Department at MoECR, with its extremely limited number of employees, has a wide range of functions many of which are beyond the policy and strategy development, monitoring, evaluation, planning, etc., and very offen relate to daily management of the VET institutions functioning, to which the majority of the staff's time is allocated. In MoARDE, there is only one person responsible for Vocational education, who evidently cannot be able to coordinate the activities of the entire agricultural VET with its 8 institutions.

■ Another issue is, that **according with the opinion of many stakeholders, the VET governance tasks are not clearly and properly distributed among the corresponding bodies.** In addition, there is an obvious lack of HR capacities to organise and implement the VET governance effectively.

■ The dominating position of the stakeholders (fully shared also by the ETF Experts) is that **there is no need of establishing new structures or making radical changes in the institutional setup.** Nevertheless, **certain mergers are necessary but most importantly, new mechanisms and relations (administrative and legal) should be established to make the existing instructions effectively functional.** This may require amendments to the legislation, changes in the statutes of the institutions involved in the VET governance, as well as considerable renewal of managerial staffs in many public structures and revised requirements to their appointment.

■ Another important deficiency, which was also one of the stakeholders' main concerns, is that **in the country, there is no structure playing an intermediate role between the policy-making level (Government, Ministries) on one hand, and the VET institutions and other players (e.g. Sector Committees, Social partners, NGOs, Donors and other partners),** on the other.

■ **At the institutional level, the management effectiveness is also questioned**. In the VET institutions, there are four management bodies: the Teachers' Council (*'collective management body'*), the Administrative Council (*'executive management body'*), the Scientific-Methodical Council (except Secondary VET Schools), and the Director (*'executive manager'*). The distribution of the tasks between the two Councils is not really based on clear principles; moreover, the scope of functions of every type of Council differs as by types of institutions (VET Schools, Colleges, Centres).

- The above-mentioned three types of **Councils do not seem effectively independent bodies**, and the fact that the Director is chairing both of them, strongly questions their actual collective decision-making role[2]. The Social partners have a very limited representation in the Administrative Councils: 1 or 2 people of the total ~20 members.

- According with the position of many stakeholders (including MoECR), **there are too many VET institutions in the country, compared with the number of students and the total population** (89 VET institutions with total of 44.3 thousand students for a country with population of ~2.7 million, in 2019). The VET Department has already developed a set of criteria for optimising the VET network and is about launching this process.

- As mentioned above, **there are two groups of VET institutions subordinated to MoARDE and MoHLSP, respectively, and this creates a number of issues in terms of effective governance and execution of unified state VET policy**. Extensive number of stakeholders expressed their support to transferring the agriculture colleges to the jurisdiction of MoECR, justifying this particularly by the fact that the agro-institutions are somewhat isolated from the entire VET system, and also that there is no public agriculture sector in the country, therefore, also no public employers for those institutions' graduates. Besides, due to limited attractiveness of the agro-VET among youth, all 8 agricultural institutions provide VET programmes not solely for the agro-food sector but also for other fields, in order to maintain a relatively stable number of students' population.

- Some of the stakeholders propose to **transfer also the medical VET institutions to MoECR.**

- Existence of a functioning *National Council of VET Students* and its members' active participation are inspiring. The patronage of the Council by the VET Department is also commendable. At the same time the voice of the students is still to be better heard and the matters related to their issues and interests, should be more thoroughly considered by the authorities.

Centres of Vocational Excellence

- Centre of Excellence is a new type of VET institution introduced in 2015. The CoEs are established on the base of selected VET Colleges and VET Schools and assigned to executing a number of additional tasks compared with other VET institutions. However, **at present, none of the CoEs is capable to exercise its role according with the statute and fulfil all its functions, due to the lack of human capacities, managerial and didactic, and financial scarcity**. This opinion is fully shared by almost all the stakeholders. There are only solitary good examples of CoEs fulfilling some of the specific functions, which are worth to be considered and disseminated.

- A **large number of donors are providing considerable assistance to the CoE**, technical and financial support for strengthening the human resource capacities, renovation of the buildings and procurement of relevant equipment, curricula and teaching materials development, etc. However, considering the present mission of CoEs, they still need much more for and the support has to be systematic, coming chiefly from the national system (not merely relying on donors' assistance), in order to assure sustainability.

- Another issue is that **many tasks** that are supposed to be performed by a VET meso-level institution (a VET support structure, e.g. VET Centre) and sectoral (national or regional) entities, **are put on the CoEs' shoulders** which has already proven its bankruptcy.

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[2] In certain countries, the Executive is not a member of the institution Board.

VET Policy, Strategic Planning, Monitoring and Evaluation

■ The main sector policy document, the **Vocational Education and Training Development Strategy 2013-2020, is relevant and credible.** All conditions for the stakeholders' participation in the VET Strategy development and transparency of this process were ensured, at least as it is required by the law.

■ During the period of 2013-2020, **considerable achievements in implementation of the VET Strategy and developing the system were registered**. Situation in many VET clusters have been improved and some VET practices strengthened.

■ **Nevertheless, none of the challenges could be considered as fully or significantly overcome**, therefore they are to be considered in the next VET Strategy.

■ Presently, a **new National Development Strategy "Moldova 2030"** is under elaboration, and the Education Strategy 2030 covering also the VET sector, will be derivative of it. Therefore, the present period selected for this review, seems exceptionally opportune, and the proposed options for restructuring the VET governance and increasing its effectiveness, may be well-timed.

■ A **number of bodies are formally responsible for monitoring and evaluating different aspects (practices) of VET as well as the functioning of the entire system**. Particularly, the MoECR Policy Analysis, Monitoring and Evaluation Department shall monitor, evaluate and report on the implementation of public policies, including the one for VET.

■ The **VET Development Strategy 2013-2020 defined a monitoring and evaluation framework for the policy level,** where the MoECR Board, NCCVET, Sector Committees, businesses, as well as CSOs and development partners, should be involved and independently monitor the Strategy implementation. This has never become a reality.

■ At the institutional level, the (internal) monitoring system is established appropriately and the VET institutions regularly publish annual monitoring reports. Evaluation of performance is also planned as a mandatory action at the end of the institutions' every SDP implementation period. No such reports are available yet and **it is unclear if the institutions have appropriate capacities for carrying out an effective evaluation and how its results have ever been used for the next planning period.**

■ At the same time, **the external monitoring and evaluation of the institutions is entirely missing.** Although the public VET institutions submit annual activity reports to MoECR, no any administrative decisions are taken based e.g. on the level of the institutions' Strategic Plan performance.

■ The **system of Strategic Planning is mandatory for all VET institutions.** They all have acting Strategic Development Plans, which include such aspects as Mission Statement and Vision; SWOT Analysis; Priority Problems; Strategic Development Directions; Specific Objectives; Action Plan, etc.

■ There are no mechanisms of the **VET teachers' participation** in, or **making contribution** to the VET policy and legislation development. No any feedback from them about the practical VET provision is received and their voice is not heard at all. There are also no effective tools for professional communication between the VET teachers.

VET Funding

- The **VET funding as a share of the total State budget is slowly decreasing** (from 2.8% in 2018 to 2.1% in 2020), however, **in absolute amount it is relatively stable** (~1.1 billion MDL).

- A **new *per capita* VET financing mechanism** was introduced in 2017. It is based on rational, equitable and transparent allocative methodology, **however, it is applied only partly as the rates are calculated with consideration of the budget ceiling but not based on the real cost of training as by the categories of professions/qualifications**[3].

- This new funding mechanism foresees also a **considerable level of autonomy for the institutions in managing the allocated financial means.** Particularly, the institutions do not need the Ministry's approval for making some expenses anymore, or for reallocating the funds from one budget line to another: an internal order is sufficient for that. Nevertheless, there are many issues related to the capacities of the VET institutions to work under this new mechanism, which means also a high level of responsibility and requires a certain business way of thinking. According with the opinion of some stakeholders, including the **VET institutions, they were not well prepared for this autonomy**.

- The new mechanism provides the VET institutions with wide opportunities of additional activities for income generation but almost no such cases were identified during the study. In some cases, the reason is the institutions' profile, but more often the **lack of school managers' capabilities and motivation (moral and fiscal) to initiate any entrepreneurial activity.**

- The other challenge related to the new per capita funding mechanism is that the **institutions with small number of students are at risk of being closed, because of low cost-effectiveness**.

VET Legislation

- The normative acts seemingly cover and regulate almost all aspects of the VET system functioning, nevertheless, there are many issues related to the legislation. **Some aspects are poorly regulated, there are legal acts and normative documents which are ambiguous or contradicting each other**. For example, there is contradiction between the Labour Code and the Education Code; the legal acts related to financing still need to be harmonised for excluding the misunderstandings; there are a number of normative documents issued between 1999 and 2005 which are still in force but have never been updated according with the other legal acts appeared later, thus leaving room for double interpretations. Another specific example is the Government Decision of 2003 on free meals for students in schools which required that the MoECR had to develop a regulatory act clearly specifying the criteria for selecting children from socially vulnerable families to benefit from free meals, but this regulatory act again has never been issued.

- In several cases, practical **implementation of the acts' requirements is difficult** due to numerous reasons, particularly lack of funding, limited capabilities of human resources, etc.

- There are legal acts defining too **complicated and bureaucratic procedures** for some VET practices such as e.g. development of Occupational Standards, Qualification Standards and Curricula (see also below, under NQF).

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[3] Presently, MoECR is calculating the real cost of VET courses, to be applied from 2021.

Social Partnership

■ The **legal dimension of the Social partnership in VET seems properly defined,** and the Concept of the Social Dialogue Platform in VET specifies its mission and purpose and indicates the organisation of the social dialogue platform built on 3 levels (national, sectoral and institutional). However, **in practice the situation is not much encouraging.**

■ At the national level, the role of coordinator in the mediation process between the educational institutions and the labour market is assigned to **NCCVET, which has not been active since 2017. CRDÎP** should serve a *secretariat* of this Council and is supposed to facilitate the relationship between the national economic environment, the labour market and the VET system, but this structure (as mentioned above) does not execute its functions properly, as required by the corresponding normative acts.

■ At the sectoral level, the **Sector Committees for VET are responsible for the Social partnership but their effectiveness is still far from being satisfactory** (see below). The institutional level is about the relations between the local economic agents and Colleges and VET schools by mediation of the Centres of Excellence, but the latter ones are not fully capable to perform their role yet.

■ In general, the **cooperation between the government, employers and trade unions** and their capacities to work together in developing, implementing, monitoring, and evaluating VET, all **remains challenging**.

■ Nevertheless, **particularly introduction** of **dual education** supports enhancing the direct links between the VET institutions and certain companies, sometimes bypassing the formal and formalistic way of establishing the social partnership relations.

Sector Committees

■ The sectoral dimension of VET is limited to the Sector Committees for Professional Training, which are composed of social partners' representatives. Those Committees have only a **consultative role** within the corresponding sectors of economy.

■ In total, **12 Sector Committees are to be functioning**. Presently, there are nine SCs, established in the period of 2008-2018[4]. Of them, six have already been registered as legal entities, two are in the process of formalisation and one is non-active.

■ The Committees are acting in accordance with the **Law on Sector Committees for Vocational Training, adopted by the Parliament on 23rd November 2017,** i.e. around nine years after establishment of the first SC. The Law defines that the SCs are associations with the status of legal entity, which are established voluntarily by the corresponding employers' unions and trade unions at the level of economic sectors. The two main goals of the SCs are:

 • *Develop social partnerships* in the field of vocational training at the level of the economic sectors in order to support vocational, technical and continuing education, as well as ensure compliance of the workers' and specialists' training with the labour market requirements;

 • Based on the needs of the labour market, *participate in the creation of a system of information and analytical support* in the field of vocational education.

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[4] In fact, four Sector Committees were existent before adoption of the VET Strategy

- The **Committees do not always manage to execute their functions properly** and achieve the goals. The main reason is busyness of the members with their primary jobs and lack of time to be allocated for the SC activities, and probably also a certain deficiency of commitment. Other main issues are the shortage funds and human resources including absence of technical secretariat, which results particularly in inability to apply for, and implement projects funded by NGOs or donors.

- The representatives of some Committees believe that the **businesses are not always motivated to closely cooperate with the SCs** due to the latter's low credibility. In order to improve the situation, there are proposals to include in the Committees also representatives of MoECR and the corresponding line ministries, as well as the VET institutions. This, however, will require changes in the legislation.

- The aggregated (generalised) opinion of the key stakeholders about the **SCs is that they are *not effective enough yet* and have *no any considerable impact*.**

- The two main proposals of the stakeholders are to *reorganise the SCs with revising also their membership*; and to *assign the CRDÎP for coordinating the Sector Committees activities and supporting their development.*

NQF

- In **2017, Government adopted the National Qualifications Framework**, the levels of which are determined on the basis of professional knowledge, skills and competencies, and the structure of the level descriptors shall be similar to the structure of EQF. **MoECR** is authorised to develop and approve methodologies and procedures necessary for the NQF application, particularly those related to the development, certification and registration of new qualifications.

- All **NQF-related procedures are well regulated** and the roles of the different players are clearly defined. However, there are several issues in this field, related specifically to the effectiveness and efficiency of the following chain: **development of Occupational Standards – development of Qualification Standard – development, introduction and implementation of a Curriculum**:
  - due to a ***complicated formal procedure*** and involvement of too many different actors, this process is extremely costly and lengthy (up to 3 years), and at the moment of introduction, the curriculum is already outdated;
  - the ***existing mechanisms, tools and the capacities of the corresponding strictures do not allow to identify the real picture of the labour market*** – current and future, formal and informal – and the standards are not always reflecting the actual skill needs;
  - the process of ***OS, QS and Curriculum elaboration is fragmented and performed by different institutions and there is no mechanism for ensuring that this documents are in full compliance***, i.e. the learning outcomes specified in the curriculum are in accord with the professional competences defined by the qualification which in turn, should reflect the occupational standard.

- Other challenges in this field are:
  - The **VET institutions' limited capacities** to adapt the curricula or create new VET courses/programmes by themselves;
  - **absence** of any **regulation for awarding and recognising partial qualifications**;
  - the **requirement of accrediting the non-formal training programmes**, including the short-term courses, which almost by all stakeholders is considered as an unnecessary complication

actually holding back many VET institutions from introducing and offering short-term modular courses for both youth and adults.

Quality Assurance

■ At the national level, **ANACEC (under MoECR),** is the structure having a mission to develop and promote the culture of quality in the field of IVET, CVET and Higher education. At the VET institutional level, the **internal quality is monitored by the Commission for Internal Evaluation and Quality Assurance,** while in the enterprises involved in VET process, there is no body responsible for quality assurance.

■ According to the provisions of the Education Code, ANACEC is an administrative authority of national interest, autonomous from the Government, independent in decisions and organisation, financed from the state budget and from its own revenues. In reality, ANACEC is under MoECR and does not have full independence which leaves financial limitations and **the paradox is that ANACEC has to evaluate the curricula and educational programmes that have been approved by MoECR**.

■ The two main documents laying the legal base for the education quality assurance in Moldova, are the **Regulation on Organisation and Functioning of the ANACEC and External Quality Assurance Methodology.** These acts define the status, mission, tasks and functions of ANACEC and set the methodological and procedural framework for the quality assurance including internal and external quality assessment.

■ VET institutions (both public and private) and their programmes (initial and continuing) are subject to **external quality evaluation by ANACEC every five year, for accreditation purposes.** This procedure has been launched in 2017 but presently, the accreditation process continues in the conditions when not all VET institutions have passed through the external evaluation yet.

■ Currently there are **10 quality standards used for external evaluation**. However, **there is a need of more indicators for the self-assessment** in order to facilitate the processes of monitoring, evaluating and analysis.

■ **ANACEC** only develops the quality assurance policies but **not directly evaluates the quality at each institution in terms of the performance results,** e.g. the achieving the learning outcomes (which would be a function of a specialised body). Being subordinated the MoECR, ANACEC does not evaluate the quality of curricula already approved by MoECR but only the compliance to the requirements towards the development process.

■ The existent quality assurance mechanisms can be described as an **input tool** or a "show-window", which ensures the quality and relevance of VET providers and VET programmes and qualifications, achieved through: accreditation of VET training programmes and VET providers; mechanisms to secure unity and transparency in qualifications across VET system, national qualifications framework and transferable credit framework (for VET level 4 and 5) and certificate/diploma supplements; mechanisms to ensure that VET institutions have the capacity to deliver the VET programmes to the required standards. However, **it does not include assessment of the final results produced by the VET providers for ensuring the appropriateness of those VET products, through e.g. VET students' and graduates' or company's satisfaction surveys.**

Work-based Learning Including Dual Education

- Currently **WBL is institutionalised** and seems well regulated. Its mandatory status at all VET levels, for both initial and continuous VET, is pinned down by the normative acts.

- The responsibilities of different stakeholders are also defined by normative acts. However, the reality regarding the degree of involvement and the role of different actors differs from those stipulated by those acts. **MoECR is the dominant body** in the process of developing the legal framework, while the participation of other actors, e.g. Sector Committees, CRDÎP, CoCI, in elaboration of methodological recommendations for WBL programmes, facilitation the organisation of WBL, quality assurance, etc., is missing completely.

- Another issue is that due to the *shortage of funds*, neither the VET institutions nor any other bodies performs monitoring and evaluation of the process and the quality of WBL within the companies. Although the regulations assign responsibilities to many actors (Sector Committees, CRDÎP) to facilitate the partnerships and coagulate effective cooperation between the private sector and VET institutions, their contribution is not perceived at the moment, due to the fact that **these entities are very weak to fulfil their mission and functions**.

- The **support of the local authorities is rather an exception in a few regions of the country.** According to the opinion of the stakeholders, shared also by the experts, the support and involvement of the local authorities is necessary both for **increasing the quality and impact of WBL and for the developing the regional sector economies and increasing employability in the community.**

- There are also **challenges related specifically to the quality,** the effectiveness and efficiency of the WBL development, which are conditioned by different facts. VET institutions face difficulties in establishing long-term partnerships with the private sector. The latter misses the mechanism for ensuring the **WBL quality and lacks pedagogical know-how to train efficiently.**

- The **WBL has a well-built recognition in the country** but the cooperation with economic agents is mostly **limited to the provision of places for internships**, with **low or non-participation in other VET processes.** There are good practices in the field of healthcare where WBL is much more efficient due to strong partnerships between the VET institutions and hospitals and medical clinics, being also facilitated by the line ministry and the Centre of Excellence in Medicine and Pharmacy.

- **Dual VET** has been introduced in 2014 with a gradual positive trend in the last four years. This is largely due to the essential support from the development partners. However, **training and learning environments differ** a lot from one case to another, depending on the sector and the region as well.

- **Dual VET requires investments and shared responsibilities between companies and VET institutions,** and depends on the companies' desire and readiness to assume a considerable responsibility, and on their technical and human capacity. In this context, it remains to be a challenge for small companies, and it is in little demand particularly in the **agriculture area**, where **small businesses and individual farms are not motivated and fully prepared to provide Dual VET.**

- Even when dual VET is provided by large companies with considerable capacities of human resources and training potential, there are a number of aspects to be considered. For example, **in the absence of consortia, apprentices are trained strictly in line with the individual needs of**

a certain company, thus acquiring a limited scope of skills, that in the future may hinder their employment by other companies.

■ Growing number of Dual VET partnerships brings new challenges, specifically in the absence of a structure which would bear the responsibility of the **Dual VET governance and coordination**. The VET Department at the MoECR with its very limited number of employees, cannot and should not play this role, while CoCI does not receive any funding for the activities related to Dual education. The **Sector Committees are too weak** and the involvement of the line ministries in the process of facilitating sectoral Dual education is practically lacking. The activities related to the **Dual VET are currently carried out mainly by the development partners, and the issue of ensuring sustainability remains of high urgency.**

Tracer Studies

■ Tracer Study mechanism, as a tool for monitoring and evaluating the VET quality targeting to improve the relevance of the VET system and its development and implementation, was among the expected results of the VET Strategy for 2013-2020. Accordingly, MoECR developed and piloted Methodology of Tracing the Professional Track of Vocational Education Graduates in the period between 2015 and 2017. However, after 2017, t**his mechanism was no longer implemented due to lack of resources and capacities, and presently there is no valid information on data regarding the job placement of VET graduates. Thus, the indicator on the relevance and quality of the VET remains unmeasured.**

■ **VET Institutions do not have functional and sustainable mechanisms for conducting Tracer studies** of the graduates which is a difficult task for them in the absence of a systemic approach.

■ The **situation is more advantageous in the sector of healthcare where the MoHLSP keeps record of the number of all medical graduates** (except the fee-paying students/graduates) and medical workers (in the public institutions) via SIERUSS system managed by the Agency for Public Health.

■ It is anticipated that the EMIS module for VET, which is being developed by MoECR with the WB support, will contain a domain with statistical data about the graduates' job placement and further education. However, **EMIS is a source of statistical information and should be fed by data received from the Tracer studies.**

■ Presently, the **data obtained from existing platforms are not used or analysed in the institutional planning process**, and their usefulness is often finite and formal.

Lifelong Learning

■ The LLL Service at the MoECR is the LLL governing body at national level. Its main role is the development of policies. Even though many people benefit from continuous professional training, **there is no coordination between the providers and no mechanism to measure the impact of those trainings,** due to the fact that the above Service has very limited capacities and resources both financial and human, to properly implement its mandate and cover all the activities, while an intermediate entity which would be responsible for the implementation of the LLL processes, monitoring, providing consultation services, etc., is non-existent.

■ Another important actor is **ANACEC**, which is in charge of external evaluation of CVET programmes and CVET providers, and RMIC under the MoHLSP that monitors the process of continuous training and certification of the teaching and managerial staff of the medical educational

institutions. In addition, **NEA subordinated to MoHLSP**, is responsible for some activities related to the professional training of unemployed.

- **LLL has gained prominence during the last years.** However, continuous professional training is intermittently provided by a limited number of institutions on request, and some companies provide short courses for their own needs, i.e. to train new workers or upgrade the qualifications of their own employees. There is **small number of VET institutions providing CVET programmes**. This is conditioned by the fact that the accreditation of those programmes is a long and expensive process as it must follow an accreditation path similar to the formal IVET programmes awarding qualifications.

- The Regulation of the CoEs makes them responsible for supplying continuous training of teachers and managers of the VET institutions and for the certification of professional competences, acquired in formal, informal and non-formal environment. However, **very few CoEs are capable to fulfil their role appropriately and none of them offer the mentioned certification** (an exception are the two CoEs that piloted VNFIL in 2019).

- The MoECR aspires to promote inclusive and equitable quality education and LLL opportunities for all, yet in the targets and indicators, the emphasis is still on the formal education. In general, there is still *a **lack of clarity about how LLL can be operationalised, systematically and systemically.***

- Currently, **adult training is limited, and its financing remains low**. The stakeholders' opinions indicate that companies underinvest or do not invest at all in the training of their workers and most of the time the access to, and financing of continuous professional training is left to individuals alone. There is a **need of public policies to implement a well-resourced, learner-centred, coordinated and rights-based approach to LLL systems.**

<p align="center">*   *   *</p>

Summarising the above conclusions, it can be stated that the most disadvantaged clusters of the VET system are:

- **Social partnership** which does nor exists *at the national level* due to dysfunction of the VET Council. Even if acting, NCCVET would not properly ensure social dialogue as among its members the public structures are strongly dominating;

- Any mechanism of **Monitoring and evaluation** of: 1) *VET policy and strategy implementation* and 2) performance of the *VET network* and individual *VET institutions* does not exist. Only internal monitoring system of the VET providers is in place.

- No structured system of **Career guidance** (and development) and **Tracer studies** is established. Only ad hoc or fragmented activities take place.

- Not only the **VET funding** is limited but also the **financing mechanisms** are not effective enough. The situation is complicated with the low capacities of many administrators to manage even the available funds efficiently and with the existence of serious obstacles specifically for the VET institutions, to generate additional income.

3. RECOMMENDATIONS

The recommendations made in this section, relate not only to the aforementioned most problematic aspects but cover many other areas where improvements seem particularly urgent.

The proposed options are specific to possible extent and to our firm belief, provide a clear guidance for the Moldovan policy makers on what and how should be changed in order to improve the VET system governance. However, it is not the task of this exercise to suggest all details and possible technical solutions for implementing those recommendations. These issues shall be discussed and defined locally, desirably with external assistance, and many of them can be subjects of specific projects.

Below, the recommendations are presented according with the 7 defined objectives (see Section 1 above):

3.1. Establishing a Policy Making Scheme Based on Social Partnership

For developing an informed and balanced VET policy which is relevant and credible and considers the needs and interests of all key stakeholders, the latter should be directly involved in its development. This will ensure the *acceptance* and *ownership* of the VET policy and strategy not only by the governmental structures but also by a wider VET community which is a precondition for their political and practical support for implementation. In many countries this is reached *via* multi-stakeholder bodies established according with the principles of social partnership, i.e. VET Councils.

SELECTED INTERNATIONAL PRACTICES

<u>Croatia</u>[5]:

The **Council for VET** which has 21 members representing different stakeholders, coordinates the activities of all VET stakeholders, initiates the development of new curricula and revision of existing curricula, recommends general directions of VET development, and provides its assessment for the establishment of the network of regional centres of competence.

In 2009, 13 **Sector Skill Councils**[6] (SSC), oriented at giving strategic advice on the development within their sector, were established. These were advisory but not decision-making bodies. The nomination of the members was made by various groups of stakeholders. The councils had around 200 members, of which more than 100 were employers from companies, others were from different chambers, ministries, etc. In 2013, new SSCs were established. Presently, their jurisdiction stands for the full education structure. They carry out validation of learning outcomes, occupational and qualification standards. The Councils cooperate with National Council for Human Resource Development which is an overarching multi-stakeholder body dealing with Qualification Framework development.

SSCs are established by the Ministry of Science and Education but for each sector, there is a responsible line ministry. The councils involve representatives from the Unemployment Bureau and the Agency for VET and Adult Education. There are 8 sectoral Experts in every

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[5] The authors are thankful for the interview with Mr Nino Buić, Assistant Director for European Affairs, Agency for Vocational Education and Training and Adult Education, Croatia.
[6] In total, there are 26 Sector Skill Councils in the country but only 13 relate to VET.

SSC appointed on the base of a public call. The SSCs are actually coordinated and financed[7] by the Ministry of Science and Education, which runs also an administrative secretariat of the councils.

<u>**Estonia**</u>[8]:

At the national level, there is a ***VET Council***, which is an advisory body to the Ministry of Education and Research (MoER), particularly in terms of VET policy advice and dialogue. In the Council both representatives of the public structures (ministries and agencies) and social partners are represented. Through this council, the stakeholders have right to advise, vote and react on legislative measures, make suggestions[9].

There are 14 ***Sector Councils*** which are dealing with developing occupational and qualification standards and also governing the processes of assessing, validating, certifying students' competences. These standards are used for developing study programmes in formal and non-formal VET. In the Sector Councils, three parties are involved: employers, employees and Government (MoER, line ministries) and education providers. The Sector Councils are established under the Professions Act (2001) and are presently funded from the state budget on the basis of annual contracts with MoER. At the initial stage (since 2005), considerable funding was provided by the European Social Fund and partly by some enterprises, mainly for the activities related to assessment, validation and certification processes.

<u>**Romania**</u>[10]:

Under the Ministry of Education and Research (MoER), there is a ***Committee for Social Dialogue*** which involves representatives of MoER, Trade unions, the most important employers and the 16 Sector Committees, as well as the Students' Council and the National Committee of Parents. Nevertheless, this Committee is not an actual permanent platform for policy dialogue particularly in VET. This is probably one of the reasons why there is also no coherent approach to VET policy development in the country. For example, in 2014-2015, the VET Strategy 2016-2020 was drafted by the National Centre for TVET Development (NCTVETD), in cooperation with the Ministry of Labour and Social Protection, through consultations at the regional level (8 regions and 42 countries) and meetings with different social partners. Only the final draft of the Strategy was presented to, and discussed at the above Committee.

Social partnership at the regional level is ensured through the ***Regional consortia*** which are advisory bodies of NCTVETD, responsible for drafting regional education action plans in VET. The consortia include representatives from: Regional Development Agency, County Councils, County Employment Agencies, School Inspectorates, employers' associations, chambers of

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[7] The Ministry pays Around 100 Euro per council Expert per month in the event of his/her full workload. The travel expenses (e.g. for meetings) are also covered by the Ministry.

[8] The authors are thankful for the interview with Ms Külli All, Deputy Head of Adult Education Department, Ministry of Education and Research of Estonia; Ms Rita Kask, Adviser at the Vocational Education Office in the Department of Secondary Education, Ministry of Education and Research; Mr Olav Aarna, Academic Adviser at Kutsekoda; Ms Kaie Piiskop, Chief Specialist at the Department of Internalisation at HarNO.

[9] There is also Adult educational advisory body, which discusses different issues of Adult education. It comprises 15 members representing Ministry of Social Affairs, Ministry of Economic Affairs, Chamber of Commerce and Industry, Employers' Confederation, Confederation of Trade Unions, VET Associations (leaders of VET school).

[10] The authors are thankful for the interview with Ms Dana Stroie, Director Adjunct / Deputy Director of the National Centre for TVET Development, Ministry of Education and Research.

commerce, trade unions, universities, and NCTVETD. There are also **Local Committees for the Development of Social Partnerships** at the county level. Those committees comprise representatives of local authorities, the county employment agency, employers' associations, trade unions, school inspectorates and NGOs.

Formally, a Monitoring and Evaluation (M&E) mechanism does exist. Particularly, one of the **National M&E Committee's** groups is responsible for monitoring the VET Strategy implementation according with its Monitoring Plan. In reality, again the NCTVETD, through its Working group which includes representatives of the institutions responsible for the VET Strategy implementation, collects and processes information from those institutions about meeting the Strategy indicators and targets. For evaluation of VET system performance, there is no structured system. From time to time, only external evaluations are done through the projects dealing with VET system development (e.g. by the World Bank, in 2019). Issues of M&E were considered by the European Commission as one of the main weaknesses of the VET system in the country.

As mentioned above, the NCCVET established in Moldova in 2014, which should take the role of *'coordinator in the mediation process between the educational institutions and the labour market'*, is not only dysfunctional since 2017 but in its composition, the representatives of the public bodies and institutions are dominating: only around 40% of members are social partners – employers, trade unions and CSOs. Thus, in fact, there is no social partnership/dialogue in VET at the national level.

Therefore, the main recommended option in this content is:

R.1: *Establish a tripartite (or quadripartite) National VET Council*

The National VET Council (or National Council for VET Development or similar, hereinafter – VET Council) is to consist of equal number of representatives from the Government, Employers' organisations and Trade Unions (and Civil Society Organisations as the forth party, if the quadripartite option is selected). It is advised to form this Council not *via* reorganisation or restructuring the existing NCCVET but to officially dissolve it and found a completely new body through a wide consultancy process with a range of corresponding stakeholders.

The number of members is not to be more than 27 or 28, i.e. maximum 9 members from each party for the tripartite option or 7 members for the quadripartite option. The most optimal number for ensuring relatively full-fledge representation from each party but also practical workability of the VET Council, is 21 (24 for the quadripartite option).

The following possible structure of the membership can be proposed:

- Government: **MoECR** (3 members – Minister, *ex officio* Chair of the Council; State Secretary for Education; Head of VET Department as the Secretary of the Council[11]), **MoARDE** (1 member – State Secretary having tasks related to education), **MoHLSP** (1 or 2 members – State Secretary having tasks related to education; and Head of Department responsible for employment)[12], **MoEI** (1 member – State Secretary having tasks directly or indirectly related to education), **MoF** (1 member – State Secretary responsible for education funding);

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[11] Do not mix up "Secretary" and the "Secretariat". Here, under the "Secretary", an official position within the Council membership, is meant, while the VET Centre proposed under R.5, will serve as the Secretariat of the Council.
[12] If the VET institutions presently subordinated to MoARDE and MoHLSP are transferred to MoES, as it is proposed in the Section 3.3 below, the representation of those two Ministries in the VET Council will become unnecessary.

- Employers: **Chamber of Commerce and Industry** (2 members – President and an officer responsible for VET issues); **National Confederation of Employers** (2 members – President or Executive Director and an officer responsible for VET issues); Sectoral Unions of Employers (3-5 members in total – Presidents or Executive Directors);

- Trade Unions – **National Trade Union Confederation** (1 member – President or Executive Director); **Branch Trade Unions** (6-8 members – Presidents of Branch unions);

- Civil Society Organisations: *NGOs* and other similar structures, e.g. dealing with different VET-related subjects or advocating and/or promoting social issues and/or the rights of special category people, such as women, migrants, minorities, those with special educational needs, and other vulnerable groups (6-7 organisations – Presidents or Executives (Directors))[13]. It is recommended that one of the sits within the CSO's quota, is allocated to the President of the VET Teachers' National Council, if established (see *R.3*)

The representatives of the non-governmental structures, within the quota, should be nominated for the membership in the VET Council by their own organisations and should not be a subject for the Government approval or endorsement.

It is evident that the scope of VET system stakeholders and beneficiaries is rather wide, and includes the VET providers and different public institutions such as VET support structures, state agencies, research institutes, regional and local authorities, expert and academic communities, and international and bilateral organisations and development partners, too. Their involvement in the VET policy and strategy processes can be ensured *via* participation at the Council's meetings, when appropriate, but the membership is not advised.

The VET Council will act as a *body leading the policy discussions on VET development and its reforms* and have the following objectives:

- determine the strategic directions of VET development;

- contribute to the elaboration and endorsement (validation) of VET sector development programmes, strategies and concepts;

- participate in development and discussion of draft legal acts regulating different VET aspects;

- contribute to increasing the effectiveness of reforms and strengthen and deepen social partnership;

- participate in the monitoring and analysis of VET reforms, particularly implementation of VET Strategies and Action Plans.

- contribute to the continuous development of the VET system;

- provide advice to the Government (MoECR) for decision-making related to the VET policy and support (including political) for VET policy and strategy implementation.

Depending on its composition (membership) and on the mandate, this council may have some additional tasks, e.g.:

- support to establishment of new mechanisms, networks, structures for relevant stakeholders' involvement at national, regional and local (institutional) levels;

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[13] The members of the Council are *not* expected to be remunerated, and this is mainly in line with the international practice. The direct participation in the decision making processes is supposed to be the main motivation factor for the membership in the Council.

- different functions related to the education funding, e.g. providing recommendations on, or endorsement of, draft State Budget on education; support to fund raising and investments in education; participation in financial audit, etc.

The VET Council may have different sub-structures, such as (sub-)committees responsible for different clusters and cross-cutting issues of VET policy and strategy and/or thematic groups dealing with the technical aspects of policy development, provision of research, data collection, fact-finding, analysis, development of documents which will be extremely important for informed and evidence-based policy design as well as for appropriate monitoring and evaluation of its implementation and for measuring the impact. Nevertheless, the above bodies are not necessarily to be structural units of the Council or to be attached to it. The VET Council may be authorised to coordinate or supervise the activities of similar structures established independently. In addition, the VET Council may establish temporary bodies, such as working groups or task forces for different ad hoc work issues.

Establishment of the Council shall be preceded by a wide cycle of consultations with the stakeholders at least on the following aspects: the membership structure of the Council, the scope of the objectives and functions, the frequency of the meetings (at least 4 meetings per year are recommended), the principles of decision taking (e.g. by consensus or by majority), the possible substructures and the relations with them, etc. Only having at least principal initial agreement around all these issues (which will later be formalised in the VET Council's Statute), the official establishment process can be started.

It is recommended also that establishment and development of the VET Council and ensuring its proper functioning are made outputs of the VET Strategy 2030[14], and then the Council's tasks are vested by the law.
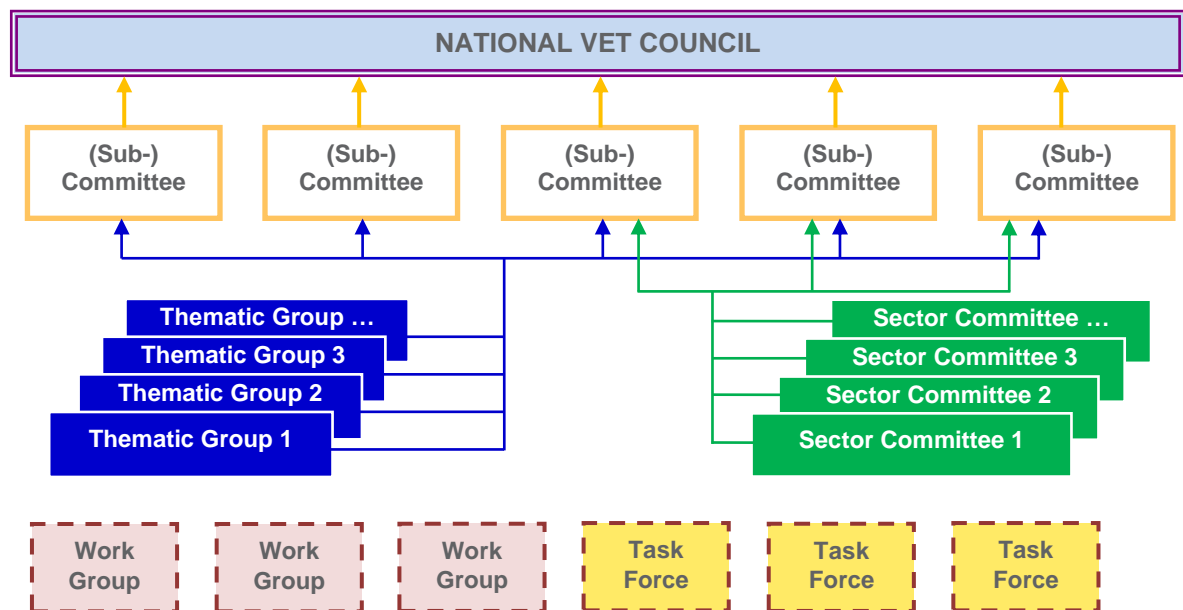
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R.1 IMPLEMENTATION OPTIONS

<u>**Proposed timeframe:**</u>	**within one year**
<u>**Required financial resources:**</u>	**none**
<u>**Variables to be defined:**</u>	■ **membership structure (tri- or quadripartite)**
	■ **number of members and their representation**
	■ **the scope of responsibilities and functions**

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Thus, the possible architecture of the VET Council and its "surroundings" may be as it is presented on the Diagram 1.

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[14] Or as a part of the Education Strategy 2030.

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DIAGRAM 1. ARCHITECTURE OF THE VET COUNCIL AND ITS SATELLITE STRUCTURES

NATIONAL VET COUNCIL

(Sub-) Committee | (Sub-) Committee | (Sub-) Committee | (Sub-) Committee | (Sub-) Committee

Thematic Group …
Thematic Group 3
Thematic Group 2
Thematic Group 1

Sector Committee …
Sector Committee 3
Sector Committee 2
Sector Committee 1

Work Group | Work Group | Work Group | Task Force | Task Force | Task Force

At the sectoral level the social partnership is implemented *via* Sector Committees but the effectiveness of many of them is seriously questioned. In some sectors they are not established at all. As a results, the social dialogue platform (see the Diagram 2, Part 2 of this Report) does not actually work.

This study identified and clearly formulated a number of challenges related to the activities of the Sector Committees (see the Conclusions under the Section 2 above) which will help the national authorities to address them by taking appropriate actions. The methods and tools for that, are to be decided locally.

Hence, it is recommended to:

R.2: *Assign coordination of the Sector Committees' activities to the VET Council*

In practice, this may mean (*all points are optional and are up to MoECR and VET Council to decide*):

- the VET Council discusses and proposes measures for addressing the present and any possible future challenges related to the SC's functioning;

- the SC's agree their Action plans (e.g. annual) with the VET Council;

- the SC's report about the results of their performance to the VET Council, annually, bi-annually or quarterly; and the VET Council makes recommendations to MoECR, and also to MoHLSP, MoEI, MoF, on necessary administrative, methodological, legal or strategic actions;

- the VET Council provides permanent policy (if necessary, also administrative, methodological or legal) support to SC's;

- the VET Council takes responsibility for establishing the missing Sector Committees.

The SCs will keep their daily working relations with the VET Council through its corresponding (sub-) committees, while the current monitoring of the SCs activities can be implemented by the VET Centre which will report to those (sub-)committees or directly to the VET Council according with the latter's decision.

R.3: Establish VET Teachers' National Council

The concern about the absence of any feedback from the teachers on the situation in the VET institutions, as well as about their isolation from discussions of, and contribution to any system-level issues was voiced by some stakeholders, specifically by the VET students interviewed within this study. The VET teachers also have no effective tools for professional communication between themselves.

Establishment of this Council is proposed with a purpose to make the voice of the VET teachers, master-trainers and instructors (both from public and private institutions, as well as from the enterprises providing WBL) heard while making VET policies and developing legal acts, specifically those related directly to the VET provision.

The Teachers' National Council (TNC) will promote all that is best about teaching in VET, i.e. good practices, new ideas, targeting to boost the status of VET teachers, strengthening accountability and bringing consistently high standards across the VET system, as well as strengthening the regulatory and disciplinary framework for teaching in VET. The Council could communicate to policy-makers also the VET students' needs and concerns.

Thus, the main **objectives** of the TNC will indicatively be:

- Representing and advocating the interests of all the VET teachers;
- participate in decision-making process regarding the issues and aspects that concern the VET teachers;
- oversee the observance of the rights of VET teachers at institutional and national level;
- encourage the exchange of experience and good practices;
- setting expectations of VET teacher practice and behaviour (Code and Standards)
- promote VET teaching and learning and the VET teacher's status, etc.

Different options for the VET Teachers' National Council are possible. It can nominally cover all teachers of the system or only a specified number of teachers from each institution, within a defined quota. In any case, TNC will operate through its **General Assembly** which meets twice a year, and will have a permanently acting **Executive Board** consisting of a small number of elected members (e.g. 9 or 11 people), which would be authorised for representing the entire VET teachers' population and for communications with the VET authorities and other stakeholders, as well as ensure communication between the Council members.

The Council *President* can be elected directly by the Council members or by the Executive Board members for 3- to 5-year term.

The TNC is proposed to have a National *Ethics Commission* consisting of 3 members elected annually by the General Assembly. The main tasks of the Commission are monitoring the conduct of the VET Teachers' Council members, providing advice and consultations, supervising implementation of the Internal Regulations, decisions of the General Assembly and the Executive Board.

It is strongly recommended that existence of the VET Teachers' National Council and its general scope of responsibilities are stipulated by law. Other details, such as criteria for defining quotas per institution (if any), election procedures, authorities of the Council President, relations to, and modalities of communication with the national and other authorities, can be defined by sub-legal acts, e.g. Ministerial Orders. Nevertheless, any internal affairs within the Council, including nomination of representatives, election processes, etc., should be absolutely free from the national authorities' influence.

R.3 IMPLEMENTATION OPTIONS

<u>Proposed timeframe</u>:	**within a year**
<u>Required financial resources</u>:	**limited (for organisation of bi-annual General Assemblies of the Council and some administrative expenditures)**
<u>Variables to be defined</u>:	■ **form and composition of the Council**
	■ **establishment and election procedures**
	■ **scope of responsibilities and communication modalities**
	■ **the President's authorities, etc.**

For equipping the proposed VET policy-making scheme with a proper Monitoring and Evaluation system, in addition to the existing (although with certain reservations) mechanism of internal monitoring of the VET institutions, it is recommended to:

R.4: Operationalise the system of Monitoring and Evaluation of the VET policy implementation and external Monitoring and Evaluation of the VET institutions and the entire VET network performance

In this recommendation, the word "operationalise" but not e.g. "introduce", is used, as formally the monitoring and evaluation in the field of VET are prescribed by different legal acts, and a number of bodies and/or their units have functions related to M&E (see the Section 2.3, Part 2 of this Report). Nevertheless, the Monitoring and Evaluation system does not work.

Two aspects of M&E are discussed here. The first is the Monitoring and Evaluation of the VET Strategy implementation, for which the VET Council will bear the overall responsibility.

For practical implementation, a three-level monitoring structure is proposed (see Diagram 2). To each level, a specific type of monitoring report will correspond:

I. Current monitoring reports produced typically *monthly*[15];

II. Integrated (consolidated) *quarterly* monitoring reports;

III. Comprehensive *yearly* monitoring reports.

DIAGRAM 2.   STRUCTURE OF THE VET POLICY MONITORING SCHEME
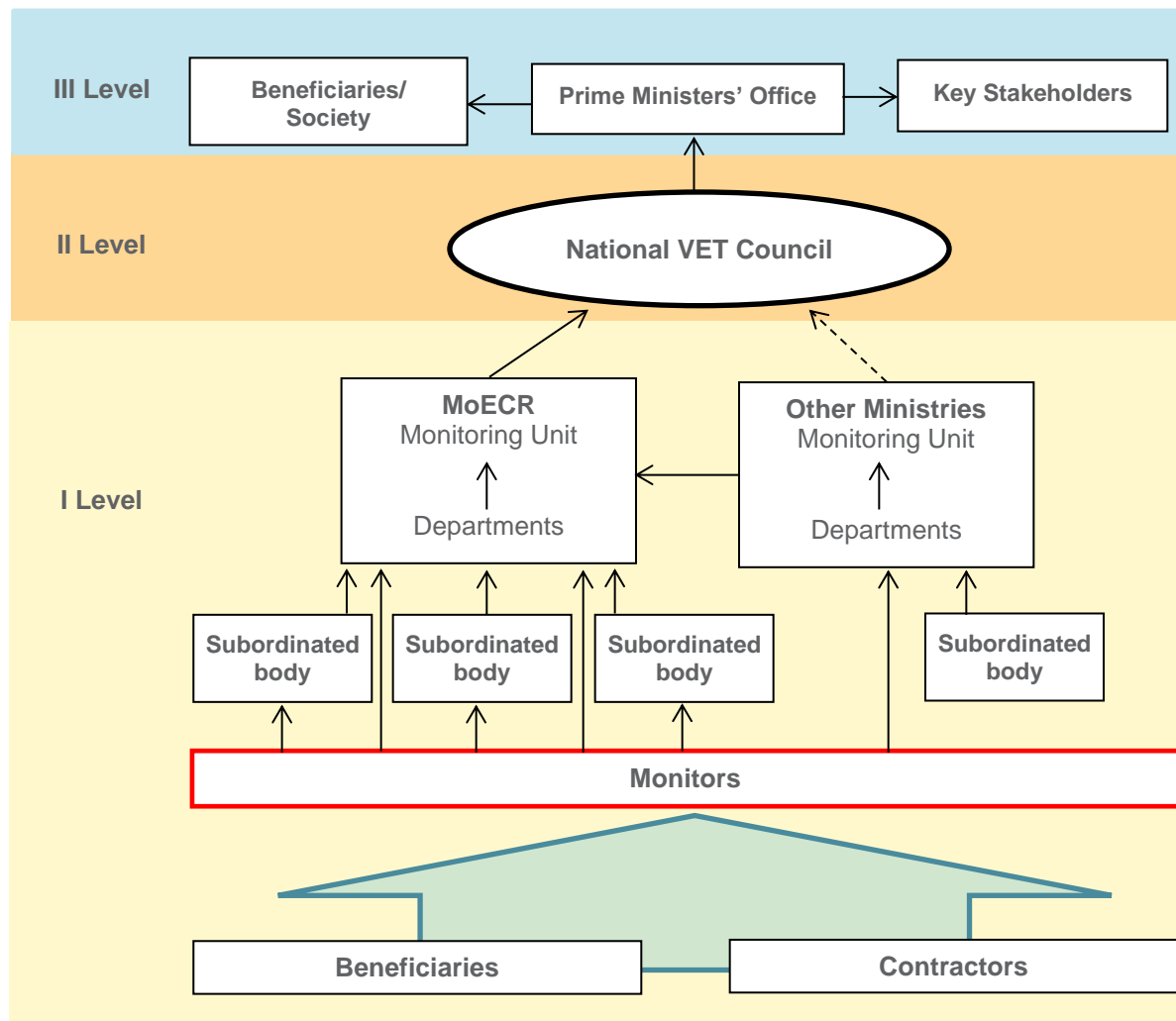
The *current* monitoring reports are to be produced by those structures which according to the Action Plan of the VET Strategy will be responsible for the given activity (set of activities) and/or measures:

■ VET Department and other corresponding units (e.g. LLL Service, Administrative and Financial Section, NQF Department) of MoECR and other relevant Ministries,

■ subordinated institutions (e.g. VET Centre, ANACEC),

■ educational institutions[16],

■ the monitors (individuals or groups).

The *integrated* (*consolidated*) monitoring reports are based on the current monitoring reports but are not a mechanical synthesis of the latter ones. They have to be produced as a result of a compilation

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[15] When necessary, extraordinary monitoring reports can also be produced.
[16] The educational institutions may submit the monitoring repots to the Ministry through the designated public bodies e.g. the VET Centre, which will ensure the quality of those reports.

and thorough analysis of the current reports' findings and by making independent systemic judgements. Development of these reports may require additional information which should be requested directly from the responsible bodies or additional monitoring missions can be organised for this purpose. The VET Department of MoECR (along with the Policy Analysis, Monitoring and Evaluation Department) should be responsible for producing the consolidated monitoring reports. However, the highest officials of MoECR will bear overall responsibility for their quality and timeliness.

These quarterly reports should cover all priorities (directions, specific objectives) of the Strategy and clearly indicate efficiency and effectiveness of its implementation. Besides, they have to provide key conclusions and recommended corrective/supportive measures for the next quarter, preferably with indication of concrete dates and responsible parties[17] (persons).

The integrated monitoring reports are to be submitted to the VET Council which, within maximum two weeks after receipt, examines them, takes decisions on any corrective and/or supportive measure and on proposing amendments to the Action Plan (when necessary), and recommends the MoECR to submit them to the Prime-Minister's office along with its own recommendations[18].

The yearly *comprehensive* monitoring reports are to be produced and published by the Prime Minister's office. They may have two versions: one – more technical, addressed to the governmental structures, public institutions, donor organisations and other stakeholders, and another – "citizens' version", targeted to the wider scope of beneficiaries or to the society in general.

If necessary, meetings, discussions and other information events with the stakeholders will be organised. In addition, regular (quarterly) meetings of the monitors for sharing information about the findings of their monitoring activities, lessons learnt and the experience in general, have also to be carried out.

A database (in electronic and paper forms) which will include information collected during the monitoring activities and all monitoring reports, should be established.

The second aspect, is the external Monitoring and Evaluation of the VET institutions and the entire VET network performance. All tasks related to this, can be assigned to the VET Centre (see *R.5*) which will produce periodical monitoring reports and submit them to MoECR for taking corresponding administrative decisions. The set of criteria for monitoring and also evaluation of the VET institutions and the entire VET system performance, is to be defined by MoECR, in consultation with the VET Council. A specific technical assistance project is proposed to be launched for designing those criteria, piloting and operationalising this M&E mechanism.

R.4 IMPLEMENTATION OPTIONS

Proposed timeframe: **within 1 year after approving the VET Strategy 2030**

Required financial resources: **limited (for remunerating independent monitors and assessors)**

Variables to be defined: ■ **distribution of monitoring responsibilities among different structures**

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[17] It is possible that in some specific cases, actions not only on the part of the direct executors but also interventions at the ministerial and/or higher levels would be required.

[18] The integrated monitoring reports can be discussed at the VET Council's regular quarterly meetings (as it is proposed in the R.1) and no specific meetings will be required for that. However, extraordinary meetings are also possible, if necessary.

3.2. Rationalising the VET Governance Institutional Settings

There are at least four VET supporting structures in the country. Effectiveness of only one of them – National Agency for Quality Assurance in Education and Research (ANACEC) – is proved while the three others – Republican Centre for VET Development of MoECR (CRDÎP), the Republican Methodical-Instructional Cabinet of MoHLSP (RMIC) and the Methodical Centre for Training of MoARDE (MCT) are understaffed (only 5 people are working in CRDÎP and only 1 person is dealing with VET in RMIC and MCT), underfunded and either non-operational or at least inefficient. Moreover, the "spheres of influence" in terms of VET methodology and to some extent also the policy, are divided between those three Centres: agricultural VET, Medical VET and the "remaining" VET. This does not seem appropriate.

SELECTED INTERNATIONAL PRACTICES

<u>Croatia</u>:

Ministry of Science and Education (MoSE) is responsible for the overall VET policy and particularly monitors the compliance of the VET system with legislation and coordinates executive agencies in the field of education. The Ministry has a Service for VET composed of two departments: for improvement of VET and for promotion of VET. The total Number of employees is about 10.

The *Agency for VET and Adult Education* (ASOO) is an executive body in charge of the overall development and organisation of the VET system: development of VET programmes/curricula; ensuring stakeholders' involvement in VET; supporting and follow-up the self-assessment of VET schools; monitoring the work of VET and adult education institutions; provision of advice and counselling services for VET and adult education institutions; professional exams for new, and promotions for experienced VET teachers; continuous professional development opportunities for VET teachers; foreign VET qualification recognition process; organising national skills competitions.

The ASOO has 170 staff of which 40 are dealing directly with VET including those working on promotion of VET and providing support to different projects, e.g. European Social Fund's projects.

ASOO is in charge of implementing entrance exams for novice teachers and conducts monitoring of their career progression, deals with education programmes in Adult education, organises trainings for andragogues (adult teachers), is in charge of development of system of Quality Assurance in VET. The Agency organises students' skills competition, and is responsible for recognition of foreign qualifications. It also closely cooperates with MoSE, to which gives a strategic advice.

ASOO is responsible for expert monitoring of educational process. This monitoring can be conducted based on the decision of the Agency itself or upon request of MoSE, and results in specific recommendations.

There are 13 expert adviser in the ASOO, according with the number of sectors.

Numerous other bodies are also involved in VET issues: *Education and Teacher Training Agency* is responsible particularly for general education subjects' content in VET curricula; the *National Centre for External Evaluation of Education* implements state Matura exams, which are obligatory for those VET graduates who wish to proceed to Higher education; the

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Agency for Mobility and EU Programmes deals with mobility projects for VET students.

According to the recent amendments to the Law on Crafts, *Ministry of Economy, Entrepreneurship and Crafts* is responsible for approving VET curricula for crafts-related programmes. The *Croatian Chamber of Trades and Crafts* licenses the crafts and legal entities for implementing practical teaching and training. *Croatian Chamber of Commerce* has the similar responsibilities in Dual education.

<u>Estonia</u>:

The *Parliament*, the *Government*, and the *Ministry of Education and Research* (MoER) jointly oversee the VET system at the national level. Government approves the national education policy, as well as the Higher education and VET standards and framework requirements for teacher training. MoER delivers education strategy, including the vocational education programme and approves national VET curricula.

There is a specific body between the Ministry and the VET providers' network. In 2003, *Foundation "Innove"* was established by the MoER with a purpose to coordinate the allocation of EU funds and in 2012, it was designated to implement the national education policy, particularly coordination and promotion of general and vocational education, offering career and educational counselling services, organising development of national VET curricula, supporting implementation of VET teacher training. In 2015, "Innove" had around 5,000 employees (including all the career counsellors in Estonia). In June 2020, this foundation was reorganised into a public *agency "HarNo"* and some public institutions, such as Foundation Archimedes and Foundation of Digitalisation of Education and Youth activities, were merged to it. "HarNo" continues to be responsible for all aspects of the educational policy implementation, including VET: advising and supporting VET schools in curricula implementation is one of the most important tasks of the HarNo's VET specialists.

Presently, HarNo has around 500 employees who are working at its a Central office, Tartu office in Tartu, and at the study support centres in different counties. Of them, at least 40 people are working solely with VET. The central office is composed of departments for curricula development; for innovation; for IT in education; for internationalisation and mobility; for students with special educational needs; as well as supporting units. HarNo is funded from the state budget and also from the European Structural Found. According to the key representatives interviewed within this study, the allocated financial means fully ensure decent conditions for the agency's appropriate functioning and competitive remuneration of the employees.

Estonian *Quality Agency for Higher and Vocational Education* (EKKA) along with the employers, participate in the assessment processes. There are 2 parallel Quality Assurance bodies for Higher education institutions and VET institutions. Employers' and students' representatives are involved in both. The same is valid for the Assessment Committee which is working with every particular school.

Occupational or qualification standards are the responsibility of the Estonian qualification authority – *Kutsekoda*[19], which is a private legal entity established by 3 parties: Government (MoER, Ministry of Social Affair, Ministry of Economy and Communications), Chamber of Commerce and Industry and two Trade union organisations.

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[19] For more information, see: https://www.kutsekoda.ee/en/.

The staffs of the Ministries dealing with VET, including the VET Department of MoECR, are also extremely limited and their workload includes a large portion of functions non-relevant to the ministerial activities, which should mainly be the policy and strategy development, monitoring and evaluation, etc.

For overcoming this situation, first of all the types of VET-related activities (functions) should be strongly distinguished as by the types of bodies, and then those bodies should be restructured and optimised. In practical terms this would mean:

R.5: *Establish an effective national structure assigned for complete scope of VET support activities*

Reorganisation of the CRDÎP which is presently acting within the IES structure, can be technically complicated. Therefore, it is advised to liquidate the Centre and establish a new independent

institution. This can be a National[20] VET Centre or VET Agency (or National VET Development Centre/Agency) which would deal with all VET aspects, from organisation of standards development, teachers' training and publication of text-books, to the development of social partnership including coordination of Sector Committees' activities (see below). Thus, the main objective of this new structure (hereinafter – VET centre) will be supporting the Government (more specifically, MoECR and its VET Department) in implementing the unified state VET policy and carrying of VET reforms and the system development.

After or even before establishing the VET Centre, RMIC and MCT are also to be liquidated or merged with the appropriate structures under MoHLSP and MoARDE, respectively. At the same time, the specialists of those two centres who are presently dealing with VET, may be offered to join the new VET Centre along with the selected representatives of former CRDÎP.

The following functions (an indicative and non-exhaustive list) can be proposed for the VET Centre:

a) Support to development and implementation of an effective VET policy and strategy;

b) Coordination of social partnership at the national and sectoral levels and support to its further expanding and strengthening (coordination of the social partnership platform);

c) Support to development and introduction of National Qualifications Framework in VET, compatible with the European Qualifications Framework;

d) Organisation of development (and when relevant, publication) of state educational standards, textbooks, subject programmes, curricula, methodological and other educational resources/materials;

e) Coordination of evaluation and recognition of the outcomes of formal, non-formal and informal learning (validation of non-formal and informal learning – VNFIL);

f) Support to development of professional capacities of the VET institutions' teaching staff and managers (including the Board members) and other human resource related to the VET system (including representatives of central and local authorities, experts and other specialists) through the organisation and delivery of relevant training courses;

g) Development and coordination of the vocational guidance and career development (counselling) system for youth and adults; support to introducing the corresponding mechanisms and structures in the VET institutions;

h) Accumulation, coordination and analysis of up-to-date, reliable and full information on the VET systems of the Republic of Moldova and VET practices of other countries; dissemination of relevant information within and outside the country;

i) Support and provision of expertise to VET institutions in improving the VET content, all aspects of teaching and learning methodologies and techniques;

j) Support to introduction and operationalisation of internal quality assurance mechanisms in the VET institutions (in collaboration with ANACEC);

k) Developing, piloting and introducing innovations related to all VET practices;

l) Support the VET institutions for introducing and expanding own income generation activities;

m) Participation in the processes of monitoring and evaluation of the VET strategies and policies implementation, VET system and VET institutions performance;

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[20] The word "Republican" is not advised as it bears a resemblance to the times when there were "republican" and "union" bodies.

n) Support establishing links and collaboration between the VET providers, other educational and relevant institutions, contribute to their networking in Moldova and abroad;

o) Managing the functioning of the donors' coordination platform (see also *R.16* below) and keep working communications with the donors;

p) Serving as a Secretariat to the VET Council (see *R.1*);

q) Organisation and implementation of events and other measures for promoting, advocating and increasing visibility of VET and improving its image among the population in Moldova and abroad;

r) Support the wide spread dissemination of the principles of Lifelong learning in the Republic of Moldova;

s) Supervision of the VET institutions' activities in terms of meeting the requirements of the MoECR (or Government) decisions except those, supervision of which is assigned to other public bodies (fiscal and tax inspection, labour inspection, etc.), and reporting to MoECR on the identified violations;

t) Developing and submitting proposals on:

- optimisation of the VET system governance and VET institutions management;
- optimisation of the VET providers' network;
- VET system development programmes and plans;
- revision of the classifier of VET professions and qualifications in accordance with the actual Labour market needs;
- necessity of developing or revising the occupational and educational standards;
- need of amending or adopting legal acts regulating the VET system functioning and its specific aspects;
- improvement of the VET financing mechanism.

This list can be completed by a number of functions presently attached to the CRDÎP.

It is recommended that the VET Centre has at least four units, indicatively:

1. Division of VET Development Programmes, *dealing with development of VET reforms programmes and action plans, optimisation programmes, supporting MoECR in designing the VET policies and strategies, their monitoring and evaluation, as well as preparing recommendations on improvement of different VET practices.*

2. Division of VET Content and Methodology, *dealing with organisation of standards and curricula development, introduction of new teaching, learning and assessment methodologies and techniques, organisation of teachers' training, NQF, VNFIL, QA.*

3. Division of Social Partnership and International Cooperation, *dealing with all aspects of social partnership (including coordination of the Sector Committees' activities) and international cooperation of the VET system, including management of donors' coordination platform (see *R.16* below).*

4. Division of VET Promotion and Career Development, *dealing with promotion, advocacy and visibility of VET, information and experience exchange within Moldova and with other countries, establishing links with foreign partners, promotion of LLL.*

There can be also an administrative unit with functions related to the accountancy, procurement, legal issues, public relations, etc., if the total number of staff is large enough.

In general, for the inception period, at least 17-18 staffs will be necessary for the VET Centre, to effectively launch the assigned tasks. Within the period of 2-3 years, the number of staff is likely to reach 20-22 people or more, if necessary resources are available.

For ensuring highly proficient staff for the VET Centre, competitive salaries are *sine-qua-non*.

In order to ensure the VET Centre's effectiveness and appropriate performance of the functions, it is supposed to be an *autonomous institution (a legal entity) subordinated to MoECR and directly managed by the corresponding State Secretary*, at the same time, having the VET Department as well as other MoECR units (LLL Service, NQF Department, PAME Department) and, where relevant, other ministries and institutions, as counterparts. For the inception period of e.g. 6 to 12 months (a time necessary for appropriate formation of the staff, allocation of a proper office, equipment, communication means, etc.), the Centre may be functioning within an existing organisation, e.g. ANACEC or MoECR. However, it is *strongly not recommended* to give the VET Centre a status of any other institution's structural unit, regardless the quality of this institution and its relations with MoECR or VET Department. The recent experience (and experience of other countries, too) proved that this was a mal-functioning option, and there are no guarantees that the situation with CRDÎP will not repeat.

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R.5 IMPLEMENTATION OPTIONS

Proposed timeframe:	**within 1.5-2 years**
Required financial resources:	**very considerable (for ensuring the Centre's establishment and its capacities)**
Variables to be defined:	■ **scope of the tasks and functions (to be selected from the list proposed above)**
	■ **structure and the number of employees (to be relevant to the scope of tasks and functions)**
	■ **the legal form**

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R.6: *Expand the capacities of the VET Department at MoECR and revise its tasks*

The VET Department of MoECR should become a solely policy developing and implementing structure, released from the functions of the VET institutions daily management and supervision. Nevertheless, the Department cannot be completely disengaged from the coordination of the institutions' functioning and from a certain scope of administrative support. Therefore, it is proposed to organise two units within the Department which could indicatively entitled: 1) Division for VET Policy and Strategy; and 2) Division for VET Provision. The following framework of functions is proposed for those Divisions:

■ **Division for VET Policy and Strategy**

   a) Organising, coordinating and participating in the works related to the development and regular revision of the VET policy and strategy;

   b) Developing and managing the medium-term and long-term programmes of VET development and reforms;

c) Developing and introducing a unified policy on the VET implementation process and on monitoring, assessment and certification of its results;

d) Developing policies on the strengthening and institutionalisation of social partnership;

e) Developing policies and procedures of conducting different VET practices and their business processes;

f) Organising and participating in the monitoring and evaluation of the VET Strategy implementation, VET system and VET institutions performance, their effectiveness and efficiency;

g) Implementing activities contributing to the international integration of Moldova's VET system, cooperating with relevant foreign and international organisations and institutions;

h) Developing project proposals on supporting the VET system; identifying sources of technical and financial assistance, other sources of funding (internal, external, social partners, orders for preparing professionals);

i) Drafting legal acts related to introduction and/or proper implementation of the VET policy measures;

j) Discussing the VET Centre's proposals related to the Division's scope of responsibilities and formulating recommendations for their implementation.

- **Division for VET Provision**

  a) Coordinating the activities of VET institutions and providing any necessary administrative support;

  b) Developing proposals on optimisation of the network of public VET institutions and other organisations within the VET system, including their establishment, reorganisation, liquidation, allocation and the review of the assigned tasks and functions (profile, level of offered qualifications, creation of Centres of excellence, etc.);

  c) Developing proposals on improving the VET institutions management, on optimising their funding system and on the mechanisms of supervising the VET institutions functioning and reporting;

  d) Supervising and supporting implementation of different VET practices, such as standards development, vocational guidance and career development, VNFIL (in cooperation with the LLL Service at MoECR), QA, establishment and use of EMIS, students' enrolment and graduation procedures, Work-based learning, etc.; developing proposals on their improvement;

  e) Coordinating the activities aimed at the improvement of the facilities of the VET institutions and at the provision of educational-materials base and educational methodological documents;

  f) Supervising and supporting the activities aimed at the development of the VET system human resources;

  g) Organising and coordinating the activities aimed at the promotion and development of Lifelong learning (adult education) within and outside the formal VET system;

  h) Drafting legal acts regulating the operation of the VET system and VET institutions;

  i) Discussing the VET Centre's proposals related to the Division's scope of responsibilities and formulating recommendations for their implementation.

j) Considering the VET institutions Boards' recommendations on rewarding or fine the Institutions Executives or on early termination of their duties, and other information on violations of regulations in the VET institutions, and preparing respective proposals.

In addition, the VET Department will have a number of common functions, such as:

■ Establishing contacts and collaborating with structural subdivisions of the Ministry as well as with the relevant subdivisions of RM state governance bodies and organisations, social partners (including state and municipality/district governance bodies; public, private and non-governmental organisations, professional and other associations, educational and research organisations), as well as the relevant bodies of foreign countries and international organisations on VET issues;

■ Coordinating the activities of bilateral and multilateral donor organisations in the field of VET;

■ Organising various events (conferences, forums, seminars, etc.) on VET issues.

The total number of VET Department's employees should be 10-12, of which 4-5 in the Policy Division, 5-6 in the Provision Division, and the Head of the Department, who ideally should have also a Deputy.

R.6 IMPLEMENTATION OPTIONS

Proposed timeframe:	**within 1 year**
Required financial resources:	**limited (for salaries of additional staff)**
Variables to be defined:	■ **scope of the tasks and functions (to be selected from the list proposed above)**
	■ **structure and the number of employees (to be relevant to the scope of tasks and functions)**

3.3. Optimising the VET Providers Network

The number of the VET institutions over the country is considered too large compared with the number of students, and the offer of qualifications is not rational. Moreover, the VET network is fragmented between 4 different ministries which complicates implementation of the unified state VET policy. There are also a number of issues related to the types of the VET institutions, specifically the Centres of Excellence.

SELECTED INTERNATIONAL PRACTICES

<u>Croatia</u>:

There are more than 300 VET schools in Croatia, enrolling on average around 300 students. Majority of those schools are public. In 2000, as a result of decentralisation process, the authority of establishing VET schools was transferred from the Government to local and regional authorities.

VET school *Managing Boards* comprise from 7 to 13 members, according to the size of the school. The Boards members, including also representatives of the social partners (normally 3

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members), are appointed by the founder, therefore, usually reflect the local interest and the political landscape. The Boards approve institutional development plans, local/school-based curricula and teacher training plans proposed by their schools, as well as nominate school Director for the Ministry approval.

Schools are mainly financed by the state budget, while a certain funding can be decentralised (material cost related to supply of the school, transportation of employees, etc.). The Director is authorised to manage the budget and make bargains up to a certain amount. Larger bargains shall be approved by the Board.

In each VET school, a *Quality Assurance and Evaluation Commission* is appointed to supervise all quality assurance processes and activities.

Almost 200 VET schools are also Adult education providers, hence they can offer training, retraining, reskilling programmes. Schools may also implement EU funded projects which can provide additional finances for the schools' development. After Croatia became a EU member, number of EU funded projects implemented by the schools increased. Most recently, a contract of 100 mln Euro was signed for establishing regional centres of competence. The schools can also receive additional income by producing and selling goods at their own premises (reinvestment).

For every curricula school wants to offer, approval from MoSE is needed. Based on the school application, the Ministry verifies whether the school has the material and human resources necessary for implementing the programme. Sufficient evidence that the qualification is relevant to the Labour market needs is also required. The Ministry gives approval of the enrolment numbers based on the founder's proposal.

Estonia:

There are 32 VET institutions in the country, of which 26 are public, 2 are municipal (in Tartu and Tallinn) and 4 are private. The public VET schools are acting under jurisdiction of MoER[21]. In addition, 5 universities also provide VET.

All VET schools have *Boards*, which are advisory bodies, comprising 7 members including social partners. These boards link VET schools and society, advising the school and its management on planning and organising educational and economic activities.

The highest collegial decision-making body of the school is the *Council*, which organises the activities, and plans school development. The head of the school (*Director*) is also the head of the council, managing the school according to the plan, including financial resources.

VET schools also provide non-formal education for unemployed people. *Ministry of Social Affairs* (MoSA) has a learning centre, which provides courses for disabled people.

Every VET school independently decides on introduction of a new curricula and offering a new qualification, which however should be *authorised* (licenced) by MoER. For this purpose, the ministry assesses if the school complies with a number of conditions[22]: learning outcomes defined in the curriculum correspond the requirements of the VET Standard and they can be achieved; the number of positions of teaching and other employees complies with the planned qualification requirements is sufficient for the provision of instruction in a curriculum group; the resources necessary for the provision of instruction in a curriculum

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[21] There are two VET schools acting under the auspices of the Ministry of Interior.
[22] Vocational Educational Institutions Act, 2013: https://www.riigiteataja.ee/en/eli/517072020005/consolide.

group are sufficient; the study to be opened is sustainable pursuant to the development plan of the institution; the study to be opened is purposeful in view of the labour market forecast and existence of potential students, proven by written opinions of the local government association and the social partners corresponding to the curriculum, as well as the evidence-based nature of studies. At the same time, MoER strongly recommends the VET schools to follow OSCA (Estonian Skill Forecasting System) reports on the skills need.

Romania:

There are over 70 VET institutions providing secondary VET, with population of around 90 thousand students; and more than 160 institutions offering post-secondary VET where about 92 thousand are enrolees. All public VET schools are acting under the Ministry of Education and Research. The number of VET providers is presently considered as too large and optimisation measures are under discussion.

Since 2018, due to permanently declining motivation of youth to acquire agricultural professions, the Ministry of Agriculture and Rural Development has been assigned by law to support development of agricultural VET, without, however, taking any administrative supervision of the VET institutions.

The VET governance is rather centralised specifically in terms of funding, and the VET institutions' autonomy is limited. Nevertheless, they are free to generate own income through e.g. conducting paid courses or provision of other services.

For optimising the VET providers' network, the following main actions are recommended:

R.7: Revise subordination of the public VET institutions

It is recommended that all public VET institutions (except the one under MoIA) are transferred to the subordination of MoECR. This process is to be implemented in two phases. During the first phase with a duration of maximum one year, the VET institutions presently acting under the MoARDE will be passed to the MoECR jurisdiction, while within the second phase, which may last from 2 to 3 years, the medical colleges will be transferred.

Centralisation of the VET institutions under the jurisdiction of MoECR is justified by at least the following factors:

■ there is a need to sharply increase the effectiveness of unified state education policy implementation particularly through the defragmentation of the responsibility for VET provision and for the management of the public VET providers network;

■ there is in fact, no public agricultural sector in Moldova and MoARDE is neither the "customer" ("orderer" and/or "consumer" of agro specialists), nor a bearer of information about the skill needs in the agricultural labour market. Moreover, no any function related to education is foreseen by its regulation (see the sub-section 3.1.4, Part 1 of this Report);

■ unlike the agro-sector, the healthcare system is mainly public, but here, there is a need to separate functions of the "customer" (who is also the assessor and acceptor of the trained specialists) and functions of the "performer" (who prepares those specialists). In addition, the MoHLSP regulation also does not include any responsibility in the field of education;

- centralisation of the VET institutions under one body will allow also optimisation and consolidation of various methodological support structures (see the section 3.1) which are also presently scattered among different ministries, have a very little staff and therefore, are completely inefficient;

- analysis of international practices shows (**Annex 1**) that in almost none of the EU or partner-countries, the VET institutions are subordinated to the line ministries. The latter participate in VET policy development, in defining the skill needs and elaboration of standards, in quality assurance issues, etc., but the managerial functions are chiefly given to the Ministries of education or to the regional/local authorities.

At the same time, shift of the jurisdiction does not in any manner mean that the line ministries will lose their relations with, and influence on the VET system or will be released from the responsibility to contribute to the development of VET related to their sectors. Representatives of both Ministries will continue taking part in all relevant structures, such as councils, committees or work groups. Besides, e.g. MoHLSP is expected to continue supporting the WBL for medical colleges' students, and the change of jurisdiction should not affect this good practice.

An Action plan for the VET institutions transfer to MoECR should be developed. This will include clearly scheduled steps related to the organisational, administrative and legal aspects. The change of the subordination may be more optimal to be carried out in parallel with the reorganisation of the VET institutions (see the *R.8* and *R.9*).

After the transferring the VET institutions to MoECR, the respective VET-related functions of the MoARDE Department of Science, Education and Rural Extension and the MoHLSP Department of Educational and Migration Policies, will have to be terminated.

R.7 IMPLEMENTATION OPTIONS

Proposed timeframe: **within 1 year, for MoARDE institutions**
                                within 3 years, for MoHLSP institutions

Required financial resources: **none**

Variables to be defined:
- **administrative and legal aspects of the institutions transfer (to be decided in the framework of the national legislation)**

R.8:   *Rationalise the public VET institutions' network*

The number of public VET institutions is proposed to be reduced by at least 10%, *via* mergers or acquisition (in some cases even closure), with a view to reach the indicator of e.g. not less than 600 students per VET institution ***on average*** (to be decided by the national authorities). For this, a set of clear criteria for selecting the institution to be reorganised, i.e. number of students and the staff, building conditions, relevance of the offered qualifications to the LM needs (can be identified, e.g. via surveys of economic agents), etc., should be defined beforehand. An indicative list of possible selection criteria is proposed in the **Annex 2**.

Nevertheless, for rural, remote or some other specific ("strategic") areas, the social (but not only economic) and/or other particular factors should be strongly considered, according with the national policy.

Mergers and/or closure of some institutions may create challenges related to issue of the buildings as well as to the staff redundancy.

The possible options of the use of released buildings can be: transfer of buildings to other educational institutions; assignment of buildings to other public organisations; sale of facilities to private companies. Those options will have different relevance and effectiveness in different regions, according with the local context and needs. In any case, this will require considerable administrative work and also legal amendments. Every single case shall be thoroughly studied and justified. Moreover, guarantees shall be provided that the buildings will be properly preserved during the period of transfer to another owner, corruption schemes will be avoided and the funds received from the sales, will serve development of the VET system.

The mergers or closure of institutions, may create also a considerable number of redundant staff. Social guarantees should be provided to those redundant employees. Not only financial benefits or similar passive measures but also support to a new job placement shall be ensured. They could be re-trained with a purpose of their re-skilling or provision of entrepreneurial competences for self-employment.

Nevertheless, for ensuring evidence-based decision taking, a feasibility analysis of the VET providers' performance and effectiveness would be a sound option. This exercise shall provide objective and transparent criteria for deciding on merging and/or closing VET institutions, whilst addressing optimisation of the VET institutions network.

R.8 IMPLEMENTATION OPTIONS

Proposed timeframe: **within 2 years**

Required financial resources: **very limited (for possible organisational issues)**

Variables to be defined:
- **criteria for selecting the institutions to be reorganised (can be taken from the list in the Annex 2)**
- **schedule of reorganisations (gradual or at once)**
- **use of the released buildings**

R.9: Unify the types of VET institutions and revise the concept of Centres of Excellence

Presently, there are three types of VET institutions in Moldova: VET Schools providing only secondary VET (ISCED 3), and VET Colleges and Centres of Excellence providing secondary, post-secondary and post-secondary non-tertiary VET (ISCED 3, 4 and 5 respectively). This seems an unnecessary complication and can be solved after introducing the licencing system.

It is proposed to abolish the type difference, first of all between the VET Schools and VET Colleges and overcome a kind of segregation which often affects the attractiveness of the VET Schools. All those VET institutions can be titled e.g. Colleges, while not the status of the institution but the licence will define which level of qualifications they are allowed to offer. For example, when an institution presently holding the status of VET school, becomes more advanced and developed enough (e.g. due to donors' or private sector investments) for offering also post-secondary VET, the demand of which may emerge in a certain district or municipality, there will not be a need to change the status of that

institution through a complicated legal procedure, but awarding a corresponding licence will promptly and flexibly address the issue.

The other proposal relates to the Centres of Excellence. In many countries (e.g. in France, Netherlands, New Zeeland, Spain, Sweden, Ukraine, etc.), the Centre of Excellence is considered not a type but a *status* of a VET institution which is a subject to periodical renewal depending on the capacities and achievements of the institution. At the same time, those holding the CoE status, have considerably larger financing, enjoy a number of privileges, and therefore many institutions are motivated to permanently improve their own capacities and apply for (or keep holding) this status. The latter is considered an award and honour but not an obligation "issued from the top". The same is recommended for Moldova.

The analysis of the situation shows (see e.g. Box 25, Part 1 of this Report) that many of the institutions transformed into the Centres of Excellence, in spite of the investments made, are still not in a position to fulfil the new tasks assigned to them, and in fact do not serve as real CoEs. Not only their limited capacities but also a lack of motivation due to absence of any "reward" for being a CoE, are the reasons. This situation may continue for a rather long period of time (in some cases even forever) if no radical changes are done. Therefore, it is proposed to:

- transform the concept of the Centre of Excellence from a type of institution into a periodically renewable status;
- introduce a set of incentives (first of all financial) for the institutions to obtain and hold that status; and
- revise the scope of CoEs tasks, considering the functions to be attached to the VET Centre (see the *R.5* above);
- systematically monitor and evaluate the activity of the CoEs.

Coordination of the activities related to the awarding the CoE status and its monitoring and evaluation, is meaningful to be attached to the VET Centre (to be established), while the authority of taking the final decisions will remain with MoECR.

R.9 IMPLEMENTATION OPTIONS

Proposed timeframe: **within 1 year**

Required financial resources: **none**

Variables to be defined:
- **the new scope of CoEs tasks and functions, with consideration of the functions to be attached to the VET Centre**
- **schedule of reorganisations (gradual or at once)**
- **use of the released buildings**

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R.10: Introduce a multi-level and multi-stakeholder governance and management of VET institutions

As mentioned above, presently there are four management bodies in every VET institution, i.e. three Councils (Teachers', Administrative and Scientific-Methodical) and the Director. The latter is the Chair of all those councils. Distribution of tasks between the bodies (except probably the Director) does not seem rational and well justified. All this obviously results in inefficient management, which is centralised within the institutions but also certainly lacks independence and autonomy in terms of relations with the central authorities. Managerial capacities of the mentioned bodies are also insufficient.

Multi-level and multi-stakeholder management and governance based on the principles of social partnership and implemented *via* dialogue, is seen as one of the solutions. According with this approach, a new type of managerial structures of the public VET Institutions will be necessary and the following managing bodies of the VET institutions are proposed:

■ the Founder of the Institution (the Government and the corresponding Ministry as an authorised body; hereinafter – *Founder*),

■ the Institution Board (hereinafter – *Board*),

■ the Institution Executive Manager (Director, Principal, Head, etc.; hereinafter – *Executive*).

In practical terms, any public VET institutions will have only two managerial bodies: the Institution Board, which is the collegial management body of the Institution; and the Director, who is the Executive. This should be achieved by restructuring the existing managerial bodies of the Institutions and re-defining their responsibilities and tasks, and then followed by the capacity building for the members of those structures. Particularly, the Teachers' Council and the Scientific-Methodical Council, which can evidently be merged (under e.g. *Scientific-Pedagogical Council* or similar) are supposed to be excluded from the management structure and assigned for only taking decisions related to the methodology of teaching process implementation, scientific research, innovations and perhaps also to the teachers' professional development, but not the administrative issues. The following principles and features of the institutions' management structure are advised:

■ The **Founder** is the Government who delegates the part of its authorities to the corresponding Ministry. In general, the Founder:
  • based on the Institution's regulation, define(s) the <u>objectives</u> of the Institution, as well as the types of its activities;
  • approves the Institution's <u>Statute</u> and the amendments thereof;
  • <u>establishes</u>, <u>reorganises</u> or <u>liquidates</u> the Institution;
  • defines the <u>property rights</u> that belong to the ownership or use of the Institution;
  • approves the <u>regulation on the competition</u> for selecting the Executive;
  • appoints the <u>Executive</u> according with the results of selection procedure implemented by the Board;
  • ensures Institution's <u>funding</u> according with the approved budget estimate, and supervises the use of provided funds.

- The **Board** (can be titled *'Management Board', 'Governing Board', 'Governing Council',* etc., according with the appropriateness for the local perception[23]) is the supreme governance body and includes representatives of different stakeholders, i.e.:
  - Founders (government, ministry);
  - social partners, nominated by employers and/or their unions and associations, and trade unions;
  - local authorities;
  - territorial Employment Service;
  - the Institution's pedagogical workers and students/learners;
  - different public organisations of the corresponding profile, professional unions and associations, NGOs, etc.

- The Board may consist of 11 to 21[24] members, who are approved by the Founder on the base of the nominations made by the corresponding stakeholders[25].

- The Executive *cannot* be a Board member. This should ensure balance between the collective governance by the Board and sole management of the Institution by the Executive manager.

- The Board's term of office can be 3 to 5 years. It executes particularly the following functions:
  - defines the main directions of the Institution development;
  - discusses and submits draft Statute of the Institution and amendments thereof to the Founder's approval;
  - adopts its own Statute (Regulation), work procedures; from among its members elects the Board Chair (hereinafter – Chair), Deputy Chair(s), and the Secretary of the Board. Chair of the Board *cannot be an Institution employee or a student/learner*;
  - according with the procedures approved by the Founder, organises and conducts competition for selecting the Executive and submits the winning candidature to the Founder's approval and formal appointment;
  - prepares and submits recommendations to the Founder on rewarding or fine the Executive, and initiates recommendations on the early termination of his/her duties;
  - submits proposals about the volume of the Institutions financing to the Founder's approval;
  - defines the fees for different paid courses and other services,
  - defines bonuses and other means of remunerations of the staff members including the Executive and the teachers/trainers;
  - identifies new partners, liaise and establishes cooperation with them, expands the Institution's network and scope of the beneficiaries and clients;
  - supports attraction of new sources of funding (fundraising);
  - approves:
    a) the Institution's Strategic Development Plans and Action plans,
    b) annual budget estimates, financial reports and balance,
    c) curricula and educational programmes,
    d) reports of the Executive,

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[23] The term *'Board of Directors'* is not recommended, as it may seem more relevant to the commercial organisations and be not perceived unambiguously.
[24] A smaller number of members might not allow to involve representatives of all key stakeholders, while a larger number might make the Board hardly manageable and ineffective.
[25] The Board members are *not* expected to be remunerated for this work, and this is in line with the international practice. The direct participation in the decision making process is supposed to be the main motivation factor for the membership in the Board.

e) regulations on the Institution's <u>structural units</u>,

f) regulations on provision of different <u>types of activities</u> (e.g. services) by the Institution[26].

■ The **Executive**, who is responsible for daily management of the institution and its appropriate functioning, is elected by the Board and appointed by the Founder.

■ The list of Executive's functions may mainly remain in accordance with the acting legislation (see the sub-section 3.5, Part 1 of this Report), with necessary adjustments and improvements (for an indicative list of Executive's possible functions, see the **Annex 3**).

<table>
<tr><td colspan="2">**R.10 IMPLEMENTATION OPTIONS**</td></tr>
<tr><td><u>**Proposed timeframe**</u>:</td><td>**within 1 year**</td></tr>
<tr><td><u>**Required financial resources**</u>:</td><td>**none**</td></tr>
<tr><td><u>**Variables to be defined**</u>:</td><td>■ **number of the Board members and their representation**

■ **scope of the Board tasks and functions (to be selected from the list proposed above)**

■ **Board's term of office (from 3 to 5 years)**</td></tr>
</table>

R.11: Introduce a system of licencing for the offered qualifications

In the situation when for every non-formal learning short-terms course accreditation is required, absence of the licencing system for formal VET seems incomprehensible.

Introduction of the licencing system is expected to contribute to increasing the relevance of the offered qualifications to the Labour Market and ensure at least minimal pre-requisites for quality of the teaching process. Therefore, the VET institutions should have a licence for every qualification, both the new ones which are proposed to be introduced in the institution and those which are currently offered. For the former, obviously, the VET provider should apply beforehand and announce enrolment of the students only after obtaining the licence, while for the latter, a transition period, e.g. one or two years can be defined for licencing already acting qualifications (educational programmes).

The country will decide on the licencing policy and the structure of the licencing system, its mechanisms and institutional setup based on the national context and specificities. Nevertheless, the following framework principles are proposed to be applied:

■ Licencing is based on a set of requirements to be met by the institution for introducing (or continuing to offer) a qualification (educational programme). These can be (a non-exhaustive list):

• justification of the market demand for the specialists to be prepared according with the proposed qualification;

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[26] The Board may also the following functions: taking decision on the Institution's profit management directions and ways; agreeing on large bargains on disposal and purchase of assets; supervision of the Executive's operations; setting up the requirements, job descriptions and selection criteria for the Institution's staffs, approval results of the selection; defining (or organising assessment of) the Institution's staffs and its own members training needs; defining the amounts of the stipends, scholarships and other allowances for the students and learners.

- requirements towards the teaching staff, which can include general conditions, e.g. education, experience, retraining, percentage of those with scientific degree, as well as specific conditions according with the requirements of the corresponding educational standard;
- requirements towards the facilities, again including general ones, e.g. surface per student, conditions of class-rooms, sports hall, canteen, dormitory, library and those required by the corresponding standards, i.e. workshops, laboratories and their equipment, tools and consumables;
- requirements towards the methodological provision, i.e. curricula (education plan), teaching, learning and assessment materials, handbooks, manuals, guides and other materials according with the requirement of the corresponding standard;
- presence of at least an initial agreement with the organisations where the practical training of the students is to be organised;

- The licencing body is a structure independently conducting the licencing process and giving independent conclusions about the correspondence of the VET institution with the terms and conditions of licencing, but the licence is issued by the Ministry;

- The licence is not only permitting introduction of the *qualification* at a *certain ISCED level* and conduction of the teaching process, but defines also the *upper limit of students* who may annually be enrolled, depending on the capacities of the institution;

- Licence can be awarded for unlimited period of time;

- Licence is a pre-requisite but not a guarantee of quality as the quality assurance is a separate process.

R.11 IMPLEMENTATION OPTIONS

Proposed timeframe: **within 2 year**

Required financial resources: **Considerable (for establishing and running a licencing body)**

Variables to be defined:
- **the licencing policy**
- **structure of the licencing system, its mechanisms and institutional setup**

3.4. Increasing Effectiveness of VET Practices

There are many VET aspects or practices, such as Standards and curricula development, Career guidance, Tracer studies, Quality assurance, Work-based learning and Dual education, Teachers training, which are either poorly regulated or most importantly, the decision taking procedures and the business processes are not efficient and effective. Many of them are too bureaucratised and lengthy. Within this exercise, solutions for optimising every VET practice cannot be proposed. Therefore, it is recommended to:

R.12: Include optimisation of the VET practices in the new VET Strategy as expected outcomes

In practical terms, it is proposed that after establishing the VET Council, the Thematic groups (Work

Groups or Task Forces) will be assigned to study the situation with every VET practice (a thorough analysis, which will be used as a basis, can be found in the Section 2, Part 2 of this Report) and develop recommendations for improvements.

Again, a large scope of relevant stakeholders should be involved in the discussions. The VET Council will examine and endorse (or revise or reject) any proposal made for a certain VET practice, and only after that, the final decisions will be made.

R.12 IMPLEMENTATION OPTIONS

<u>Proposed timeframe</u>:   **instantly**

<u>Required financial resources</u>:   **none**

<u>Variables to be defined</u>:
- **formulation of the expected outcomes related to the optimisation of the VET practices**
- **the deadlines for ensuring the above outcomes**

3.5. Increasing VET Funding and Optimising VET Financing Scheme

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SELECTED INTERNATIONAL PRACTICES

<u>Croatia</u>:

Since 2001, the financing of public upper secondary VET schools has been decentralised. The State budget finances: salaries for teachers and other employees; in-service training of teachers and other staffs; education of at-risk groups (such as ethnic minorities, learners with special needs) and talented learners; teaching materials and equipment; transportation costs of learners; ICT infrastructure and software for schools; school libraries; and capital investments (buildings, infrastructure). The local and regional governments cover: costs related to the school premises and equipment; operating costs of the schools; transportation costs of school; joint financing of food and lodging in learner residences; capital investments (buildings, infrastructure) according with the criteria determined by the MoSE[27].

<u>Estonia</u>:

In 2018, a new model of VET financing was introduced. It includes basic financing and performance financing (for specific achievements such as cooperation with private companies, participation level in WBL, the share of students graduating per nominal year, etc.). However, this new financing model is not entirely working yet, as it was planned.

<u>Romania</u>:

State funding provided to schools by the MoER, is based on the actual enrolment and covers wages, allowances, staff continuous training, learner assessment expenditure, materials, services and maintenance.

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[27] Local authorities as the legal founders and owners of the schools can also be investors regarding buildings/infrastructure.

> Continuing VET is jointly financed by employers/enterprises; unemployment insurance budget; EU structural and cohesion instruments; personal contributions; other sources. The budget provides subsidies to the employers who provide continuing VET (apprenticeship, traineeship and vocational training programmes).
>
> The funding formula is far from being perfect: it is not based on the real needs but is calculated from the budget ceilings. Therefore, the VET funding remains insufficient.
>
> There is no component related to the rate of performance or achievements. Reportedly, the reason is that 'it is very difficult to measure the value added of the education'. Now, a mechanism of recognising excellence is being developed.

Under this title, the principal recommendation would evidently be:

R.13: Increasing the VET funding

and allocating more financial resources specifically to the following directions:

a) continuously improving the VET institutions' facilities, equipment and the methodological base, developing the capacities of human resources and considerably increasing their salaries in order to attract and retain highly proficient specialists both as teaching and managerial staff;

b) establishing and running an effective VET support structure (VET Centre) equipped with all necessary means and with appropriate number of decently remunerated staff, again for ensuring a high quality expertise;

c) expanding the capacities of the VET governance structures (particularly the VET Department of MoECR), and increasing the quality and widening the scope of measures serving good governance, e.g. data collection and analysis, research, consultations, VET advocacy and promotion, etc.

The points above, are partly discussed also in the framework of the other Recommendations made in this paper.

As a benchmark for the VET funding, e.g. at least 3% of the total State Budget could be established.

R.13 IMPLEMENTATION OPTIONS

Proposed timeframe: **started from 2022**

Required financial resources: **very considerable**

Variables to be defined: ■ **priority areas for the increased funding**

The other recommendation, important for improving the situation with VET financing, is more specific:

R.14: Ensure full-fledged and consistent per-capita VET financing mechanism

The action required for implementing this recommendation is simple: instead of calculating the *per-capita* funding rates "down from the budget ceiling", the real expenditures per student necessary for provision of quality and relevant VET, should be calculated and applied. It is clearly realised that in this

case, the rate may increase by times. Nevertheless, this is the cost to be paid for having an adequate and effective VET system in the country.

R.14 IMPLEMENTATION OPTIONS

Proposed timeframe: within 1 year

Required financial resources: considerable

Variables to be defined: none

3.6. Improving the VET Legislation

A number of deficiencies were identified in the present VET legislation and it is evident that various legal acts are to be revised.

R.15: Revise the legislation so that it serves best for effective implementation of the VET policy and strategy

No any legal act shall be an end in itself. It shall be justified in terms of serving concrete objectives, first of all, those established by the VET Strategy. Therefore, the changes in the legislation should only be initiated after adopting the new Strategy for 2030. Moreover, the fallacious approach of "adjusting" the policies to the existing legislation (*'we do not write this in the strategy as this is not in line with the legislation'*), should be avoided: the opposite is the only correct option.

Any draft legal act shall be discussed with all relevant key stakeholders (first of all with the National VET Council – see *R.1*), specifically those who are expected to implement the requirements of this act in practice. Draft legal acts shall pass expertise not only in terms of correspondence to the existing legislation (although the latter may need to be adapted to the new legal act), which is a normal practice, but also in terms of resource feasibility, i.e. if there are available financial, institutional or human resources necessary for implementing the provisions of this legal act. Moreover, if its implementation foresees any additional expenses, the source and the volume of the resources for covering those expenses shall be clearly defined.

R.15 IMPLEMENTATION OPTIONS

Proposed timeframe: within 1 year after approving VET Strategy 2030

Required financial resources: limited (for possible Technical assistance)

Variables to be defined:
  - Prioritisation of the legal acts to be revised or developed

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3.7. Optimising International Support

As mentioned above, many donors, such as the European Union, World Bank, USAID, Austrian Development Agency, Lichtenstein Development Service, GIZ, Swiss Agency for Development and Cooperation make a tangible contribution to the RM VET system development. It is not to say that

they are acting isolated from each other or their assistance is fragmented. There is also a certain level of communication among them performed through periodical (usually once per quarter) meetings. However, a better coordination of the donors' activities, increase of their projects' effectiveness and improvement of their targetedness seem still necessary. For this purpose, it is recommended to:

R.16: Establish a VET donors' coordination platform

The platform may be of a virtual nature with annual, biannual or even quarterly working meetings. Not only international or bilateral donor organisations but all others making any considerable contribution to the VET development (e.g. private companies, NGOs or individual benefactors, if any) are to be involved.

Besides the multilateral communications about the current and foreseen activities among the donors on one hand, and between the donors and MoECR, on the other, also the discussions on the emerging support programmes and projects, will be the tasks of the platform. The latter is specifically important for effective planning and ensuring effectiveness and future impact of the forthcoming assistance actions.

The VET Centre will manage the functioning of the platform (see also *R.5* above) and keep working communications with the donors. The platform is advised to have a database of the donor's projects which would include information according with the following indicative list:

1. Title of the project
2. Implementation period
3. (Co-)Funder(s)
4. Budget (*optional*)
5. Target groups, beneficiaries and stakeholders (key, primary, secondary)
6. Overall and Specific Objectives
7. Expected results (*not specified as outcomes/outputs intentionally due to possible different approaches*)
8. Achievements to date (*outputs, outcomes and/or just activities done – to be discussed*)
9. Planned activities for the next (*to be specified*) period
10. Additional information:
    - Manager, staff
    - Location and contacts
    - *Any other…*
11. Special Notes (*optional*), e.g. lessons learnt, needs, continuation forecast, important comments, etc.
12. Produced materials, resources, links, etc.

The database will be available for all platform participants, while the level of availability to other actors will be defined by MoECR.

R.16 IMPLEMENTATION OPTIONS

Proposed timeframe: **immediately after establishing the VET Centre**

Required financial resources: **very limited (for administering technical issues)**

Variables to be defined: ■   **the platform configuration**

- **scope of involved parties**
- **forms of communication and information exchange**

3.8. Accompanying Recommendations

In addition to the 16 main recommendations made above for reaching the defined objectives, the experts find it necessary to recommend also:

R.17: Restructure the Policy Analysis, Monitoring and Evaluation Department at MoECR and expand the capacities

The monitoring and evaluation mechanism proposed under the *R.4*, will not be properly functioning if the structure and the capacities of the PAME Department remain as they are presently. As identified in the analysis of institutional arrangements (Section 3.1.2, Part 1 of this Report), only one employee of this Department is dealing with the entire education sector (with a limited contribution of the Head of Department), therefore, no any appropriate policy monitoring can be expected. To overcome this issue, it is necessary that:

- there is at least one responsible Department employee per education sector, i.e. pre-school, general, vocational (can be combined with LLL), and higher education;

- all those employees are trained on the modern M&E approaches and techniques.

R.18: Review the level of the ANACEC independence

According with the initial version of the Education Code (Article 115, clause 1), ANACEC was supposed to be a body independent from the Government. Later, however, this clause was amended (21st September 2017) and it was defined for ANACEC to be subordinated to MoECR. None of the two options seem entirely rational. On one hand, the Centre cannot be beyond the executive power, i.e. the Government system (otherwise, being a public body, should be accountable to the Parliament), while on the other hand, subordination to a ministry considerably limits its autonomy in making assessments and taking truly independent decisions (see Conclusions above, under the title "Quality Assurance"). Therefore, the ANACEC's direct subordination of the Government (Prime-minister's office) seems the most balanced option.

R.19: Expand the capacities of the NQF Department at MoECR and revise its tasks

Like in the case of the PAME Department, the analysis showed that in the NQF Department too, there is only one person who along with the Department Head, is dealing with the issues directly related to the principal mandate of this unit. At the same time, in parallel with the policy-formulation tasks, the Department is responsible also for organisation and coordination of qualification standards elaboration and for monitoring of their performance. These functions, in the context of the recommendations made in this Report, are supposed to be attached to the VET Centre (see *R.5*), thus releasing the MoECR departments from the responsibilities which are not relevant to the ministerial level. Therefore, along with the improvement of the NQF Department capacities for transforming it into a structure effectively dealing with the NQF policy and legislation, its tasks should also be reviewed considering the scope of the VET Centre's functions, as well as those of the VET Department.

R.20: Promote the National Council of VET Students

The study proved that there is a functioning National Council of VET Students in the country, and the students are motivated to participate actively in its works. The Council provides students with opportunity to meet and discuss their interests and problems, identify the needs and formulate challenges related not only to their own institutions but to the entire VET system. Therefore, it seems highly probable that, if promoted and further encouraged, the Council can ensure a tangible value added for a more student-oriented VET policy development and system governance.

ANNEX 1. EU AND INTERNATIONAL PRACTICES

Below, short overviews of the VET governance systems and funding mechanisms from several EU member states and other selected countries are presented. This section, however, does not purport to explain in details all peculiarities of the countries' VET systems but has an objective to give a general idea about the different structures and players involved in VET governance, and the ways of VET funding.

1. EU Member-states

The overviews of the VET governance and funding from the EU member-states are presented in this sub-section as adapted extracts from the country reports published by CEDEFOP in 2018-2020[28]. The selection of the 11 countries covers: Western Europe (Spain, Portugal and France); Central Europe (Czech Republic and Croatia); Eastern Europe (Bulgaria, Romania and Estonia) and North (Ireland, Finland and Denmark).

1.1. Bulgaria[29]

In Bulgaria, VET has three governance levels: national, regional, local. At national level, VET governance comprises: the *National Assembly* (Parliament) – approves the VET legislation; the *Council of Ministers* – set out VET government policy; *Ministry of Education and Science* (MoES) – manages, coordinates and implements VET policy; *Ministry of Labour and Social Policy* – participates in implementing national VET policy; *Ministry of Culture*, *Ministry of Youth and Sports*, *Ministry of Healthcare*, other *line ministries* – participate in development, coordination and updating of the State educational standards for the acquisition of qualifications, the list of professions for VET, and are also involved in coordinating the admission plan for schools, funded by them; *Social partners* – are involved in the development, coordination and updating of the State educational standards for the acquisition of qualifications, the legislative framework and policy documents, as well as in updating the list of professions and in organising and conducting qualification examinations; *Economic and Social Council*; *National Council for Tripartite Cooperation*; *National Council for the Promotion of Employment*; *Human Resource Development Centre*; and the *National Agency for Vocational Education and Training* (NAVET). The latter is a specialised body within the Council of Ministers. The agency develops the State educational standards for the acquisition of VET qualifications, maintains the list of professions according to the needs of the labour market, licenses. It also controls the activities of VET institutions for people older than 16 and vocational guidance providers.

At regional level, the VET governance system includes the *regional administration*, *directorates of the regional employment services*, *Regional Management Units* of MoES situated in the 28 district centres, the *permanent and temporary employment committees* to the regional councils for regional development. The MoES Regional management units implement state policy in VET at regional level through projects, programmes and strategies for development, functioning and improvement of VET at the district level.

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[28] https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/vet-in-europe-country-reports.
[29] Adapted extract from: Cedefop (2018). Vocational education and training in Bulgaria: short description. Luxembourg: Publications Office. http://data.europa.eu/doi/10.2801/600634.

At the local level, the following structures are involved in the VET governance: **municipalities** – participate within their territories in the development of VET policy regarding the employment needs for vocational guidance and training of students, the unemployed and other groups, the equipment needed by schools, vocational training providers and centres for information and guidance, using the municipal budget funds; **labour offices of the Employment Agency** – provide career services; **cooperation councils** at the labour office directorates – monitor the implementation of programmes and measures included in the national action plan for employment.

The basic principles of financing education, including VET are defined by the Law. MoES, in coordination with the Ministry of Finance and in accordance with the State standards, determines the cost per student for state and municipal schools. This cost covers expenditure for school infrastructure, teacher salaries and additional remuneration (for extra work, achievements, participation in projects) and social security. The schools receive delegated budgets determined by a formula that includes the number of learners in the programme and its type. The sources of the VET providers' funding are: the State budget; the municipal budget, donations, own revenue, national and international programmes, other sources.

Secondary VET is mostly state-financed; the private VET schools may also apply for state funding. The training offered after secondary education is financed by learners, employers, the State budget, EU programmes (mainly ESF). All adult VET providers are private but they may also receive public financing.

1.2. Czech Republic[30]

Ministry of Education, Youth and Sports (MŠMT) is the main body holding executive powers in the field of education (IVET and CVET). At the national level, MŠMT is responsible for the development of the national education strategy and priorities; development of curricular policy; coordination of public administration and funding in the area of education.

The **Ministry of Labour and Social Affairs** (MPSV) is responsible for retraining under the auspices of the public employment service. The **Ministry of Health** is in charge of training of healthcare staff; the **Ministry of Interior Affairs** is responsible for the accreditation of public administration staff training courses, etc.).

The **Regional Assemblies** and **Regional Councils** are self-governing bodies directly responsible for establishing public VET schools at upper secondary and tertiary professional levels at the regional level. The Regional Assemblies elect Regional Councils (9-11 members), which have decision-making and consulting powers on the number, structure, provision, quality and funding of schools. Regional Council forms expert advisory commissions in various fields, including education.

The **Regional Authorities** are responsible for the development of a regional long-term plan for the development of education and a report on education in the region, allocation of resources from the state budget to schools which cover pedagogical staff wages and direct educational costs.

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[30] Adapted extract from: Kaňáková, M.; Czesaná ,V.; Šímová, Z. (2019). *Vocational education and training in Europe – Czech Republic.* Cedefop ReferNet VET in Europe reports 2018. http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_Czech_Republic_2018_Cedefop_ReferNet.pdf.

The **Regional Councils for Human Resource Development** are advisory bodies to the Regional Councils. In some regions, they have a broader approach and beside education issues, they advise on job creation and innovation.

VET schools have a relatively high level of autonomy. There are consultative bodies at school, **School councils**, that include representatives of the school founding body, pedagogical staff, parents and sometimes students.

Social partners can influence vocational education at national and regional levels. Particularly, they are participating in the curricula development and in the final exam committees of upper secondary vocational programmes.

The MŠMT, regional authorities or in some cases private entities, churches and ministries take responsibility for funding schools at the primary, secondary and tertiary professional level. Regions administer ~81% of upper secondary schools and ~64% of tertiary professional schools.

Most of the education budget (except investments) is provided by the MŠMT. Operational and investment costs are covered by School founders. Funding from the public budget is per-capita and depends on school type and educational field. The per-capita funding motivates the schools to admit more students to reach higher funding levels, which often means lowering selection criteria and decreasing school quality. In 2016, a reform of regional school funding system has been proposed. It suggests new criteria to determine the level of funding: the number of lessons taught, the number of learners with special needs in the class etc. It also transfers the main responsibility for school funding to the MŠMT. The new regulations will be gradually implemented in coming years.

MŠMT may also provide resources to schools for development programmes (about 0.5% out of the total budget). The content and the aim of these programmes are announced by the MŠMT for each fiscal year. Some individual subsidies (e.g. capital investments) may be determined as well, during the process of the budget approval by the Parliament.

The MPSV finances the retraining in the framework of the active labour market policies through the Labour Office. There is no unified coherent system for CVET funding. The training that does not lead to the government-regulated qualification is financed by either participating individuals or employers who provide the training for their employees. Besides that, there are several forms of incentives and grants that (mainly) employers can apply for. These schemes are often project-based initiatives co-funded from the EU structural funds.

1.3.   Denmark[31]

VET in Denmark is centralised in terms of providing nationally recognised qualifications (decision-making level), but decentralised from the implementation point of view: the VET providers are free to adapt VET to local needs and demands.

Parliament sets out the overall framework for VET, which is administered by the **Ministry of Education**. The Ministry has overall financial and legal responsibility for VET, laying down the overall objectives for programmes and providing the legislative framework within which the stakeholders, social partners, colleges and enterprises are able to adapt curricula and methodologies to the needs

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[31] Adapted extract from: Andersen, Ole Dibbern & Helms, Niels Henrik (2019). *Vocational education and training in Europe: Denmark*. Cedefop ReferNet VET in Europe reports (2018). http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_Denmark_2018_Cedefop_ReferNet.pdf.

of both students and the labour market. Since the beginning of the 1990s, the Ministry has regulated VET provision through a system of targeted framework governance based on providing 'taximeter' grants per student[32].

Social partners play an institutionalised role at all levels of VET, from the national advisory council on vocational upper secondary education and training, which advises MoE on principal matters concerning VET, to playing an advisory role at the local level through local training committees comprising representatives of the social partners who advise colleges on local adaptations of VET. Their most important role is to ensure that VET provision is in line with the needs of the labour market.

The **National Advisory Council** consists of 31 representatives from the social partners. In its advisory capacity, the council monitors developments in society and highlights trends relevant to VET. The council makes recommendations to the Ministry regarding the establishment of new VET programmes and the adaptation, amalgamation or discontinuation of others.

National Trade Committees constitute the backbone of the VET system. Approximately 50 trade committees are responsible for 106 main programmes. The committees normally have between ten and fourteen members and are formed by labour market organisations (with parity of membership between employer and employee organisations). Inter alia, the National Trade Committees create and renew the VET courses by closely monitoring developments in their particular trade, and formulate the learning objectives and final examination standards; decide the regulatory framework for individual courses within the general legal framework, the duration of the programme and the ratio between college-based teaching and practical work in enterprises; approve enterprises as qualified training establishments, etc. The Committees and their secretariats are financed by the participating organisations.

Local Training Committees are affiliated to each vocational college[33] and ensure close contact between those colleges and the local community, thus improving responsiveness to particular local labour market needs. They consist of representatives of local employers and employees appointed by National Trade Committees, as well as representatives of staff, management and students appointed by colleges. Training committees work closely alongside colleges in determining the specific curriculum of colleges, including which optional subjects are available. They assist and advise national trade committees in approving local enterprises as qualified training establishments and in mediating conflicts between apprentices and enterprises. The training committees also help to ensure that enough suitable local training placements are available.

The vocational colleges are led by a **Governing Board** with overall responsibility for the administrative and financial running of the college and educational activities in accordance with the framework administered by MoE. The Board which consists of teachers, students and administrative staff representatives, as well as social partner representatives, takes decisions regarding the programmes to be offered, imposes local regulations and guidelines, guarantees responsible administration of the college's financial resources, including approval of budgets and accounts, and hires and fires the operational management (director, principal, dean or similar). The operational management is responsible for implementing the overall objectives and strategies set out by the Governing Board.

Considerable proportion of the state funding of VET, is distributed to colleges in accordance with the "taximeter" principle, when the funding is linked to some quantifiable measure of activity, e.g. the

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[32] The Danish taximeter system links the majority of state funding to grants determined by activity level.
[33] Typically, more than one local training committee is associated with each college, with the various committees covering different fields of EUD.

number of full-time equivalent students, with a set amount awarded per unit. This system provides particularly an incentive for colleges to increase retention within the system.

Besides the 'taximeter' rate, VET providers also receive an annual fixed grant for the maintenance of buildings, salaries, etc. The total state grant is provided as a block grant which institutions use at their own discretion according with the legislative framework and specific institutional objectives.

For ensuring the funding of the training in companies, all employers, both public and private, pay a sum into the "employers' reimbursement scheme", regardless of whether or not they provide apprenticeship placements. This money goes to funding both VET and Adult training. From 2018, all employers are obliged to pay an annual contribution per full-time employee. These funds are then allocated to work places that take in apprentices so that they do not bear the cost of training alone. These employers receive reimbursements for wages paid during apprentices' periods of college-based training.

1.4.   Finland[34]

Parliament approves the VET legislation, structure of VET qualifications, annual budget allocations to VET, maximum number of student years, and the volume of the VET strategy funding. The **Government** is responsible for VET development Programme, structures of common units including the number of competence points. The Ministry of Education and Culture determines the general goals for VET and qualifications structure.

Ministry of Education and Culture (MoEC) prepares VET legislation, grants licences to the VET providers, decides on study places by field of education.

Finnish National Agency for Education which operates under the auspices of MoEC, is responsible for preparation of the national qualifications requirements, developing VET through funding projects, and also produces long-term (10+ years) national forecasts on the demand for labour and education needs in support of decision-making. It is supported by the **Skills Anticipation Forum**, established in early 2017.

Finnish Education Evaluation Centre evaluates the outcomes of the education and training system (thematic and systematic).

In Finland, there are 145 VET providers in total, of which ~70% are privately owned[35]. Others are owned by joint municipal authorities (~24%) and by the local authorities (~6%). There is only one VET provider owned by the State.

Education is publicly funded through public tax revenue at all levels. There are uniform criteria for receiving state funding for public and private VET providers. Only 2.6% of all education expenditure is private funding. Public funding is mainly provided by the State (~30%) and local authorities/municipalities (~70%). Funding of VET providers varies by study field. VET providers decide on the use of all funds granted.

Nevertheless, presently a new, coherent funding system is being introduced. The funding is to be divided into core – 50% (based on the number of learners funding), performance – 35% (based on the number of completed qualifications and qualification units); effectiveness – 15% (based on learners'

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[34] Adapted extract from: Cedefop (2019). *Vocational education and training in Finland: short description.* Luxembourg: Publications Office. http://data.europa.eu/doi/10.2801/841614.
[35] Some of the VET providers which are categorised as "private", are foundations or limited companies but municipalities usually have shares in such companies/foundations.

access to employment, pursuit of further education and feedback from both learners and the labour market). This system aims to encourage education providers to redirect education to fields where labour is needed; ensure that education corresponds to the needs. This new funding system will be introduced gradually and is expected to become fully operational in 2022.

1.5. France[36]

The vocational training system is currently managed within the framework of the "four-party system" which includes the State, the Regions and the Social Partners (employee representatives and employer representatives). The State is responsible for the development of standards and strategies for vocational training. The **Ministry of National Education** (MoNE), **Ministry of Higher Education, Research and Innovation** (MoHERI) and **Ministry of Labour** (MoL) are responsible for both IVET and CVET.

MoNE designs the standards for professional diplomas in consultation with professionals' representatives, defines the examination regulations, and issues diplomas; recruits, trains and pays teachers; controls the quality of training, and reports on the results and the means used.

MoL prepares and implements the Government's policy in the fields of labour, employment and vocational training. MoNE is also involved in CVET through public schools, which can pool their resources for providing a diversified offer for CVET.

The **Regions** define their policies according with their economic and social priorities, in consultation with the State and the social partners. They organise and finance the regional public service for vocational training. Since 2014, the regions have been in charge of training specific audiences previously under the responsibility of the state.

The Social partners are systematically involved in the implementation of professional training, particularly contributing to the elaboration of diplomas, participating in examination boards, training young people in companies, participating in the financing of initial technological and vocational training by paying an "apprenticeship tax". They also play an important role in regulatory policy and financial aspects of Lifelong learning programmes (IVET and CVET).

The **National Commission for Collective Bargaining** (CNNC), is responsible for issuing an opinion on draft laws, ordinances and decrees in the field of employment policy, guidance and IVET and CVET.

In 2018, **France Compétences** was established to strengthen both national governance and monitoring and evaluation of vocational training. France Compétences is a single, four-party public institution representing the State, trade unions, employers and regions, under the supervision of the Minister in charge of vocational training. France Compétences distributes mutual funds to the various actors, regulates the quality of training and ensures that the reform is properly implemented. The IVET funding includes: teaching and training; administration and educational research; catering and lodging; counselling and medical service; transportation, purchase of books and other educational materials, etc.

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[36] Adapted extract from: Centre Info (2019). *Vocational education and training in Europe*: France. Cedefop ReferNet VET in Europe reports 2018.
http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_France_2018_Cedefop_ReferNet.pdf.

1.6. Ireland[37]

The **Further Education and Skills Service** (SOLAS), in conjunction with 16 **Education and Training Boards** (ETB) is the body responsible for taking decisions and implementing further education and training (FET), which includes most VET provision. Both SOLAS and the ETBs are agencies of the **Ministry of Education**. SOLAS is required to submit five-year strategies for FET provision in Ireland.

Funding for VET programmes is included within the funding allocated for FET. Two main sources of the funding are the Exchequer (~57%) and the **National Training Fund** (~43)[38]. Most of the funding is allocated through SOLAS to the ETBs. A small income is also generated by the SOLAS.

1.7. Portugal[39]

The central government is responsible for the overall vocational education and training. The educational sector (pre-primary education, lower, upper secondary education and school- based training) is the responsibility of the **Ministry of Education** (MoE). Apprenticeship programmes, continuing vocational training and carrying out active labour market measures is the responsibility of the **Ministry of Labour Solidarity and Social Security** (MoLSSS).

The **National Agency for Qualification and Vocational Education and Training** (ANQEP) is a public body under the joint supervision of the MoE and MoLSSS and has a mission to coordinate the implementation of policies regarding the education and vocational training of young people and adults, as well as to ensure the development and management of the National System for the Recognition, Validation and Certification of Competences. ANQEP has administrative and financial autonomy and pedagogical independence to pursue its official activity[40].

At local level, **Regional authorities** for non-higher education and VET are responsible for the implementation of policies.

The **National Qualification System** (SNQ), established in 2007 and revised in 2017, is also coordinated by ANQEP. The SNQ comprises the main VET stakeholders, i.e. **Directorate-General for Education** (DGE), **General Directorate for Employment and Industrial Relations** (DGERT), **Institute for Employment and Vocational Training** (IEFP), bodies responsible for funding VET policies, **Sectorial Councils for Qualification**, centres specialised in adult qualifications, primary and secondary education institutions; vocational training and professional rehabilitation centres directly and jointly managed by IEFP, and accredited VET providers, private enterprises that promote the training of their employees, and other institutions that contribute to the same purpose.

Social partners participate in the general council of ANQEP, in the management board of the IEFP, and in the monitoring board of DGERT accreditation of VET providers.

The costs of VET are covered almost entirely by public funding through contributions from the state budget, the social security budget and the European Social Fund. Funding may also be provided by other ministries, the Autonomous Regions of Madeira and Azores, and the municipalities.

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[37] Adapted extract from: Burke N.; Condon, N.; Hogan A.; (2019). *Vocational education and training in Europe – Ireland.* Cedefop ReferNet VET in Europe reports 2018.
http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_Ireland_2018_Cedefop_ReferNet.pdf.
[38] The National Training Fund was established in 2000 and is funded mainly by the imposition of a levy on employers.
[39] Adapted extract from: DGERT (2019). *Vocational education and training in Europe – Portugal.* Cedefop ReferNet VET in Europe reports 2018.
http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_Portugal_2018_Cedefop_ReferNet.pdf.
40 https://epale.ec.europa.eu/en/nss/national-support-services-portugal.

1.8. Spain[41]

The **Ministry of Education and Vocational Training** (MoEFP) is in charge of defining the national VET policy. It is also responsible for the core legislation on IVET, ensuring equality and equity throughout the state, setting up officially recognised qualifications and their basic curriculum, as well as recognition, validation and approval of foreign studies.

The **regions** have executive and administrative competences to manage the education system acting in their own territory. Royal decrees establish and regulate Vocational qualifications (VET diplomas). The regional education authorities may complete the basic curriculum of the VET diploma programmes (up to 45%) according to their needs.

The **Ministry of Labour, Migration and Social Security** (MoLMSS) is responsible for the development of VET policies within the employment system.

The **National Education Council** is the main advisory body of the government. All stakeholders within the education sector are represented in this council. The Council publishes an annual report on the state of the education system (including VET), which contains proposals for improvements supported by the council members.

There is another advisory body on VET: **General Council for Vocational Training**. Education and labour authorities that are responsible for VET at national and regional level, work together within this body with trade unions and employers' associations.

The MoEFP, the **Sectoral Education Conference**[42], and the 17 regional authorities coordinate education policies to achieve a coherent and inclusive education system.

The **State Foundation for Training in Employment** provides technical support to the **State Public Employment Service** (SEPE) and to MoLMSS in the strategic development of the system of vocational training for employment in the work sphere. In general, training for the unemployed is developed at regional level within the national framework and managed by the regional labour authorities.

The **National Institute of Public Administration** manages training for civil servants. Training for prisoners is managed by the **Ministry of the Interior** and carried out through the **General Secretariat of Penitentiary Institutions**.

There are three main types of VET providers in the country: a) public, publicly-funded private and private institutions approved by the competent educational authority; b) integrated public training centres providing both initial vocational training within the formal education system, and vocational training for employment; c) national (public) reference centres, which are institutions specialised in the different professional branches, in charge of carrying out innovation and experimentation initiatives in the area of VET. On average, 75% of IVET students study in public and publicly funded education institutions.

Public funds for the financing of education are provided mainly by MoEFP and regional education authorities. The quantity for each region is fixed through a multilateral agreement and guarantees solidarity between territories. Funds allocated for vocational training for employment come mainly from

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[41] Adapted extract from: Sancha, I.; Gutiérrez, S. (2019). *Vocational education and training in Europe: Spain.* Cedefop ReferNet VET in Europe reports 2018.
http://libserver.cedefop.europa.eu/vetelib/2019/Vocational_Education_Training_Europe_Spain_2018_Cedefop_ReferNet.pdf.
[42] Taking place several times a year according to needs.

the state budget, through the training levy that all private companies must pay as part of the Social Security contribution.

2. Non-member States

The VET systems including governance and funding aspects of the ETF partner-countries are presented and analysed in details in numerous publications of ETF which are freely available on its web-site, particularly at ETF Open Space[43]. Therefore, here we refrain from describing the cases of the above countries, confining to a short summary only.

Compared with the cases presented above, the VET governance in most of the ETF partner-countries is more centralised and the regional component is rather weak or even non-existent. In the majority of these countries, the regional and local authorities have almost no administrative functions in the field of VET. This is mainly due to relatively small size of many countries but also is inherited as a tradition from the past.

Involvement of the social partners, specifically in the decision-making process, is extremely limited and their participation has chiefly a consultative nature. Thus, the main decision-making power belongs predominantly to the governments and is executed *via* corresponding ministries, mainly the ministries responsible for education (Ministry of Education, Ministry of Education and Science, Ministry of Education, Science, Culture and Sports, etc.). Only in Algeria, there is a ministry responsible solely for VET – Ministry of Vocational Education and Training.

The Ministry of Labour (in different countries – Ministry of Labour and Employment, Ministry of Labour and Social Policy, Ministry of Social Policy, Ministry of Labour and Social Affairs, etc.), the Ministry of Economy (or Ministry of Finance and Economy), as well as some line ministries are directly involved in the VET governance with a different scope of authorities.

From the administrative point of view, the public VET institutions are mainly subordinated to the Ministry of Education. Particularly, in Algeria, Armenia, Belarus, Bosnia, Georgia, Kazakhstan, Montenegro, Serbia, and Ukraine, all or almost all VET institution are under the jurisdiction of the ministry responsible for education. In these countries, only 1 to 3 public VET providers belong to other governmental structures such as Ministry of Social Policy and Ministry of Energy and Coal Industry in Ukraine, Ministry of Interior and the Department of Civil Aviation in Armenia, or to the local authorities (Kyiv Regional Council in Ukraine).

In Jordan and Israel, a considerable number of VET institutions are under the jurisdiction of the Ministry of Labour. In Azerbaijan (like in Moldova) a large group of colleges is subordinated to the Ministry of Health, but in this country there are also institutions under the Ministry of Youth and Sports and the Ministry of Culture and Tourism, too. Albania is a specific case, where all public VET institutions belongs to the Ministry of Finance and Economy.

The summary of the public VET providers' subordination to different governance bodies in a number of selected ETF partner-countries, is presented in the Table 21.

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[43] https://openspace.etf.europa.eu/etf-open-space.

TABLE 1.   SUBORDINATION OF THE PUBLIC VET INSTITUTIONS IN SELECTED COUNTRIES

Authority \ Country	Algeria	Albania	Armenia	Azerbaijan	Belarus	Bosnia and Herzegovina	Georgia	Israel	Jordan	Kazakhstan	Kyrgyzstan	Moldova	Montenegro	North Macedonia	Serbia	Ukraine
Ministry of Vocational Education and Training	◎															
Ministry of Education (and Science)				⊙	◎	◎		⊙	⊙	◎	◎	⊙	◎	◎	◎	◎
Ministry of Culture (and Tourism)			◎	•			◎									
Ministry of (Youth) and Sports				•												
Ministry of Health				○								○				
Ministry of Labour and/or Social Policy								○	○							•
Ministry of Agriculture												○				
Ministry of Finance and Economy			◎													
Other line Ministries and Governmental Agencies			•										•			•
Regional/local Authorities																•

Legend: ◎ - all or overwhelming majority; ⊙ - majority; ○ - several or minority; • - a few (1-3)

Source: ETF publications[44].

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[44] https://www.etf.europa.eu/en/publications-and-resources/publications.

ANNEX 2. INDICATIVE LIST OF CRITERIA FOR SELECTING VET INSTITUTIONS FOR REORGANISATION (MERGER OR CLOSURE)

I. Socio-economic profile of the municipality/district and selection of the sector(s) of specialisation

1. If the municipality/district has positive *demographic trends*, particularly in terms of VET-aged population as potential VET students (*indicators for the last 5 years*)?

1.1. Population dynamics by age groups

1.2. Migration dynamics and structure by age groups

1.3. Urbanisation (share of urban and rural population)

2. If the municipality/district demonstrates positive *economic trends*? (*indicators for the last 5 years*)

2.1. Share of regional GDP vs national

2.2. Gross Regional Product per capita (factual prices)

2.3. Gross Value Added in constant prices

2.4. Business activity (number of active legal entities (enterprises) by sectors, out of which the share of profitable enterprises)

2.5. Production rates (volume of realised industrial production and agricultural production rates)

2.6. Export-import flows, and export volume per capita

2.7. Capital Investments:
   - Capital investments rates,
   - Direct foreign investment (joint-stock capital) rates
   - Capital investments volume per capita (accumulated from beginning of year)
   - Direct foreign investment volume per capita (accumulated from beginning of year)

2.8. Innovations (share of industrial enterprises which introduced innovation in the total number of enterprises)

3. If the municipality/district demonstrates positive *employment trends*? (*indicators for the last 5 years*)

3.1. Economic activity rate and structure by educational attainment levels and age groups

3.2. Employment rate and structure by educational attainment levels and age groups

3.3. Unemployment rate and structure by educational attainment levels and age groups

3.4. Economic non-activity rate and structure by educational attainment levels and age groups

3.5. Share of those employed in non-formal economy

3.6. Long-term unemployment (registered unemployed with job searching duration over 6 and/or 12 months) rate

3.7. Inter-municipal (inter-district) employment mobility (share of those employed in others municipalities/districts)

3.8. Partial employment (share of those employed in involuntary part-time employment in the total number of full-time employees)

3.9. Number of vacancies, including for those with VET, offered average wages

3.10. Wages:
   - Average wages, including of those with VET
   - The share of employees whose wages are credited above the minimum wage
   - Wage arrears (the share of unpaid wages in the wage fund)

4. **The main sector(s) of economy of the municipality/district** (indicators for the last 5 years, for every selected sector)

4.1. Share of the sector(s) in the region GDP

4.2. Production rates

4.3. Share in total capital investments in the municipality/district (structure of direct foreign investment; structure of capital investments)

4.4. Number of employed in the sector(s) and their share as % of total employed in the municipality/district, incl. those with VET

4.5. Unemployment rate among those related to the sector(s)

4.6. Long-term unemployment among those related to the sector(s)

4.7. Share of unemployed related to the sector(s) as % of total unemployed

4.8. Number of vacancies and their share in the total number of vacancies in the municipality/district, incl. for those with VET

4.9. Average wages, including for those with VET

4.10. Existence of municipality/district development plan and reference to the sector(s)

II. Institutional characteristics

5. **If the *profile of the institution* is relevant to the main sector(s)?**

5.1. Professions (qualifications) being taught in the institution presently

5.2. Professions (qualifications) which the institution plans to teach in the future

6. **If the institution has *proper facilities*?**

6.1. Land and its use

6.2. Training buildings (number, surfaces, how rational are organised) and their use (how effectively and efficiently are used)

6.3. Effectiveness of the building(s) – useful area, running cost (utilities)?

6.4. Auxiliary facilities, e.g. canteen, sports ground (field), sports hall, garage, medical station, etc.

6.5. Existence of dormitory, guest house, other similar facilities

6.6. Physical conditions of the buildings

6.7. Situation with the training workshops, laboratories, equipment related to the sector

6.8. Situation with the IT and their use in the management and training process (e-library, e-learning, etc.)

6.9. Availability of quality internet in the institution. If not, availability of quality internet in the locality

6.10. Estimation of investments to be necessary

7. **If *management* of institution is effective?**

7.1. Effectiveness of the Administrative and Teachers' Councils

7.2. Existence of Strategic development (business) plan (SDP)

7.3. Rate of the SDP implementation

7.4. Capacities of the managers

7.5. Economic (financial) efficiency of the institution

8. **If the institution has necessary *pedagogic staff* (teachers and master-trainers), specifically those related to the sector (quantity and quality)?**

8.1. Composition of the pedagogic staff and its relevance to the qualifications to be taught

8.2. Competences of the pedagogic staff:
   - years of experience
   - participation in trainings, specifically in enterprises;
   - attestation passed
   - ICT skills, etc.

8.3. Existence and effectively functioning of the (pedagogic) staff appraisal system (SAS)

9. If the institution demonstrates positive dynamics (or at least stable number) of *applicants, students, graduates* and their job placement and if provides *career development* services?

9.1. Dynamics of applicants and students

9.2. Drop-out and graduation rates

9.3. Job placement rates of the graduates, specifically those related to the main sector(s)

9.4. Existence of graduates tracing mechanism

9.5. Existence and effective functioning of the students and graduates career development service

10. If the institution is equipped with necessary *methodological and didactic materials*?

10.1. Existence of modern curricula and programmes (modules) developed with participation of employers

10.2. Existence of necessary methodological and didactic materials

11. If a quality assurance system is applied to the institution

11.1. Existence and effective functioning of internal quality assurance system

11.2. Results of the institution external quality assessment (attestation)

12. What is the institution's *funding* history?

12.1. Dynamics of funding during the last 5 years

12.2. Own income generation – mechanisms, sources and amounts

13. The general image of the institution

13.1. Previous achievements

13.2. Reputation among municipality/district) population (particularly youth), among partners (specifically employers of the municipality/district).

13.3. Awards, certificates of appreciation, feedback from the population and the partners/employers in terms of satisfaction by the institution (can be obtained via independent surveys)

III. Location, territorial coverage and cooperation

14. What is the *role and place of the institution* in the regional and national VET system?

14.1. Cooperation (links) of the institution with other VET providers in the municipality/district (with whom and how)

14.2. Cooperation (links) of the institution with other municipality/district VET providers having similar profile (with whom and how)

14.3. Physical availability of the institution for the possible partner VET providers' staffs and students (distance, quality of roads and/or means of transportation)

15. How does the institution *cooperate with the sector(s)*?

15.1. Cooperation (links) of the institution with the companies of the sector, in the municipality/district and beyond it (with whom and how)

15.2. Participation of the sector(s) companies in defining the "state order" and in different aspects of the institution's educational activities, such as designing the education content, teaching process, formative and summative assessment of the students and graduates, teachers training

15.3. Effectiveness of the institution's students practical training in the companies

15.4. Physical availability of the possible partner companies for the institution's staffs and students (distance, quality of roads and/or means of transportation)

16. Who are the *stakeholders* who could cooperate with the institution?

16.1. Main local / sectoral stakeholders, including those who expressed willingness to cooperate and the possible forms of cooperation

16.2. Out of them, the companies which clearly expressed their demand in the specialists prepared by the institution

16.3. Motivation and capability of the above companies to invest in the development of the institution

16.4. Readiness of the municipality/district administration to cooperate with, and invest to the institution

16.5. Cooperation (links) with other (non-VET) educational institutions, NGOs, non-commercial, international, cultural, scientific and other organisations of the region

16.6. International links and cooperation

ANNEX 3. INDICATIVE LIST OF FUNCTIONS OF THE PUBLIC VET INSTITUTION EXECUTIVE

1) Without a power of attorney, **acts on behalf of the Institution,** represents the Institution's interests and concludes bargains;

2) Ensures the development and implementation of the Institution's **Strategic Development Plan** and Action plans;

3) Manages the **Institution's property**, including financial resources, according with the law, Founder's and the Board's decisions and the Institution's Statute;

4) **Appoints and dismisses the staff** members of the Institution, managers of its representations and branches, applies them reward measures and imposes disciplinary sanctions;

5) Issues **power of attorney** on behalf of the Institution, including power of attorney with the right of re-authorisation;

6) Opens **bank accounts**;

7) Performs **distribution of labour** among his/her Deputies;

8) Submits proposals on the rates of **wages, bonuses and other remunerations** of the staff members, as well as on **stipends, scholarships** and other allowances for the students and learners, to the Board's approval;

9) Establishes the necessary conditions for the Institution's **staff professional advancement**;

10) Supervises the **education content** in the Institution, the quality of mastering the learning outcomes by the students and learners, their behaviour, and the organisation of other training activities;

11) Ensures establishment and effective functioning of the internal **quality assurance** system in the Institution;

12) Initiates **external monitoring** of the quality of education and/or educational activities of the Institution, institutional **audit** and/or public **accreditation** of the Institution;

13) Ensures that internal **labour discipline** rules, sanitary norms, occupational safety and security techniques are met;

14) Promotes, and creates conditions for, the activities of **self-governing** bodies of the Institution;

15) **Reports** to the Founder and the Board;

16) Within the limits of his/her authority issues **orders, directives and instruction** mandatory for the Institution and its subdivisions, and supervises their implementation;

17) Exercises **other powers** reserved for the Institution's jurisdiction by the legislation, which are not reserved to the Founder, the Board or other bodies of the Institution.