

MOLDOVA

Country Plan 2007

1. Socioeconomic background

With Romania's accession to the EU, Moldova will become an immediate Union neighbour. But despite its geographical vicinity and cultural affinity to the European Union, there is a huge economic gap between the two. Moldova is presently the poorest country in Europe and the only European country classified as low-income by the World Bank. This is the result of a difficult transformation process. Moldova went from one of the most prosperous agro-food regions in the former Soviet Union, to a small independent country that has lost privileged access to the former Soviet food market. Moldova became independent in 1991 and in 1992 was involved in a conflict over Transnistria, a part of the country that has unilaterally split from the Republic of Moldova. Although Transnistria is now in effect independent, this status has not been internationally recognised. More than two thirds of the population of Moldova are Moldovans. Other important minorities are Ukrainians, Russians, Gagauz and Bulgarians. Russian continues to be the common language among minorities. The official language is Moldovan, which is similar to Romanian.

During the 2001–2006 period a sizable improvement in economic and social indicators was registered. As a result of increased financial remittances by Moldovan migrants, GDP has grown 6-7% over the past five years, but this has not resulted in significant job-growth.

While the working age population has increased over the last decade, the job activity and the employment rate have continuously declined. The first is presently around half the working age population, while the employment rate stands at 47%. Female employment is almost at the same level as male employment. Urban employment is significantly lower than rural employment, where agriculture has been able to provide a buffer role for years. According to official statistics, agriculture accounts for 41% of employment (2005) but employment in the agriculture sector has been decreasing since 2002. The official unemployment rate is low (5.4%, ILO rate 2006), youth unemployment significantly higher (15%). Unemployment is a typical urban phenomenon, hovering at 8.3%.

About half of the work force is engaged in salaried employment, and 24% of the workforce works for the public sector. The share of SMEs is constantly growing in a number of sectors (to more than 30.000) and employment (covering 1/3 of the workforce). More than 40% of SMEs deal with trade and retail, making up two thirds of the national turnover of SMEs. Thirteen percent of SMEs deal in real estate, which is the most profitable sector. Almost 38% of the workforce is either self-employed, or working in a cooperative or family business.

Poverty is still relatively high in rural areas and in small towns. Poverty levels have decreased significantly since 1999, when 70% of the population lived below the poverty level. Currently less than 30% of the population live in poverty, but according to the World Bank this rises to 42.5% for the rural population whilst in small towns it can reach 48.5%. Rural poverty was in decline until 2003, but seems to be on the increase again due to the fact that prices for agricultural products remain low, whilst farming costs are increasing. The poverty rate is relatively low for households headed by people with a higher or vocational education.

The lack of job perspective and poverty has generated a range of social problems, including an exodus abroad of 20-35% of the active population. The level of migration is higher than in any other partner country where ETF is active. Russia is the main destination for migrants, followed by the EU. Financial remittance from migrants is currently making up one third of Moldova's GDP (increased from less than 10% five years

ago.) This has led to greater consumption, investment in construction, services and higher education. Whilst it's true that poverty and joblessness, have been catalysts for migration, funds sent home also encourage young people to migrate. Migration is an important buffer for employment and poverty issues. The number of returnees is only 14% and the trend of high migration continues.

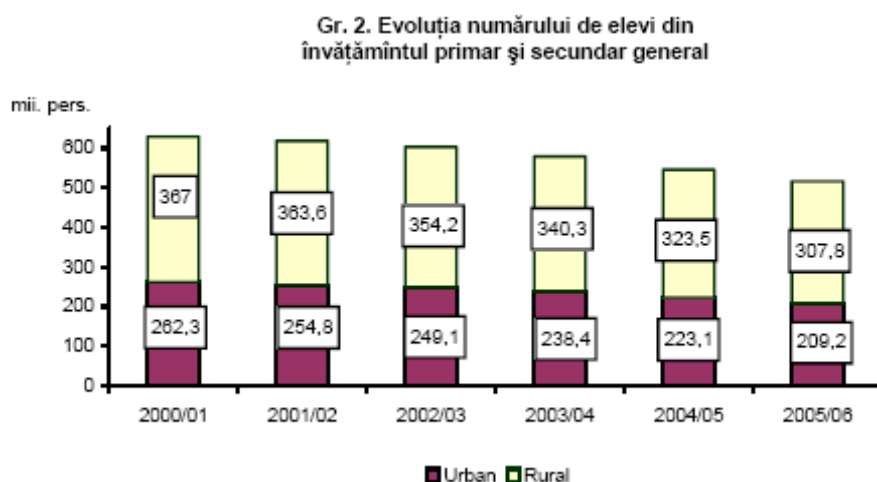
Migration is one of the factors that have led to a decrease in the population of Moldova over the last ten years. But the population had been aging since 1990, a process that will accelerate over the next twenty years, with more and more people retiring. But there is also some good news. Since 2003 the annual birth rate has been increasing gradually, and now stands at 2%. It is too early to tell if this trend will continue.

2. Key policy issues and strategies in the human resource development

The demographic impact on the education systems

The repercussions of a low birth rate in Moldova is aggravated by mass migration of the working population. As a consequence, demographic projections see a strong decline in the number of young people. The ETF Country analysis for Moldova (2005) mentions a decline in the 16-18 year-old age group of 22% until 2009 and then an additional 25% until 2015.

The following graph (source National Institute of Statistics) depicts the evolution of the number of pupils in primary and secondary general education over the past 6 years, showing a reduction of more than 20%.



The demographic peak has already reached higher education. The number of students is stagnating and is expected to decrease in the coming five years. Although the total numbers are likely to do the same over all levels of education (apart from pre-school and adult learning), trends in the different sectors of the education system have varied.

Participation in education and development of school network

Overall, participation levels in general education has increased strongly during recent years. Participation in compulsory education is returning to normal levels. Pre-school education has been made compulsory and currently 2/3 of the 4-6 age group is attending pre-school. In primary education, participation is as high as 88.9%. But these figures are partially distorted as children no longer living in Moldova have been included. Primary education is expected to start growing again after 2010 if the current increase in the birth rate continues. But this increase will be insufficient to replenish all existing schools. A school mapping exercise recently showed that only 52% of the space in secondary schools is effectively used.

General education reforms have been a government priority and are supported by the World Bank. The improving economic situation of families has also contributed positively to participation levels. Drop-outs remain an important issue. Towards the end of lower secondary education more than 20% of pupils leave the education system, especially in rural areas. Although the early school leaver rate (young people between 18-24 years old with only lower secondary education or less) has dropped from one in three to one in five, it is unlikely that these early school leavers will ever return to the education system.

There are 1551 primary and secondary schools in the country of which 1156 are located in rural areas. Moldova is still in the process of switching from the Soviet model of 11 years of pre-higher education schooling to 12, which is the norm in most countries. The number of lyceums that lead to full secondary education is increasing constantly, while traditional general secondary schools are closing down. The school network falls under the responsibility of local authorities. With lack of resources to maintain the buildings and a chronically inadequate heating facilities, many schools require an urgent overhaul. Villages and small towns are eligible for support by the Social Investment Fund, and use this to upgrade the local school(s). The Social Investment Fund is a national body that has been established with donor support to enhance local development through investment in public facilities, with 15% co-funding from local communities. Communities define their own priorities (better roads, gas and electricity networks, and social support, health and education facilities). Schools are by far the most frequent priority. In the period up to early 2006, 271 schools had been modernised. The preference for schools is explained by the fact that young people are likely to leave the village when the local school disappears. School closures can hence lead to further migration, but within a rapidly decreasing demographic trend that is probably inevitable. Up until now, less than 2% of all schools have been closed.

On the initiative of the World Bank, the Ministry of Education has developed a database mapping the state and development in each general education school in Moldova. This mapping exercise should help define the institutions most eligible for support for equipment, furniture and text-books within the framework of the WB Quality education in rural areas project. One finding of the mapping is that only 52% of a school premises space is effectively used. A further optimisation of the school system is expected.

Ongoing developments in the education and training systems are undertaken within the framework of the "2005-2010 Strategic priorities for modernisation of education system" approved by the President in February 2005 and the "National Programme for modernisation of the education and training system", approved by the Government in August 2005. These are aimed at modernising the education and training system in the context of Moldova's integration into the European Area. With support from the World Bank for fast tracking general education, rural education and the Social Investment Fund, this part of the education system is being systematically supported.

Vocational education and training

There has been a clear shift from vocational education to general education during recent years. Participation in vocational education over the past 5 years has decreased from 22% to 8% of the population in secondary education, in a continued decline from much higher levels of participation after 1991. As a consequence, half the VET schools have already been closed. VET schools fall under the direct responsibility of the Ministry of Education and Youth. With hardly any investment in the VET sector, obsolete equipment and rapidly aging teaching staff, the sector is at risk of shrinking further and may even disappear in the coming 5 years. VET is more expensive than general education and often HE, since it requires equipment and consumables for training. Instructors in practical training have often left the schools in search of better employment elsewhere. Parents have to contribute to the purchase of consumables and apart from computers; no equipment seems to have been purchased after 1990.

At present there are 51 colleges in the country (former Technikums) that belong to the Higher Education system (but are expected to change status) and 73 VET schools. Fifty-two of these offer three-year educational courses and 21 craft schools offer courses ranging from 6 months to two years. While participation in VET schools has been continuously dropping, college participation has increased substantially. More than half the students in colleges are privately funded.

Although the number of VET schools has already dropped considerably, schools have been mainly closed in smaller towns. In Chisinau there are currently 17 schools with 5,300 students, compared with 18 schools with 15,000 students in 1990. Reforms in the vocational education systems have received some EU support in the past with a Tacis project that was implemented between 1998-2000. This has led to experiments with more decentralised schools and to the development of the multifaceted school, providing four years of secondary education and thus providing potential access to higher education. These reforms have had an impact more on general education than the vocational training aspects of the system. The polyvalent

schools have been abolished again, as it was anticipated that colleges will not remain part of the higher education system, conforming with the three Bologna cycles. This does not seem in line with current developments in Bologna and the EQF that clearly foresees short-cycle higher education at level 5. However, plans to change the college structure are still on the agenda.

The government has been trying to turn around the demise of VET schools. It is planning to abolish craft schools and introduce a new type of full-secondary VET, the professional lyceum. A new VET strategy is under discussion, proposing to turn group schools into regional training centres that can respond better to regional needs, starting a decentralisation process of VET, and increasing the role of stakeholders.

Higher education

Moldova has been actively participating in the Bologna process since Bergen (May 2005), and has started to introduce the three-cycle structure. Although financial support to HE has been moderate (and mainly through the Tempus programme) HE has seen an enormous boom in recent years. During the past 5 years for example, the University of Balti saw an increase from 2.500 to 10.500 students. Most of the increase in participation in higher education is financed through parent contributions. At present there are 33 universities (including 2 postgraduate institutions) in the country of which 18 are state owned and 15 are private. Accreditation procedures are in place. Due to strict rules on premises and staff qualifications, a number of private universities were closed down. Currently 20 institutions are accredited. The growth of students has been particularly significant in law and economics. As a consequence the government has applied strict *numerus clausis* for study places in these specialities; 10,000 in 2005/2006. With the extra-budgetary contributions received from student fees, universities are permitted to raise salaries. Hence there is no internal incentive to reduce participation for specific specialisations. Last year e.g. the State University of Chisinau was able to raise 30.000.000 MOL (almost 2M€) from extra-budgetary activities.

Adult learning

The level of participation in adult learning is very low and not in line with the retraining needs of the working population. The most common form of continuing training seems to be three-month courses financed by the National Employment Agency and training by NGO's and donors in the light of local development activities. VET schools often provide training for seamstresses for the National Employment Agency. There are few trainers in the country that have been trained to train adults. Better adult training in some critical economic sectors such as construction or food processing could clearly help the development and growth of these sectors.

Although no document such as a National strategy or a National vision on education exists, during a prioritising exercise with Moldovan stakeholders in December 2006 the following **priorities** were identified by Moldovan counterparts as key in the reform process:

- Enhance the teacher training systems
- Reform of the national VET-system
- Development of an education information system to support quality evaluations and assurance, and planning
- Development of a National qualification framework for all levels
- Development of adult training provision
- Further development of the common planning activities involving all the stakeholders
- Motivation and involvement of stakeholders

3. EU and other donor policies and interventions.

The EU has been supporting developments in Higher Education through the Tempus Programme since 1993. In 1998-1999 a Tacis project, aimed at reforming the vocational education and training system was implemented, but the reforms introduced were not sustainable.

The World Bank has supported primary and lower secondary education with a general education loan. Investment in school buildings from the Social Investment Fund are partially covered by World Bank and EU support. The World Bank is also supporting fast track support for preschool education. On the initiative of the World Bank, the Ministry of Education has developed a database mapping the state and development in

each general education school in Moldova. This mapping exercise should help to define the most viable institutions that will be eligible to support for equipment, furniture and text-books in the framework of the World Bank Quality education in rural areas project.

Unicef has focused its activities on helping to create a protective environment from abuse for children. It does not work directly on reform of the education sector.

At present K-Education Austria is providing support to two agricultural schools. SIDA is working with VET strategy, labour market Information, social dialogue, career guidance and support to vulnerable groups and drop outs, as well as piloting in three pilot schools. The Swiss Agency for Development and Cooperation (Development of Occupational Standards, Assessment and Certification) are undertaking projects to support the VET sector and Liechtenstein is expected to join in with equipment for two schools and teacher training. None of these donors (with the exception of Liechtenstein) is expected to make an investment in equipment.

France is also active in three projects in agriculture, car repair and wine culture focusing on higher vocational education.

Perspective in the framework of the European Neighbourhood Policy

The National Indicative Programme for Moldova 2007-2010 mentions education as a sub-priority under Priority Area 1: Support to Democratic Development and Good Governance:

The NIP foresees assistance for reforming and upgrading the education system in view of convergence with EU standards and practices. It will be essential to strengthen demographic development, social stability and economic competitiveness. (NIP p 5). This should result in improved quality, capacity and relevance to meet the needs of society and the economy of the E&T systems and their convergence with EU standards and practices. (NIP p 8) and contribute to improved education and training systems (demonstrated by studies assessing progress of reforms and convergence with EU standards and practices).

It is foreseen as well that Moldova will continue to participate in Tempus and also start participation in Erasmus Mundus.

Currently the capacity for systemic reform is limited. The Ministry of Education and Youth has only 58 staff members, of which only three work with the VET sector. Reform strategies are still under development. A large EU intervention is therefore not anticipated early in the programming period.

4. Mid-term perspective ETF intervention strategies contributing to added value to national, EU and donor reform-support policies

Although it is clear that current reforms have been effective in raising participation, these have only benefited general and higher education. Reform needs a holistic approach looking at the E&T system in order to be more effective. Issues like quality, relevance and efficiency of provision remain ongoing concerns for stakeholders the Ministry of Education and Youth and providers alike.

Furthermore, reforms should focus more on the future needs of the education system than at the current problems of the network. The school system needs adequate facilities and salaries to ensure quality education, and this is probably not possible without concentrating resources on a smaller pool of institutions and teachers. Any decision on what will be the best network and training requirements for Moldova can only be made after a consultation process involving stakeholders from outside the education system.

A more integrated approach should link ongoing education reforms and donor initiatives. As Moldova is a small country it should be possible to come to rational solutions with only a limited number of institutions to support the system. But for this to happen, there is a need to involve further stakeholders and to develop ownership on the need and on the path of reform.

To sum up, a quality action plan should include the following steps:

- The Ministry of Education and Youth takes the initiative to group together all the relevant stakeholders in order to clarify the current situation
- A holistic approach to education and quality should be ensured. For example, by establishing a Board of Education covering all sub-sectors, and different stakeholders
- Partnerships need to be established that are output-based

Considering that VET reform needs are very wide and capacities and ownership are very limited, ETF added value and impact can only be maximised if conceived as part of a more comprehensive EU intervention in the Education and Training sector in the context of ENPI assistance. Based on that assumption, in 2007 and beyond ETF will continue to focus on supporting the Ministry of Education and Youth and the Commission in bringing the different policies and recommendations into a comprehensive framework, contributing to develop awareness and ownership on reform needs.

Furthermore, this will be based on a participative process ensuring full ownership by other key public players at policy design and implementation levels such as the Ministry of Economy and Trade, Ministry of Agriculture, National Employment Agency as well as training providers, employers, SME networks, social partners, student and parents.

EC service will obviously be a key partner in this process. The establishment of a fully staffed EC Delegation in the near future, taking full responsibility for all issues related to ENPI assistance will facilitate the process of networking and consultation.

In 2007 efforts will be focussed on strengthening our network in the country and with relevant EC services. Also raising awareness on the key issues at stake and the need for a holistic approach to reform. This will be done via the existing projects (for example migration) that will provide the opportunity to bring together national stakeholders to discuss issues relevant to the education system. We will also gauge to see if there is interest in bringing forward the results of the 2006 seminar on quality in education.

ETF will also use other existing networks such as ERISSE (covering countries in South Eastern Europe) to promote the issue of quality via targeted ETF initiatives (such as participation of Moldovan stakeholders in Peer Learning, Study Visits, seminars).

Furthermore, the ETF networking project brings together examples of reform from different countries in the ENPI region. They will also serve as inspiration and a platform for further debate.

In 2008 the comprehensive framework, coupled with the experience gathered from work on quality and the migration project, could be the basis for capacity building activities that focus on raising quality and relevance in the E&T system. This could eventually lead to an ENPI programme under the 2008 or 2009 ENPI action plans.

5. Objectives and indicators for the Work Programme 2007 (please see the table enclosed)

ETF 2007 Activities and Services in the Republic of Moldova

ETF Country Objective 2007: European Commission Services are supported in the definition of relevant interventions in the field of education and training. Awareness of the need to address quality enhancement and relevance of holistic approach in education and training provision has increased

Project number	Project title	Specific country objective	Expected outcomes Outcome = short-term and medium-term effects of an intervention's output (during the project or end of project)	Achievement indicators Quantitative or qualitative variables measuring achievement against the expected outcomes	Sources of verification	(Yearly) outputs Products and services resulting from activities	Project duration
ENPI07-01	Facility to respond to Commission requests	To support the delivery of Community assistance to partner countries in the HRD field.	<p>Relevant assistance opportunities for education and training are identified and designed in the context of ENPI and national sector policy strategy needs.</p> <p>Analysis and relevant information provided as input to monitoring of EU external policies.</p> <p>Network of stakeholders in Moldova is strengthened</p>	<p>Awareness on need for a holistic approach to E & T reform raised</p> <p>Yearly reports on monitoring of ENPI HRD related activities</p> <p>Elements for ENPI intervention under AP 2008 or 2009 identified and agreed</p> <p>Actions for E&T reform defined</p>	<p>ETF input into ENPI monitoring reports of DG RELEX and EC DEL</p> <p>ENPI programming documents for AP 2008 or 2009</p>	<p>ETF ENPI monitoring report 2007 – Moldova section</p> <p>Follow up seminar to the quality in education workshop carried out</p>	<p>2007</p> <p>What is outstanding, depending on request</p>
ENPI 07-07	Networking	To reinforce regional exchange of experience of sector policy development and implementation.	<p>Policy formulation and implementation capacities of national stakeholders in overall or specific reform issues strengthened.</p> <p>Dissemination and networking activities carried out to expose national stakeholders to EU policies and other partner country experiences on</p>	<p>Selected stakeholders participate in network activities and provide relevant input when requested</p> <p>The new networks are fully working in an integrated manner at national and regional and in coordination</p>	<p>ETF quarterly reports</p> <p>Project plan for 2008</p>	<p>Concept note and work plan prepared</p>	2007-2013

			education and training sector reform	with the other ETF networks.			
ILP0702	Implications of migration for VET development.	To provide advice to the European Commission on the use of VET policy to support migration.	Policy advice to partner countries and the EU on the acquisition of skills by migrants contribution of vocational skills recognition to supporting development of skills of migrants in EU member states and partner countries.	ETF Migration report published, including data and analysis on Moldova	ETF Migration report AAR	Country report ETF Migration Report 2007 Dissemination event	2007