

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: PIDC15

<b>Project Name</b>	Moldova Education Reform Project (P127388)
<b>Region</b>	EUROPE AND CENTRAL ASIA
<b>Country</b>	Moldova
<b>Sector(s)</b>	General education sector (100%)
<b>Lending Instrument</b>	Specific Investment Loan
<b>Project ID</b>	P127388
<b>Borrower(s)</b>	Ministry of Finance
<b>Implementing Agency</b>	Ministry of Education and Youth
<b>Environmental Category</b>	C-Not Required
<b>Date PID Prepared</b>	22-Sep-2011
<b>Estimated Date of Appraisal Completion</b>	25-Jul-2012
<b>Estimated Date of Board Approval</b>	11-Oct-2012
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

## I. Introduction and Context

### Country Context

The political landscape in Moldova continues to be volatile. There have been three general elections in the last two years and the current Alliance for European Integration's coalition Government remains fragile. Nevertheless, the Government has done well in restoring macro-economic stability and laying the seeds for economic recovery. The main challenge is the tackling of structural reforms #key regulatory reforms in the business environment, on rationalization of fiscal expenditures, and on policies and infrastructure investments to support future growth and European integration. A major reform launched by the Government of Moldova is the education reform program which aims to improve the quality of education through efficiency measures. The efficiency measures would free resources that would then be prioritized towards quality interventions that include curriculum reform, student assessments, teacher training and textbooks.

### Sectoral and Institutional Context

In the education sector in Moldova, the lack of efficiency and with it declining quality has been a growing problem. For example, in 2010 Moldova was spending about 10 percent of its GDP on education -- more than any other country in the region. The expansion of Moldova's education budget goes in the opposite direction of the country's demographic trends. As the number of students shrank by more than 40 percent since the early 1990s, the number of teachers did not decrease proportionately, leading to a sharp decline in student-teacher ratios. Moreover, 37 percent of Moldova's school-based employment is comprised of non-teaching staff compared to an OECD average of 27 percent. Within the context of the need to implement austerity measures in the public sector, the Government has initiated a set of ambitious and much needed reform initiatives reflected in the Action plan for education structural reform implementation prepared by the Ministry of Education (MoE). The action plan has three objectives: ensuring equal access for all children to quality education; increasing flexibility in labor relations in education; and efficient use of financial allocations.

Moldova's main challenge in the next three to four years is to roll out efficiency reforms while at the same time increasing the quality and relevance of its education system in order to improve its competitiveness in the future. Although reliable data on students' achievements is poor, there is consensus that quality and relevance problems persist. Issues of quality mean that there is a need to continue, consolidate and extend reforms in curriculum, student assessments, teacher training and textbooks. While overall quality improvements will take time to materialize, it would be greatly facilitated by a higher proportion of the budget being made available through efficiency reforms initiated by the government's program. Downsizing the system would mean more available resources being channeled towards improved teaching and learning in those schools which will be receiving students from reorganized schools.

### Relationship to CAS

The Moldova Country Partnership Strategy for FY 2009-12 and the proposed Project are well aligned. One of the key areas of support in the CPS is for Human resource development, enhancing employment and promoting social inclusion. One of the goals of this pillar is the improvement of the quality of and access to education services as well as the efficiency of public spending on education.

## II. Proposed Development Objective(s)

**Proposed Development Objective(s)**

The project development objective is to ensure the quality of and maintain the access to general education while supporting the efficiency reforms being implemented in the education sector.

### Key Results

The proposed project development objective would be measured through the following indicators listed below.

- (i) The assurance that quality has not decreased would be measured through an impact evaluation of students affected by school reorganization (4th grade test scores would serve as a baseline)
- (ii) The protection of the access of those students affected by school reorganizations would be measured by the dropout rate measured by using registrar of students (currently under development) to track individual students from old to (new) receiving schools.
- (iii) Improving efficiency of spending would be measured by: a) increase in the average class size and b) increase in student teacher ratio.

### III. Preliminary Description

#### Concept Description

The project will be a results based project and will support the GoM's three priority pillars: (i) strengthening the quality of education; (ii) maintaining access of all children to schooling; and (iii) improving the efficiency of the sector. The proposed areas of focus for the project are the following: the development of teaching and managerial staff; strengthening the country's ability to monitor quality through the regular participation in international assessments; school reorganizations, class mergers and nationwide Per Student Financing.

### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waters OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

### V. Tentative financing

Financing Source	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	30.00
Total	30.00

### VI. Contact point

#### World Bank

Contact: Scherezad Joya Monami Lat  
 Title: Senior Education Specialist  
 Tel: 458-2488  
 Email: slatif@worldbank.org

#### Borrower/Client/Recipient

Name: Ministry of Finance  
 Contact:  
 Title:  
 Tel: +373 2 22 66 29  
 Email:

**Implementing Agencies**

Name: Ministry of Education and Youth  
Contact: Valentin Crudu  
Title: Project General Coordinator  
Tel:  
Email: email address: rural@edu.nd

**VII. For more information contact:**

The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Web: <http://www.worldbank.org/infoshop>