

## **ANNEX 3 – ANNUAL ACTION PROGRAMME 2012 FOR THE REPUBLIC OF MOLDOVA**

### **1. IDENTIFICATION**

Title/Number	Support for the vocational education and training sector CRIS: ENPI/2012/023419		
Total cost	EU contribution: EUR 5 million		
Aid method / Method of implementation	Project approach – direct centralised management		
DAC-code	11330	Sector	Vocational training

### **2. RATIONALE**

#### **2.1. Sector context**

The proposed project is consistent with the key policy and strategic documents of the Government of the Republic of Moldova<sup>1</sup> (hereinafter Moldova), as well as with the legal framework regulating the bilateral cooperation between the EU and Moldova<sup>2</sup>. As a result, the vocational education and training (VET) sector was proposed by the government of Moldova as an area for a potential budget support programme to be supported by the EU.

VET is a component of the Moldovan educational system, which aims at training the labour force for all branches of the national economy. Until 1990 the VET sector functioned as a single highly centralised system organised in 115 VET schools for 64,000 students. The recent reform initiated by the Ministry of Education, along with other ministries, is aimed at making VET viable and competitive in responding to the actual and perceived labour needs for a market economy. However, the number of VET institutions has not changed dramatically in the past few years and there are 70 secondary VET schools and 22 post-secondary VET colleges in Moldova, with an average capacity of 400 places. As the students' population has decreased three times since 1990<sup>3</sup>, some institutions confront the problem of lack of students and lack of funds for keeping the massive infrastructure. Combined with the problem of out-dated equipment, lack of demanded occupations and relevant curricula, it undermines the development of professional education. Also the funding of VET schools does not take into account performance indicators.

The VET governance is characterised by the concentration of policy processes and implementation functions within the Ministry of Education, which is understaffed. Several intermediary bodies have been created, but are not operating effectively. Instead, there is ample room for re-designing the attribution of functions between the Ministry and intermediate level institutions.

<sup>1</sup> Including the National Development Strategy 2008-2011, the Activity Programme of the Government of Moldova 2011-2014, the draft Strategy "Moldova 2020", the Consolidated Strategy and Action Plan for Education 2011-2015, the draft Education Code, and the report "Rethink Moldova" from 24/03/2010.

<sup>2</sup> The National Indicative Programme 2011-2013 (priority area 2, sub-priority area 2.3 – Labour Market Reform and Education), the EU – Moldova Action Plan, and the current negotiations of the EU – Moldova Association Agreement.

<sup>3</sup> At present, there are 21,128 students in VET schools, out of which 19,434 (92.60%) benefit from public scholarships, 744 (2.27%) pay tuition fees, 810 (3.86%) study in penitentiary institutions, and 140 (0.67%) in private schools. Out of 13,238 graduates in 2010, 6,023 (45.50%) are employed in public institutions, 165 (1.25%) work for private companies, and 7050 (53.25%) are unemployed or continue studies. This percentage confirms that VET system fails to prepare youth for employment and to meet the labour market requirements.

While VET stakeholders proved a comprehensive understanding of what a modern VET system should entail, social dialogue is not part of the planning, implementation and regular improvement of the VET system. Though the involvement of the demand side is rather challenging at present, the first efforts and progress in this direction will be made through Sector Committees in the most important economic spheres.

Quality in VET is a critical issue to tackle in order to meet the skills' demands, and overcome shortage and inadequacy in the labour market. The system is not fit-for-purpose, in the twofold meaning of ensuring excellence while taking the users' needs and demands into account.

New sector policies are outlined in the draft Education Code, under discussion since 2010, which envisages desirable innovations, including the involvement of social partners, work-based learning and the promotion of public-private partnerships. The conditions for such new governance should in the meantime be established.

## **2.2. Lessons learnt**

Though several donors have supported the VET sector, a deep and comprehensive reform is necessary. The same conclusion was made by the TAIEX mission undertaken on 4-8 July 2011.

The European Training Foundation (ETF) in close collaboration with Moldovan institutions and experts have extensively analysed VET and Human Capital Development (HCD) more broadly in 2009-2011. One general conclusion was that HCD has to be supported by different policies together: formal education and training, non-formal and informal learning are matters for education, social, labour market, economic and regional policies.

The governance in VET was not conducive to interplay of Governmental and non-state actors. The divide between the skills requested and those "supplied" by the education and training was acute. Additionally to the governance, lifelong learning and VET financing are the key challenges that need be addressed.

## **2.3. Complementary actions**

To date, the priority of people-to-people contacts in EU-Moldova relations has been addressed mostly in the context of higher education-related programmes, such as Tempus and Erasmus Mundus. These programmes serve the important objective of internationalisation and modernisation of the higher education system. To date 478 Moldovan students and academics have benefited from an Erasmus Mundus mobility scholarship. Moldova is currently involved in 17 Tempus projects supporting Moldovan universities to improve their administrative and organisational structures / study programmes, promote teacher trainings, student mobility, consultation with entrepreneurial world, cooperation with stakeholders.

The World Bank is one of the leading donors in the education area, but its projects are focused on reforming the primary education sector.

Donors in the VET sector are few and have developed a good level of coordination. Among them, it is worth mentioning the Liechtenstein Development Service (LED), the Swedish International Development Agency (SIDA), the Austrian Development Agency (ADA), the German Agency for International Cooperation (GIZ), and the Swiss Development Cooperation (SDC).

## 2.4. Donor coordination

In April 2008, a Policy and Aid Coordination Department was established within the Prime Minister's office. This department coordinates the government's contacts with all major donors, and plays a key role in assuring the projects implementation.

The Ministry of Education has established a Sector Council on VET, which meets mostly on ad-hoc basis. The current project will assist the Ministry of Education to take the leadership in planning and coordination with the key donors active in the sector.

## 3. DESCRIPTION

### 3.1. Objectives

The **overall objective** is to improve the governance of the VET system in Moldova by reforming the VET institutions network and enhancing the quality of the learning processes and learning outcomes in line with the labour market demands.

The **specific objectives** are:

1. To assist the Government in implementing the structural reform in VET and to improve the social dialogue by establishing 5 or more Sector Committees in the most important economic sectors;
2. To develop the framework for quality assurance and quality management in VET, as well as to improve the quality of the learning processes and learning outcomes in the 5 selected sectors;
3. To strengthen the capacities of the key stakeholders involved in the upcoming VET Budget Support Programme and to assist them in the implementation, monitoring and evaluation of the Budget Support;
4. To raise the awareness of the VET professionals and the general public on the new reformed VET system.

### 3.2. Expected results and main activities

The project is structured around the specific objectives reflected in four result areas:

**1. In the first result area**, activities will be aimed at preparing the structure for implementing a reformed VET system (secondary professional education and post-secondary education). This will be achieved through:

- mapping of the VET sector (secondary professional education and post-secondary education), which results in a Master Plan for optimisation of the VET Institutional Network to be used by the Government within a VET sector budget support programme (tentatively from the Annual Action Programme 2013);
- supporting the establishment of "Centres of Excellence" specialised in different sectors of economy;
- strengthening the capacities of the VET Department of Ministry of Education and the Republican Centre for VET Development (RCVETD) (i.e. institutional management, donor coordination, project cycle management, quality management, VET institutions

assessment, elaboration of development plans for VET institutions, organisational development, human resources management and development, quality standards development, quality assurance, strategic adjustment of educational offer to the market demand, etc.);

- strengthening the capacities of the Ministry of Labour, Social Protection and Family , the Ministry of Economy, and the National Employment Office (updating the classifier and nomenclature of occupations);

- carrying out labour market analysis with forecasting (VET information management system regarding economic sector data/labour market data, career guidance to end-users of the VET system, etc.);

- improving social dialogue in the VET sector through establishing 5 or more Sector Committees in the most important economic fields and support to the creation of school networks with the industry and local stakeholders;

- assisting the Ministry of Education, as well as other national stakeholders and social partners in developing Implementation Strategies and Action Plans for VET, in line with the National Qualifications Framework (NQF) for VET.

**2. In the second result area**, activities will be aimed at enhancing the quality of VET provision through:

- updating the Nomenclature and Classifier of occupations, and developing the National Qualifications Framework (NQF) for VET in line with the methodology set out in the European Qualifications framework (EQF);

- strengthening the capacities of the Republican Centre for VET Development (RCVETD) and of the social partners to develop and update occupational standards;

- developing the occupational standards for VET and their approval by the Ministry of Labour, Social Protection and Family and the Ministry of Education;

- developing qualifications for VET and their approval by the Ministry of Education;

- developing the roadmap for quality assurance and quality management (assessment, validation, recognition, and certification of qualifications), as well as development of procedures, guidelines and templates;

- developing and implementing a methodology for external assessment of graduates' professional competences, levels of qualification;

- developing model curricula, training materials and textbooks that cover the developed qualifications in the 5 selected sectors;

- training of teachers in secondary VET schools and post-secondary VET colleges on the implementation of the newly-developed curricula;

- support in developing career guidance in VET schools and colleges;

- developing and implementing a VET performance management system (specifications for system development, developing and piloting the electronic database, training of users);

- support in establishing and capacity building of the Quality Assurance unit under the Ministry of Education.

**3. In the third result area**, activities will focus on providing the necessary support to the implementation of the upcoming VET Budget Support Programme:

- supporting the Ministry of Education, the Republican Centre for VET Development, the VET schools and colleges, as well as other national stakeholders and social partners to prepare and implement the VET Budget Support Programme smoothly and efficiently;

- provide constant support to the Ministry of Education in the implementation of the Master Plan for reorganisation of VET institutions network;

- supporting the Ministry of Education, the Republican Centre for VET Development, the VET schools and colleges, as well as other national stakeholders and social partners to monitor and evaluate the VET Budget Support Programme;

- assisting the Ministry of Education to take the leadership in better planning and coordination with the key donors active in the VET sector.

The upcoming VET Budget Support Programme is expected to be funded from the NAP 2013 and a preliminary list of activities/conditionalities for this Budget Support will be developed during the identification mission planned for May – June 2012.

**4. In the fourth result area**, activities will be aimed at raising the awareness of the new reformed VET system:

- developing the awareness raising strategy;

- implementing the awareness raising campaigns;

- monitoring of the implementation of the awareness raising campaigns and evaluation of their impact.

### **3.3. Risks and assumptions**

The main assumptions include: continuous reform of the VET sector and its alignment to the EU standards; effective donors' coordination in the VET sector; active dialogue with Social Partners, as well as strong cooperation with and commitment from the key stakeholders, in particular the Ministry of Education and the Ministry of Labour, Social Protection and Family; the Education Code will be approved by Parliament; strong ownership on the side of the Moldovan authorities.

Potential risk factors include political instability in Moldova and discontinuity of governmental structures; delayed approval of the new legislation (the Education Code); lack of implementation of the new legislation after its approval; extended network of VET institutions and their reluctance to comply with the reform; low absorption capacity of the main partner institutions and high staff turnover; the Ministry of Education lacks an official strategy that targets priority objectives and expected results for the forthcoming period;

It is assumed that Moldova's widely demonstrated political interest towards European Integration with clear, policy-based support from the Government will ensure that these risks can be successfully mitigated.

### **3.4. Cross-cutting Issues**

Good governance and human rights bear a particular relevance to the education and training sector and to this project in particular. Access to education and training is not always guaranteed at present, due to existing disparities associated with income, region of residence, disability and affect school enrolment and school completion.

The VET sector has a twofold mission i.e. to meet both economic and social demands by ensuring inclusiveness. The renovated mission and strategy and the adequate organisation and management of the system are an important condition for VET to fulfil its twofold mission in Moldova.

The project will aim at creating equal opportunities for both males and females, and will contribute to social inclusion of people with disabilities.

The following Sector Budget Support Programme will lead to improved governance by ensuring the participation of all major stakeholders in the sector, including non-governmental organisations, employers and employee's associations and end users. Consultation mechanisms will be designed to be fully inclusive and public sector accountability will be enhanced.

### **3.5. Stakeholders**

The Ministry of Education defines the qualifications and the certifications, including where the supply is organised by line ministries (Health, Agriculture, etc.). Curricula and curriculum innovations need the approval of the Ministry of Education.

Other major stakeholders include the National Employment Agency, Republican Centre for VET Development, Ministry of Labour, Social Protection and Family, Ministry of Economy, Employers' and Employees' National Federations, the Sector Committee on Agriculture and Food Industry and the Sector Committee on Construction, the National Council on Occupational Standards, Accreditation and Certification.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

Direct centralised management through service contract(s).

### **4.2. Procurement procedures**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by Regulation (EC) No. 1638/2006. Extension of this

participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 21(7) of the ENPI Regulation.

#### **4.3. Budget and calendar**

The total project cost is estimated at EUR 5 million. These funds may be used for evaluation and audit activities.

The indicative operational duration of the programme is 60 months from the signature of the Financing Agreement. The tender procedure will be launched within 6 months (indicative) following the entry into force of the Financing Agreement.

#### **4.4. Performance monitoring**

A Project Steering Committee (PSC) will supervise the project at the highest level. Draft Objectively Verifiable Indicators (OVIs) are listed in the Logical Framework. The contractor will ensure that the activities to be undertaken for the achievement of the project results and the OVIs will be updated in consultation with the beneficiary and approved by the EU Delegation before the start of implementation. The OVIs are expected to enable both the contractor and the Contracting Authority to adequately assess the effectiveness and efficiency of the project in terms of:

- Technical performance (implementation processes)
- Quality of outputs (results)
- Impact (vis-à-vis the stakeholders)
- Re-usability of results and sustainability of activities

Additionally to the monitoring of the project implementation by the implementing agency, the EU will carry out the continuous monitoring under its standard procedures. It includes periodic assessment of progress and delivery of the specified project results towards the achievement of project objectives.

#### **4.5. Evaluation and audit**

The project's evaluation and audit shall be commissioned by the EU to assess the project performance, achievements, and impact. The project may also be subject to result-oriented monitoring (ROM).

#### **4.6. Communication and visibility**

Proper communication and visibility will be achieved via widespread dissemination of the project achievements and results (to be developed by the contractor following the Communication and Visibility Manual for EU External Actions). Additional visibility will be achieved through public events (project's opening, annual and closing conferences) and updates published on the EU Delegation's website. Apart from communication and visibility activities, the project will develop and implement a strong awareness raising component, which will further increase the visibility of the project.