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**PROJECT DOCUMENT**  
**ON A**  
**PROPOSED GRANT**  
**IN THE AMOUNT OF USD 4.4 MILLION**  
**TO THE**  
**REPUBLIC OF MOLDOVA**  
**FOR THE**  
**EDUCATION FOR ALL - FAST TRACK INITIATIVE PROJECT**  
**Year 3**

July 27, 2011

Human Development Sector Unit  
Europe and Central Asia Region

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**GOVERNMENT FISCAL YEAR**

*January 1 – December 31*

**CURRENCY EQUIVALENTS**

(Exchange Rate Effective as of July 27, 2011)

Currency Unit	Moldova Lei
USD1.00	MDL 11.64

Weights and Measures: Metric System

**ABBREVIATIONS AND ACRONYMS**

CPS	Country Partnership Strategy
CSED	Consolidated Strategy for Education Development
ECD	Early Childhood Development
EFA- FTI	Education for All
EG	Environmental Guidelines
EMP	Environmental Management Plan
FTI	Fast Track Initiative
GDP	Gross Domestic Product
GOM	Government of Moldova
IMF	International Monetary Fund
LDG	Local Donors Group
LEG	Local Education Group
MLSFP	Ministry of Labor, Social Protection and Family
MOE	Ministry of Education
MSIF	Moldova Social Investment Fund
NBS	National Bureau of Statics
OECD	Organization for Economic Co-operation and Development
PDO	Project Development Objective
SRAT	School Readiness Assessment Tool
UNDG	United Nations Development Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children’s Fund
WB	World Bank

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**PROJECT DOCUMENT DATA SHEET**  
**MOLDOVA**  
**EDUCATION FOR ALL – FAST TRACK INITIATIVE (EFA FTI) GRANT – YEAR 3**

Date: July 27, 2011 Country Director: Martin Raiser Sector Manager: Alberto Rodriguez Task Team Leader: Mariana Moarcas		Environmental category: C	
Total amount: USD 4.4 million		Expected Implementation Period: January 2012 – August 2013	
Expected Effectiveness Date: January 1, 2012		Expected closing date: August 31, 2013	
Grant recipient: Republic of Moldova		Responsible agency: Ministry of Education and Moldova Social Inclusion Fund	
Development Objective: The Project Development Objective is to improve the access, quality and inclusiveness of preschool education in Moldova.			
Brief description: The proposed grant of USD 4.4 million will help finance the costs associated with: (i) providing equitable access to preschool programs in rural localities with inadequate access to preschool education services (i.e. localities with no kindergartens and a significant number of preschool age population or where existing facilities cannot cover a significant share of the preschool population); (ii) ensuring increased access to preschool education of children with special needs and those from disadvantaged and vulnerable social groups; and (iii) improving the quality of preschool education by raising the capacity of all preschool educators to routinely apply the new child-centered curriculum and the newly developed standards and through provision of didactical materials and parental programs.			
Financing plan (USDm)			
Source		Total	
Grant		4.4	4.4
Estimated disbursements (Bank FY/USDm)			
Source		2012	2013
CF grant		2.2	2.2
Does the operation require any exceptions from Bank policies? If yes, have these been approved by Bank management?		Yes [ ] No [x] Yes [ ] No [ ]	
Which safeguard policies are triggered, if any?		OP/BP 4.01 Environmental Assessment	
Significant non-standard conditions, if any:			

## **1. STRATEGIC CONTEXT AND RATIONALE**

### **1.1 Country and Sector Issues**

Moldova has passed through a difficult transition period, with a cumulative loss of gross domestic product (GDP) of approximately 66 percent between 1990 and 1999. Since 2000, the country's economy has shown a growing trend. If, during the acute economic collapse in 1992 - 1999 the GDP declined by almost 60 percent, then, in 2000 - 2008, the GDP gained a real increase of about 52 percent. However, Moldova has witnessed lately a turbulent political environment and its fragile economy proved to be vulnerable to the global economic and financial crisis. In real terms, by the end of 2009, the GDP per capita was reduced by about 9 percent. Losses were partially offset in 2010 as the economy started to rebound spurring a GDP growth of 6.9 percent in real terms over 2009.

In spite of economic difficulties, the Moldovan authorities have ensured a constant increase in the funds allocated to education over the past years. Thus, over 2005-2009, the share of the public expenditure on education in the GDP increased from 6.8 percent to 9.7 percent, with expenditure on preschool education nearly doubling its share in GDP from 1 percent in 2005 to 1.9 percent in 2009. However, this growth didn't result in an increased gross rate of enrolment in all sub-sectors. In fact, the gross enrolment rate for lower secondary education decreased from 93 percent to 88 percent, whereas gross enrolment in primary education declined from 97 percent to 94 percent during the same period. By contrast, preschool education marked a robust growth of gross enrolment from 70.7 percent in 2005 to 77.1 in 2010/2011.

The adverse impact of the global economic crisis on Moldova's economy and the preceding food and oil prices turmoil undermined virtually all main sources of growth the country relied upon in the previous years: remittances, private consumption, exports, and private investment. While GDP shrank by 6.5 percent in 2009, a pre-election spending promise threw Moldova's fiscal balance out of equilibrium and into crisis, widening the fiscal deficit to 6.4 percent of GDP in 2009 and to 9% in 2010<sup>1</sup>. Education spending on teacher salaries was a main driver behind the spending increase, with education spending as a share of GDP rising to almost 10 percent of GDP in 2010.

The limited opportunities of the new reform-minded Government of Moldova (GOM) to tackle fundamental reforms in-between a series of repeated Parliamentary elections in 2010 did not deter it from pursuing its ambitious reform agenda in the area of early childhood development (ECD)<sup>2</sup>. While there are inefficiencies in the education sector, both the Government and lead donors in the country recognize the need for increased access and quality of preschool education given its significant returns on investment and the essential role of education for poverty

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<sup>1</sup> Based on preliminary GDP and Government statistics published by Moldova's National Bureau of Statistics (NBS)

<sup>2</sup> A variety of terms including Early Childhood Care and Education, Early Childhood Development, Early Childhood Education and Care, Early Childhood Care and Development and Early Childhood Care for Survival Growth and Development have been used to describe services for young children; the different terms are a reflection of variations in the foci of services and the age group covered; in this Project proposal ECD will be further used.

reduction and social inclusion. Despite a general trend of decreasing population, the number of 0-4 years old population began to increase starting with 2005, a factor leading also to the need for new approaches in the design of the network of institutions and services for ECD. Another reason for focusing on ECD is the high number of parentless children due to migration. According to the 2008 UNICEF study: "The Impact of Parental Deprivation on the Development of Children left behind by Moldovan Migrants" between 150,000 and 270,000 children aged 0 to 14 have been left behind by one migrating parent and 40,000 have been left behind by both migrating parents. For these children it is even more important to have access to ECD services.

Moldova is among the first signatories of the Millennium Development and Education for All goals. Based on the Education for All National Strategy 2004-2015, the GOM developed a Consolidated Strategy for Education Development (CSED) for 2006-2008 and an action plan for its implementation, approved by the Donors in the context of Moldova's participation in the Education for All - Fast Track Initiative (EFA-FTI). In 2010, a new CSED for 2011-2015 was approved.

Three of the main objectives of the new 2011-2015 CSED are relevant to this Project proposal: (i) modernize the educational system of the Republic of Moldova to ensure sustainable human development by providing equitable and non-discriminatory access to quality education at all education levels for all children, including those from vulnerable families, those with special educational needs and representatives of ethnic minorities; (ii) ensure qualitative pre-school, primary and secondary education for all children through the development of child-friendly schools and expanding inclusive education practices; and (iii) use effectively the material and technical basis and financial resources allocated to the educational system and improve the training quality.

Moldovan authorities have made considerable efforts aimed at improving the access of children to early education and development. According to the statistics, there were 1,380 kindergartens operating in the country in 2010/2011 (245 more pre-school institutions than in 2000), serving 130,041 children. The gross rate of enrolment in pre-school education has risen from 66.1 percent in 2004 to 77.1 percent in 2010. About 31,540 children were enrolled in the school preparatory groups.

Starting from the importance of the early education of children for their further development and for the full implementation of the opportunities offered by the general education and higher education, the Government revised the Millennium Development Goals in the field of education to include explicit provisions on pre-school education. Thus, according to the National Development Strategy, it is foreseen to increase the gross rate of enrolment in pre-school programs for children 3 to 6 years old from 41.3 percent in 2002 to 75 percent in 2010 (77.1 actual enrolment achieved in 2010) and up to 78 percent in 2015, and for children 6 (7) years old from 66.5 percent in 2002 to 95 percent in 2010 (97.7 percent achieved in 2010) and up to 98 percent in 2015. It is also planned to reduce to less than 5 percent the discrepancies between enrollments in urban and rural areas (in 2010 the enrolment in rural areas was by 27 percent lower than in urban areas) and between disadvantaged and middle- income groups.

Although in the context of the Millennium Development Goals, Moldova registered significant progress, official statistics<sup>3</sup> show that there are still about 200 localities out of which 55 localities with no preschool services and 145 localities with substantial preschool population (50 percent or higher) out of preschool. At the same time, the gap between gross enrollment rates in urban areas (94.5 percent) and rural areas (67.1 percent) is significant. The role of the private sector in preschool education is rather limited, with few private kindergartens established in the largest cities in Moldova.

A sustainability challenge remains given the adverse effects of the crisis on Moldova's budget capacity to adequately fund the implementation of its ECD program. The CSED, the associated financial gap simulation model and the budget projections (Mid Term Budgetary Framework) for the pre-school sub-sector for the period 2012-2015 point to a significant financial gap of over USD 20.7 million, of which USD 5.91 million appearing during 2012-2013; this is also presented in detail in the Donors' Appraisal Report on the CSED (commissioned by UNICEF in 2011).

Recently the Government has taken more seriously the issue of inefficient spending in the education sector and a plan for the implementation of a nationwide school optimization program has been agreed with the International Monetary Fund (IMF) and the World Bank (WB). Under this ambitious program, Moldova is set to increase the pupils-teacher ratio in primary education from 15.74<sup>4</sup> in 2009 to an Europe top ranking level of 18<sup>5</sup> by 2015, through radical measures for school consolidation, increase of class sizes and closing down inefficient small schools in depopulating localities. This represents an opportunity to scale-up the support for preschool education while coordinating it with the government's plans to optimize the physical infrastructure and resource allocation in the system.

There is a need to strengthen the *educational* versus the *care* role of kindergartens, by increasing the learning opportunities for all children. This will benefit particularly children coming from more disadvantaged environments, having little opportunities for early literacy and language development. As a recent study (National Survey on Early Childhood Care and Development: family Knowledge, Attitudes and Practices, UNICEF, 2010) demonstrates, the opportunities for early literacy and language development are often reduced in poor Moldovan households. Only 28.8 percent of parents read to their children every day and the practice of every day reading depends upon location (37.6 percent in urban versus 23.2 percent in rural areas), as well as upon the education and the socio-economic level of parents. Preschool education providing increased learning opportunities can have a strong equity contribution by helping particularly the poorest to have the opportunities for early literacy and language development they are missing at home and helping them to be ready for school and learning.

Teaching methodologies providing learning opportunities that support child development in the main domains of cognitive development (including analytical skills, mental problem solving, memory and early mathematical abilities), language development, executive function/ self-regulatory development, motor development and social/emotional development are still less present in the Moldovan kindergartens. Teachers will need to learn in their day-to-day work how

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<sup>3</sup> Source: MOE and MSIF

<sup>4</sup> Source: UNESCO Institute of Statistics

<sup>5</sup> Agreement between the Government of Moldova and IMF and WB

to master the teaching methodologies that promote child adequate development. To achieve that, they need practical training on how to translate the “child centered approach”, the “teacher standards”, and the “learning standards” in everyday work in preschool classes.

## **1.2 Rationale for Bank Involvement**

The proposed EFA-FTI 3 Project (further called EFA-FTI 3) will help the GOM to implement the CSED through assistance given to its ECD objectives. The EFA-FTI has been an important factor in Moldova in mobilizing and effectively using resources. Moldova is the only country using EFA-FTI resources exclusively for ECD. Two Grants have already been awarded to projects further called EFA-FTI 1 and EFA-FTI 2. A new grant for a third project, EFA-FTI 3, is justified by the successful implementation of the previous projects and by the clear need for additional funds to implement the CSED 2011-2015. The Project activities will complement the efforts of the Government, the Local Public Administrations (LPAs) and UNICEF, the Lead FTI Donor Agency in Moldova. As under EFA-FTI 1 and 2, UNICEF will finance a range of complementary activities expected to enhance the EFA-FTI interventions.

In the past four years, Moldova received, fully disbursed and successfully completed two EFA-FTI projects<sup>6</sup> totaling USD 8.8 million in support of the implementation of the country’s ECD program. The projects supported access to preschool services for about 9,000 children through the renovation and endowment of 65 preschool institutions (6.4 percent of the total) and endowment of more kindergartens and community centers refurbished by local authorities; 512 preschool institutions (37.5 percent of the total) were supplied with 31,000 books and other didactical materials. The projects facilitated the development and the nationwide use of the new child-centered policy documents and associated guides (curriculum, early learning development standards and professional standards for teachers, pre-service and in-service teacher training curricula), the professional development of principals and methodologists (100 percent), as well as of preschool teachers (34 percent).

At the same time, the adoption of the child-centered regulations package marked the institutionalization of the alternative early learning services and empowered communities (LPA as “duty bearers”) in claiming public central funding support for such services. All these efforts leveraged important policy changes by enhancing community mobilization at local level and improving policy dialogue, coordination and project implementation capacity at central level. The impact of the EFA-FTI 1 and 2 went beyond the direct interventions, clearly benefiting the entire education system. The projects played a central role in bringing government and major donors together (UNICEF, World Bank, UNESCO) in a coordinated manner implementing complementary and priority programs based on the sector strategy. Moldova’s successful experience in scaling-up quality ECD services was recognized internationally and was included in the Global 2010 UNDG Good Practices publication. The country’s achievements have been widely shared in international events, as well as on the occasion of the visit of the World Bank President to Chisinau in August 2010. Moldova could serve as a knowledge hub and share its successful experience with other countries interested to replicate good practices on ECD and use lessons learned.

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<sup>6</sup> EFA-FTI 1 (USD 4.4 mil.) during 2006-2008 and EFA-FTI 2 (USD 4.4 mil.) during 2008-2010.



Under the proposed EFA FTI 3, while the Government will continue efforts to expand ECD coverage and address equity issues, a stronger focus will also be placed on enhancing the quality of pre-school services. More efforts will be made to promote national policies and legislation, a system wide professional development program for pre-school teachers associated with the provision of modern teaching and learning materials, a school readiness assessment instrument, all expected to contribute towards better educated individuals, in the long run. This vision places Moldova at the forefront of Fast Track Initiative countries.

The World Bank's good experience in assistance for achievement of education for all is continued, as evidenced by the recently launched [Education Strategy 2020](#), which is focused on achieving 'learning for all' over the next decade and emphasizes looking beyond inputs (classrooms, teacher training, textbooks, computers) to outputs such as cognitive skills and skills for critical thinking. The strategy promotes this approach through the slogan 'invest early, invest smartly, invest for all.'

### **1.3 Higher Level Objectives to which the Project Contributes**

The EFA-FTI 3 will contribute directly to MOE's mission to ensure quality education for all. The CSED 2011-2015 is structured around seven priority directions, one of them being "Expanded access to quality early education". The policy objectives for ECD during 2011-2015 focus particularly on: (i) expanding equitable ECD services for all children, with a special focus on the most vulnerable; (ii) further improving the quality of ECD services; and (iii) ensuring methodological, teaching and technical material supplies for the institutions of early childhood education and development.

The Project will support themes identified in Moldova's Country Partnership Strategy (CPS) for the period 2009-2012 and the recent CPS Progress Report for the period FY 09 - 13. More specifically, the proposed EFA-FTI 3 supports the cross-cutting themes of *Minimizing social and environmental risks, building human capital, and promoting social inclusion*", identified as one of the three pillars of the CPS. Moreover, the Project is fully aligned with the specific country strategic goal to which the CPS contributes in the field of education, namely the *"Increased quality and access to education in line with MDGs"*.

## **2. PROJECT DESCRIPTION**

### **2.1 Financing Instrument**

The Project will be financed through a USD 4.4 million EFA-FTI grant over an 18 months period in the form of an investment operation.

### **2.2 Development Objectives and Key Indicators**

The Project Development Objective is to improve the access, quality and inclusiveness of preschool education in Moldova by: (i) providing equitable access to preschool programs in rural localities with inadequate access to preschool education services (i.e. localities with no

kindergartens and a significant number of preschool age population or where existing facilities cannot cover a significant share of the preschool population); (ii) ensuring increased access to preschool education of children with special needs; and (iii) improving the quality of preschool education by raising the capacity of all preschool educators to routinely apply the new child-centered curriculum and the newly developed standards, and through provision of didactical materials and parental programs.

In order to measure the PDO, the key results indicators are divided into sector and Project indicators as follows:

Sector indicators:

1. Gross rate of enrollment (total, rural and urban) in preschool education of children aged 3-6(7) (*baseline 2010/2011=77.1 (total), 67.1 (rural) and 94.5 (urban); target 2012/2013=78% total; 68% (rural) 94.8% (urban)*)
2. Percentage of new entrants to primary grade 1 who have previously attended some form of organized ECD program (*baseline 2010/2011=97.7; target 2012/2013=98.3%*)
3. Discrepancy in access to ECD programs between urban and rural localities (*baseline 2010/2011= 27.4 %; target 2012/2013= 26.8 %*)
4. Percentage of preschool educators applying the new child centered approach to preschool education (*baseline 2010/2011 = 0%; target 2012/2013=50%* )

Project indicators:

1. Number of children aged 3-6 (7) enrolled in preschool institutions established / renovated / endowed with Project financial support (*baseline 2011= 0; target 2012/2013=1,200*);
2. Number of children with special needs aged 3-6 (7) enrolled in preschool institutions established / renovated / endowed with Project financial support (*baseline 2011=0; target 2012/2013=60*);;
3. Percentage of preschool managers and educators trained to implement inclusive ECD (*baseline 2011=0%; target 2012/2013=100%*);
4. Percentage of preschool educators who received kindergarten-based hands-on training to implement child centered approach to education, the new curricula and standards (*baseline 2011=0%; target 2012/2013=100%*).

## **2.3 Project Components**

The third year of bridge funding from EFA-FTI would continue and deepen the impact of activities completed under the EFA-FTI 1 and 2 and strengthen the ongoing preschool education reforms in Moldova. The EFA-FTI 3 project has 4 components.

## **Component 1: Increasing Access to Preschool Education (USD 1,500,000)**

The objective of this component is to provide equitable access to preschool programs in rural localities with inadequate access to preschool education services (i.e. localities with no kindergartens and a significant number of preschool age population or where existing facilities cannot cover a significant share of the preschool population). The resources under this component will be used to complement the Government's and donors' efforts to provide the necessary physical infrastructure for preschool education through rehabilitation or renovation of appropriate premises (sub-component 1.1) and to equip and endow the newly renovated facilities with furniture, equipment and pedagogic materials (sub-component 1.2).

### *Sub-component 1.1: Premises Renovation for Delivery of Preschool Education Services (USD 1,000,000)*

The objective of this sub-component is to renovate, upgrade and adjust the premises of existing physical infrastructure (schools or other publicly owned buildings) in order to accommodate the delivery of modern and quality preschool education services in rural localities with a significant number of children aged 3-6(7) that have no preschool infrastructure or where existing facilities cannot cover a significant share of the preschool population.

Official statistics show that there are about 200 localities with inadequate access to preschool services; more specifically, 55 rural localities do not have kindergartens, while in another 145 localities with substantial preschool population the intake capacity of the existing preschool facilities is significantly lower than the local needs, thus leaving the majority of children aged 3-6(7) out of preschool and forcing a small number of children to travel to preschools in neighboring villages mostly to attend the mandatory school preparatory groups. These rural localities represent the project's primary target group; therefore the major eligibility criteria will be: (i) the rural location; (ii) the severity of access issues measured by the share of out of preschool children and (iii) the lack of adequate preschool infrastructure and the possibility to provide preschool facilities in a cost-effective manner. A rapid demographic and socio-economic assessment of these localities is currently undertaken by the Moldova Social Investment Fund (MSIF) to provide: (i) a detailed account of the access problems; and (ii) estimates for the investments required to achieve full enrolment of the preschool population in the target localities. Based on preliminary data, it is envisaged that up to 1200 preschoolers in up to 40 localities will enroll in preschool facilities renovated under this sub-component.

The selection of sites suitable for preschool services will be done in order to maximize access and minimize costs. Thus, the selected sites will be in good shape by taking advantage of the existing primary school buildings with a lower utilization ratio (thus aligning Project interventions with the implementation of the school optimization program in Moldova), or will result from adapting other well-maintained public infrastructure for the purposes of preschool education.

In localities where the preschool population significantly exceeds the capacity of the facilities subject to renovation, the newly opened kindergartens will offer, depending on the demand and specificities in the locality, half-day education services in two shifts or a combination of full day and half- day preschool education services.

The financing of rehabilitation works will be made through sub-grants to the LPAs, which are expected to provide complementary contributions for the implementation of the envisaged works (minimum 15 percent contribution cash and/or in kind). MSIF will continue to play the role of implementing agency for the renovation and rehabilitation works (as it was the case in EFA-FTI 2) and will bear the operational responsibility for coordination and effective and efficient use of project resources. Eligible interventions will include (but will not be strictly limited to) renovation of walls, windows, flooring, renovation or rehabilitation of the electricity, heating, water and sewer systems, architectural adjustments as required, energy conservation and efficiency works.

The MOE will be responsible for the selection of the project intervention sites. The proposed list will be subject to the endorsement of the Bank, UNICEF and the Project Steering Committee. Prior to its endorsement, the Bank will undertake a reality check jointly with the UNICEF.

*Key inputs* would include: renovation/rehabilitation works (renovation of walls, windows, flooring, renovation or rehabilitation of the electricity, heating, water and sewer systems, architectural adjustments as required) and technical assistance. *Key outputs* would include: up to 1200 new enrolments in up to 40 preschools (kindergartens and community centers) rehabilitated in rural localities with no or inadequate preschool infrastructure.

*Sub-component 1.2: Provision of Furniture, Equipment and Materials to Renovated Preschools (USD 500,000)*

The objective of this sub-component is to enable the provision of quality preschool education services by equipping/endowing the newly renovated preschool facilities under sub-component 1.1 with the necessary furniture, equipment and pedagogic materials.

The core activity under this sub-component is the implementation of centralized procurement for goods, their storage, distribution and installation in the renovated preschool facilities. The kindergartens will be endowed with pedagogic materials (including, graphic materials and games), equipment (kitchen appliances and sanitary goods), outdoor playground facilities and furniture (stackable shelves, chairs, tables, beds etc.). The scope and the volume of deliveries for certain types of furniture and equipment (especially beds for dormitories and kitchen appliances) will vary from locality to locality depending on the specific form of preschool education services (half day or full day preschool facilities). Educators will attend technical training sessions delivered by different providers in order to learn how to use equipment under maximum security for children and how to insert materials in the teaching-learning process. MOE, through the project management team (PMT), together with training providers, experts of preschool education and donors' representatives will conduct *monitoring* visits at random to at least half of the renovated preschool facilities to assess the use of the pedagogical material, the equipment and furniture delivered under this sub-component.

*Key inputs* would include goods: (i) equipment (kitchen appliances and sanitary goods); (ii) outdoor playground facilities; (iii) furniture (stackable shelves, chairs, tables, beds etc.); and (iv) basic pedagogic materials (graphic materials, models, games, etc.). *Key outputs* would include: up to 40 functional (furnished and equipped) newly opened preschools (kindergartens and

community centers) in localities which presently offer no or limited access to preschool programs and have a large preschool population.

## **Component 2: Extending Access to Preschools to Special Needs and Vulnerable Children (USD 520,000)**

The objective of this component is to achieve sizeable progress towards inclusive preschool education in Moldova at both policy and technical levels. *At the policy level (sub-component 2.1)*, the Project will further promote the integrated inclusive ECD services by supporting the formulation of proposals for the refinement of the legal framework on inclusive education, development of methodologies and training programs. *At the technical level (sub-component 2.2)*, the Project will continue to support the development of premises allowing for an integrated and de-institutionalized model for preschool education and development of children with special needs and vulnerable children (initiated under EFA-FTI 1 and 2).

### *Sub-component 2.1: Promoting Integrated Inclusive ECD Services (USD 260,000)*

The objective of this sub-component is to formulate proposals for refining the legal framework for integrated, inclusive ECD services and to support its implementation through development of methodologies and training programs and materials.

The activities under this sub-component include the diagnosis of the policy and legal framework and proposals for further refinement of the framework with focus on: (i) applying a cross-sectorial approach towards inclusion at central, rayon and local level by mobilizing the efforts of healthcare, social workers and educators towards inclusion and mainstreaming; (ii) institutionalizing parenting programs as a vehicle for sustainable inclusion; and (iii) ensuring that the legal framework provides for mechanisms for inclusive education at all stages of education, and within the context of the Project, the transition to inclusive education from preschool institutions to schools.

The project will also support the participation of a limited number of key stakeholders at a study tour to a European country having relevant experience with inclusive ECD services.

Other activities financed under this sub-component include the development and distribution of a Guide for work with parents on inclusion and the development of a training program on inclusive ECD delivered to preschool teachers, principals, methodologists, medical staff and social workers.

In addition, the Project will support activities related to parenting programs. These will include: (i) the development of a strategy for parenting programs from as early a stage as pregnancy; (ii) the development of a methodology for parenting programs; (iii) the development of training materials for parenting programs; and (iv) the design of an ongoing long term parenting program delivery system.

The scope of the parenting program and of the training materials to be developed will not be limited to inclusion, but will address *inter alia* the importance of formal education in the early stages of childhood, child literacy practices, positive education simulation practices, nutrition,

health, hygiene and safety, migration related aspects and the impact on children left behind, etc. More generally, the parenting program will be aligned with the priorities on parenting as described in Moldova's CSED.

*Key inputs* would include: goods (training materials and guides), training and technical assistance (international and local experts). *Key outputs* would include: staff trained on inclusive education (education, health and social workers), proposals for an improved legal framework, including proposals for improvement of data available on children with disabilities and various forms of vulnerability and new strategies, methodologies and guides produced on parenting programs, design of a long term parenting program delivery system.

*Sub-component 2.2: Supporting the Physical Rehabilitation of Special Needs Children (USD 260,000)*

The objective of this sub-component is to make the necessary architectural adjustments to premises in 3 existing mainstream kindergartens and provide the equipment required for the establishment of physical rehabilitation centers for children with disabilities aged 3-6(7). Through this sub-component, 3 rehabilitation centers will be developed in mainstream kindergartens and transportation vehicles will be delivered to service these centers, thus benefitting about 60 children with special needs aged 3-6(7).

The selection of locations for the new centers will be made by the MOE following an analysis of statistical data on the children with disabilities across the country accompanied by a rapid social and technical assessment of the eligible sites. Currently there are over 1,900 children with special needs enrolled in preschool institutions, 45 percent of them being placed in special groups in mainstream kindergartens, while the remaining 55 percent are enrolled in specialized preschool institutions. Nearly 83 percent (1,638 children) of the children with special needs enrolled in preschool programs live in the two major cities of Moldova, i.e. Chisinau and Balti. While the Project, through its sub-component 1.1, will address possible architectural and construction issues related to the access of special needs children living in the rural localities with no or limited access to preschool programs, this sub-component will focus on preschools in localities with a higher number of special needs children, so that the economic soundness of the envisaged investments in physical rehabilitation centers and specialized vehicles is ensured. By creating a friendly and scientific-based educational environment for pre-schoolers with special needs, the Project will promote their social inclusion, will increase their access to preschool education and will support their physical, emotional and cognitive development. To ensure sustainability, the respective LPAs will be responsible for covering the costs for the operational maintenance of the facilities, the procured vehicles and their drivers.

The main activities under this sub-component are: (i) renovation and adjustment of premises in mainstream kindergartens (with MSIF as implementing agency); and (ii) procurement and delivery of equipment for physical rehabilitation (gyms) and of transportation vehicles for children with disabilities that will service the newly renovated rehabilitation centers (with MOE as implementing agency).

*Key inputs* would include: works (renovation and adjustment of premises in mainstream kindergartens) and goods (equipment for physical rehabilitation and vehicles). *Key outputs* would include: 3 centers for children with special needs rehabilitated and equipped in mainstream kindergartens, and vehicles provided for transportation to these centers of children with disabilities.

### **Component 3: Improving the Quality of Preschool Education (USD 2,080,000)**

This component will support activities aimed at improving preschool education quality.

The component has four sub-components: (i) *Revising Preschool Norms and Regulations (USD 25,000)*; (ii) *Teacher Training (USD 800,000)*; (iii) *Teaching/ Didactical Materials (USD 1,175,000)*; and (iv) *School Readiness Assessment (USD 80,000)*.

#### *Sub-component 3.1: Revising Preschool Norms and Regulations (USD 25,000)*

The objective of this sub-component is to support the MOE in revising the norms and regulations of preschool institutions (both public and private) in line with EU recommendations.

In Moldova, since the regulations were first endorsed several years ago, cultural, economic and social changes occurred. Regulations are obsolete particularly as far as the child centered approach to preschool education is concerned. Revisions will focus particularly on two aspects: (i) the legal framework of the MOH concerning the physical and sanitary standards for preschool institutions; and (ii) the regulations governing preschool teachers' professional development.

The revision of the physical and sanitary norms will increase the access for children who are still not benefiting from preschool services and will improve the quality, since the educational and pedagogical dimension will be reinforced, as compared to the traditional care dimension, thus responding to the 21<sup>st</sup> century child development needs. The revision and modernization of these norms/ regulations will be the result of a joint political decision by the MOE and the MOH. During project implementation, it is envisaged to merge the technical assistance for the revision of the physical and sanitary norms with the consultancy for revising the legal framework for inclusive education as described under sub-component 2.1 above, given the common child-centered approach.

The introduction of new regulations regarding the professional development of preschool teachers is highly needed. While in Moldova the in-service training and professional development of teachers for other levels of education (primary, secondary) is regulated and financed, this is not the case for preschool teachers. Under the Project, preschool-based teacher training is undertaken. However, in order for this activity not to be a onetime intervention, the legal framework needs to be amended to also include the professional development of preschool teachers and, additionally, the kindergarten-based approach to teacher training as well as the institutionalization of mentoring.

*Key inputs* would include: technical assistance (international and local experts). *Key outputs* would include: proposals for revisions of norms and regulations.

### *Sub-component 3.2: Teacher Training (USD 800,000)*

The objective of this sub-component is to train preschool teachers in early literacy and language development using active teaching methods, through a hands-on, kindergarten-based teacher training for professional skills development. The trainers will be mentors and methodologists trained under EFA-FTI 1 and 2. Under the previous projects, training covered all preschool principals and methodologists and 34 percent of the preschool educators. During EFA-FTI 3, the practical, hands on, kindergarten-based training will be provided to preschool teachers and particularly to the 66 percent teachers who were not covered under EFA FTI 1 and 2. Refresh training will also be provided to all preschool principals and methodologists and inspectors, including the selected mentor group.

The content of teacher education and professional development funded under the Project will be especially focused on how teachers should enrich and further develop sound activities on early literacy and language development that in particular benefits children from disadvantaged environments.

The principles guiding the training program will be: (i) orientation towards practical learning skills and practices; (ii) establishment of a network of mentors/coaches, fully integrated in the public system; and (iii) development of a cluster network of kindergartens that will continually diffuse training.

The activities supported under this sub-component will be:

- (i) Improving the capacity of training providers. A team of international and local experts will be used to train the main training providers in the country (NGOs, education institutes and universities) on how to change the teaching/ learning process in kindergartens using the mentoring and coaching approach. It is expected that following this training, training providers will form a consortium in order to further deliver/ monitor training during the Project.
- (ii) Development of training modules. The experts' team will provide methodological material, as well as guidelines on how to develop training modules. Local training providers will develop 11 training modules with the support of the experts' team, under the coordination of MOE. Modules will cover both mentoring techniques, as well as active teaching practices in preschools focused on early literacy and language development. The hands-on training materials to be developed under the project will define expected observable behaviors of preschool educators.
- (iii) Fundamental Training of about 150 prospective mentors. The mentors will be trained using two fundamental modules on mentoring and 9 specific modules on content.
- (iv) Selection of about 130 mentors from the 150 prospective mentors who will work at cluster level and train, support and mentor, the teachers of about 10 preschools in proximity. The selection will be carried out by the consortium, setting up clear requirements, upon analysis of responses to a questionnaire applied at the end of the fundamental training.
- (v) Continuously support mentors. The consortium of training providers, in cooperation with the MOE will provide a 2 days professional support to mentors every 2 months, i.e., 5 times during the school year.
- (vi) Training preschool teachers. Nine specific training modules will be delivered by mentors to about 7,000 teachers. The selected group of mentors will deliver the training modules to



each cluster. Each cluster will comprise around 20 preschool teachers and one selected kindergarten to serve as hub for the coaching/mentoring workshops.

- (vii) Equipping 130 hubs. Each hub kindergarten that will serve a cluster of kindergartens for continuous professional development will receive basic equipment needed for training and mentoring purposes.
- (viii) Modernization of the initial teacher training at the university level. Competitive grants will be awarded to universities to improve their capacity of conducting kindergarten- based research. MOE will select the themes and will organize the competition.

The long term sustainability of the mentoring program will also be addressed; the consultancy TORs will include proposals in this respect to be subsequently discussed with the MOE and stakeholders.

*Key inputs* would include: technical assistance (international and local experts), goods (equipment and training materials) and training. *Key outputs* would include: training program developed, including 11 modules; 150 mentors trained; teachers informed and assisted on how to implement concrete efficient hands-on pedagogic methodologies by using the enriched “Reading Corners” and other activity centers and pedagogic materials; clusters organized around selected kindergartens that will serve as hubs in terms of being the mentoring-training location for teachers coming from 10 kindergartens in the surrounding areas; hubs equipped; and universities capacity increased on conducting kindergarten-based research.

### *Sub-component 3.3: Teaching/ Didactical Materials (USD 1,175,000)*

The objective of this sub-component is to improve the teaching learning environment in all preschool settings in the country through the development, revision and provision of teaching/ didactical materials. The preschool education system still needs more materials covering wider topics in addition to those already developed under EFA FTI 1 and 2 (e.g. children didactical books on school transition, civic education, environment and tolerance); there is also a need to reprint the methodological and didactical materials and books to cover shortages in the system; more didactical and training materials will be needed to reflect the changes introduced through the planned light revisions of the curriculum.

The activities supported under this sub-component will be:

- (i) Provision to all kindergarten teachers of teacher aid materials, such as: the national curriculum (for 3-7 years children); the early learning and development standards (for 3-7 years children); pedagogical guides and the teacher pedagogical standards.
- (ii) Provision to all kindergartens of a package of pedagogic materials and children books (priority will be given to preschool units not covered during EFA-FTI 1 and 2).

*Key inputs* would include: technical assistance (international and local experts) and goods (teaching/learning materials, books). *Key outputs* would include: teaching/didactical materials distributed to all kindergartens and preschool teachers.

#### *Sub-component 3.4: School Readiness Assessment (USD 80,000)*

The objective of this subcomponent is the development and piloting of a school readiness tool. In the end, MOE will have a measurement tool for school readiness of children at kindergarten level in order to make sure that expected outcomes are in line with school realities.

The main activities will include the development of a survey instrument to monitor child readiness in the selected domain of language and cognitive development. The international experience will be used in this respect. The tool will be piloted and the instrument will be improved taking into account the results of the pilot exercise.

*Key inputs* would include: technical assistance (international and local experts) and goods (materials for the sample survey). *Key outputs* would include: school readiness tool developed.

#### **Component 4: Project Management, M&E and Communication (USD 300,000)**

The objective of this component is to provide support to project implementation, including project monitoring and evaluation, and to inform the public at large about Project objectives and results.

The effective project implementation will be supported by strengthening key management and fiduciary capacities of the MOE and Project implementers. Particular attention will be paid to the Project M&E, including monitoring indicators for the EFA-FTI 3 interventions and the overall preschool sector indicators. The end-of-project evaluation will present data from an evaluation study that will discuss the results of Project interventions and will highlight the progress achieved under EFA-FTI 3 against the 2010 baseline data and the results of EFA-FTI 2. The study will assess, inter alia, the results of the teacher training program and the extent to which the new child-centered approach to teaching is actually applied at classroom level. At the same time, the end-of-project evaluation will reflect the feedback received from key stakeholders groups, including parents and communities.

Also, this component will support the MOE's capacity for the ECD management in the long run; a plan will be developed in this respect including actions related to permanent pre-school MOE staff.

Given the relatively small size of the grant, the annual audit will be contracted to a private firm with standard terms of reference for a financial audit.

The Project will continue its very good communication initiatives implemented under EFA- FTI 1 and 2 and will ensure both Project visibility and successful implementation of Project activities through effective information and public awareness campaigns. The Project will promote the implementation of smart communication campaigns on the integration of children with special needs using the experience in other countries having implemented similar activities with UNICEF support.

*Key inputs* would include: technical assistance (local experts) and goods (communication campaign materials). *Key outputs* would include: smooth project implementation, evaluation study, audit reports and communication campaigns, plan for increasing MOE's capacity for the ECD management in the long run.

## **2.4 Justification of Project Design**

The Project was designed to support the achievement of the CSED goals in areas where there are inadequate resources from government and donors to meet them. The EFA-FTI 3 continues financing activities and reforms supported by EFA-FTI 1 and 2, and provides a basis for future operations in the sector.

While the total allocations for rehabilitation interventions were higher under EFA FTI 1 and 2 (i.e. USD 3.02 million), the EFA-FTI 3 project allocates only USD 1.0 million for renovations and an additional USD 0.5 for endowments with equipment and furniture; however, comparable results are expected in terms of new enrolments; approximately 1,200 children aged 3-6(7) are expected to benefit from the enhanced capacity of preschool facilities. The focus of the project is shifted towards streamlining national policies and legislation, the professional development of preschool educators, their effective training to deliver child-centered education to preschoolers and their access to modern teaching and didactic materials, developed under EFA-FTI 1 and 2.

The focus on components dedicated to methodological support to teachers and in-service training system reform is justified, as these are key measures to improve the quality of teaching, one of the central constraints in the education system.

## **3. IMPLEMENTATION**

### **3.1 Partnership Arrangements**

The Project supports the Government's efforts to improve equitable access to and quality of preschool programs in Moldova. The Project is aligned with the updated strategic directions for ECD in the 2011-2015 CSED and with the priority areas of future interventions defined by the Local Education Group (LEG) and the Local Donor Group (LDG) in October 2010.

There are formal arrangements for donor and MOE coordination in the framework of the CSED in general, and the EFA-FTI projects in particular. Aside from regular general meetings between the MOE and donors on education strategy, policy and programs, there has been an end-of project evaluation of EFA-FTI 1 and 2 implementation. These reviews have been instrumental in designing the follow-up EFA-FTI 3 project proposal. They have also been used to review the implementation of the CSED, leading to redesigns in the donor program support and to an update and revised costing of the CSED action plan.

Donors will offer technical support through the participation in the Project Advisory Group.

Many elements of a sector-wide approach are in place: donors work and coordinate within a sectorial strategic framework (the CSED) that has been developed nationally and endorsed by donors; the EFA-FTI projects and donors (particularly UNICEF and the World Bank) provide parallel and coordinated financing to certain parts of the CSED Action Plan; and there are regular

donor meetings to monitor EFA-FTI implementation, coordinate country program interventions, and review CSED implementation.

### **3.2 Institutional and Implementation Arrangements**

MOE has the overall responsibility for the Project implementation. The implementing agency for sub-component 1.1 and works interventions under sub-component 2.2 will be the MSIF. MSIF will provide technical assistance and professional advice to communities in the implementation of the works interventions and manage the payment process on behalf of communities.

The general implementation arrangements include: (i) a Project Steering Committee (PSC) chaired by the Minister of Education holding the role of a supervisory board; (ii) a Project Executive Director (PED); (iii) an EFA-FTI Advisory Group providing technical support to the PED for the achievement of the Project objectives; and a Project Management Team (PMT) set up for the daily implementation of Project activities.

Proposals for legal frameworks, norms and methodologies revisions and development will be agreed upon by MOE and a joint MOE/MOH/MLSPF technical committee for sub-component 2.1 and a joint MOE/MOH technical committee for sub-component 3.1.

Two Operational Manuals will be used for the implementation of this Project:

- (i) The current updated MSIF Operational Manual approved by the WB in the frame of the Social Investment Fund Project implementation will be applicable for procurement of civil works under Components 1 and 2.
- (ii) The updated version of the Operational Manual used under EFA-FTI 2 for the other activities and components. The Guidelines for Environmental Analysis for the Project will be part of the Operational Manuals to reflect safeguard policy requirements.

### **3.3 Monitoring and Evaluation of Outcomes/Results**

The expected results of the Project are provided in Annex 3, along with indicators and targets to measure the results. The results framework has been designed to reflect the short duration of the Project (18 months), using a modest formulation of the PDO level and intermediate results. In order to measure the Projects results, major Project implementation activities are frontloaded in the first year, enabling existing monitoring and statistical systems to capture the impact of the Project by its closure. The data for the indicators measuring the Project's intermediate results will come from different official sources: Moldova's National Bureau of Statistics, the management information systems of MOE, MOH and MLSPF, MSIF, rayon education departments and LPAs, complemented by evaluation exercises and reporting documents of the implementing institutions and by impact evaluation at the end of the project.

The overall Project monitoring and evaluation will be under the responsibility of the Pre-university Education Unit in the MOE. It is expected that the Unit will provide regular reports on all output indicators to the PED and the Deputy Ministers, as well as to the relevant lead donor

agencies, to facilitate evidence- based decision making, including identifying bottlenecks in a timely manner so that corrective measures may be taken. During the Project period, the Pre-University Education Unit will also report on outcome indicators. This reporting will be used to analyze Project effectiveness, and to facilitate ongoing improvements of the Project design.

All training financed under the Project will have a built-in final assessment of participants to determine if they have mastered the essentials of the course. In addition, the impact of project interventions will be evaluated through rigorous impact evaluation to be implemented at the end of the project.

### **3.4 Sustainability**

The sustainability of EFA-FTI 3 depends to a large extent upon MOE and local authorities' ownership. The EFA-FTI 3 is meant to support key areas of the CSED. It has been designed under the leadership of the MOE, in some cases continuing the interventions already initiated under the previous EFA-FTI 1 and 2. In other cases, specific measures are introduced into components to ensure sustainability. In particular, as roughly 34% percent of the Project funds are allocated to civil works and endowment with furniture/equipment, the main sustainability concern pertains to maintenance of these items. The director of each beneficiary preschool will be required to submit a draft budget outlining how maintenance will be financially managed, including, where necessary, the contributions of local authorities. MOE will be asked to monitor performance on maintenance.

The sustainability of the other interventions will be assured by MOE by including successful changes into the legal and regulatory documents being prepared (e.g. the new Education Code, the new Regulation on Teachers' Professional Development), or by submitting legal proposals to the Parliament, together with other ministries (MOH, MLSPF).

### **3.5 Critical Risks**

There are two major risk categories that may influence Project implementation:

a. Political context. Under the previous projects there were instances when political pressure was exerted for more “brick and mortar” activities; moreover, political interference occurred in the selection of beneficiary communities, as well as difficulties to comply with agreed selection criteria. These risks need to be avoided and will be mitigated through very clear conditions stipulated in the Grant Agreement on the eligibility criteria, as well as in the Project Proposal and Operations Manual, placing focus on rehabilitation only in localities with no or inadequate pre-school services, significant number of preschoolers and the ability to accommodate preschool service delivery in optimized school premises or other well-maintained public infrastructure (*risk rating Medium-L<sup>7</sup>*).

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<sup>7</sup> Medium–L: Medium risk, driven by likelihood with low impact on the achievement of the PDOs

b. Implementation capacity. The Project implementation capacity at central level is limited given subsequent staff reductions in the MOE and the lack of a dedicated unit/department for pre-school education; this function is at present under the responsibility of one staff in the pre-university department (who is in charge also with primary education); this risk will be mitigated by: (i) using Project funds for ensuring the needed expertise for Project management, procurement and financial responsibilities (risk rating Medium - L); (ii) directly involving the existing ECD technical staff of the MOE in Project coordination activities, as well as the Project champions from the previous EFA-FTI 1 and 2; and (iii) taking advantage of the MSIF experience with the rehabilitation interventions.

**Table 1: Summary Risks and Mitigation Measures**

<b>Risks</b>	<b>Risk Mitigation Measures</b>	<b>Risk Rating with Mitigation</b>
Political pressure for more infrastructure and for selecting beneficiaries	Clear selection criteria	M-L
Limited administrative, procurement and fiduciary capacity	Project funds used to ensure needed expertise; using MSIF	M-L
Overall risk rating		M-L

## **4. APPRAISAL SUMMARY**

### **4.1 Economic and Financial Analysis**

#### **Economic Analysis**

The economic soundness of the project is ensured by: (i) basing the Project concept on the CSED and the Country Assistance Strategy; (ii) selecting cost-effective options for the four project components, which complement activities of the Government and the donors in the sector; (iii) aligning project activities to the implementation of key policy reform measures in the education sector aimed at fiscal sustainability (e.g. the ongoing school optimization program); and (iv) strengthening institutional capacity. The Project funds will be mainly used to finance the continuation and the completion of activities started under EFA-FTI 1 and 2, with the focus shifted from investment in physical infrastructure to teacher training and teacher’s professional development, deemed essential for ensuring the long term sustainability of the EFA-FTI projects in Moldova. Because the Project is linked to achievements in previous EFA-FTI projects and its activities are designed as elements of a results chain that covers three consecutive grants, a full economic analysis of the Project was not done. Instead this section gathers together information, some of it of an economic and financial nature, to assess the cost-effectiveness of the Project and its four key components addressing the issues of access, equity, quality of preschool education, and management capacity.

Access. The EFA-FTI 3 investment in access to preschool programs (Component 1) allocates funds for civil works that will target poor rural localities selected on the basis of the severity of

the access issues, the cost-effectiveness of the civil works and the impact of these investments measured by the resulting number of new enrolments into preschool programs. Interventions in access were present in prior EFA-FTI projects, and were judged satisfactory in terms of need, design, execution and results. Investment in these interventions is still highly justified. Moldova severely lacks adequate preschool physical infrastructure in its rural localities, as evidenced by the low gross enrollment rate in rural areas of 67 percent versus 94.5 percent in urban locations. The cost-effectiveness analysis of the Project components indicates that up to 1,200 additional children aged 3-(6)7 will have access to ECE programs, thus increasing their access to education at an age that is critically important for the formation of learning and social skills. International evidence and research show that timely exposure to ECE programs results (in addition to all private benefits of being better educated) in overall system-wide improvements, e.g. increased share of children prepared for schooling, improved transition rates, larger participation in education, decrease in dropouts, overall improved performance of students and, ultimately, better performance of graduates on the labor market and higher individual and household income. This, in turn, is closely associated with increased public and fiscal benefits (through higher personal income tax revenues and less resources spent to alleviate poverty and social deprivation) and higher private benefits for the individuals (higher income and improved socio-economic status). Given the potential benefits from boosting the participation in preschool programs by up to 1,200 preschoolers annually, and with recent research on ECD pointing to USD 7 of returns to each USD 1 invested in preschool education, the envisaged costs for renovations and endowments with furniture and equipment of USD 1.5 million seems highly justified.

Equity. The equity interventions (Component 2) of the Project will help reduce the social exclusion and the education gap of disadvantaged populations, breaking the exclusion cycle in the early stages of child development, and later on, contributing to: (i) a reduced fiscal burden associated with the implementation of social support programs; and (ii) improved employability and social and economic integration of the disadvantaged groups. In the Project context, investments in equity take the form of policy reforms and allocation of resources to the improved access of disadvantaged populations, particularly children with disabilities to mainstream preschool programs. Under EFA-FTI 1 and 2, two rehabilitation centers were developed using project funds. EFA-FTI 3 will scale up equity interventions in physical infrastructure, through allocation of USD 260,000 for the development of 3 physical rehabilitation centers in mainstream kindergartens, benefitting at least 60 children with special needs. Private, public and fiscal benefits per child with disability enrolled in ECD under this component would amount to the same benefits described under Access, with the additional benefits associated with improved living prospects and societal integration of children with disabilities, as a result of mainstreaming their education at preschool age.

Quality. Assistance to the in-service training of preschool teachers (Component 3) is justified by the impact such training can have on the teaching- learning practices and student learning, if the training is well designed, delivered and supported. The EFA-FTI 3 will continue to finance professional development programs that were designed and initiated under EFA-FTI 2, to make teacher training effective. The approach will shift from a cascade model training to kindergarten-based training, drawing on the legacy of trained mentors and methodologist and bringing sharper focus on the specific needs of the trained educators. As training is not limited to the localities targeted under the Access and Equity components of the project, but is designed to be a system-wide intervention, the likely improvements in the quality of teaching are expected to have a

significant impact upon the school readiness of preschoolers, hence contributing to the public and private benefits associated with better educated individuals and workforce.

Management Capacity. Investments in increasing the management capacity (Component 4) are justified and can be highly effective, given that they will improve MOE's capacity to effectively and efficiently deploy its scarce resources.

## **Financial Analysis**

Since the early 1990s, Moldova has been experiencing a rapid demographic transition driven by significant outmigration, coupled with declining birth rates, and resulting in a lower demand for preschool education. By mid-2000, Moldova made minimal capital investments to rehabilitate and renovate preschools, and to provide them with basic furniture and essential teaching equipment. However, over the past five years, demographic trends reversed with preschool population increasing and the demand for preschool services following suit, while supply in rural areas has remained limited. The government responded to the changing needs by increasing investments in physical infrastructure. Government spending on preschools more than tripled over the past five years, starting from USD 31 million in 2005 and reaching USD 103 million in 2009. The share of expenditures on preschools in the total education expenditure during the same period rose from 14.3 percent to 19.6 percent, and its share as a percentage of GDP nearly doubled from 1 percent in 2005 to 1.9 percent in 2009. The share of capital expenditures in the total education sector spending rose from 13.2 percent in 2005 to 15.6 percent in 2008 and dropped dramatically to 9 percent in the financial crisis year of 2009. The CSED, the accompanying financial gap simulation model and the budget projections (Mid-term Budgetary Framework) for the preschool sub-sector for the period 2012-2015 point to a significant financial gap of over USD 20.7 million, of which USD 5.91 million appearing in the planned Project implementation period (2012/2013).

Given the widening fiscal deficit and the kept promise for teachers' salaries increase, the Government of Moldova is not likely to raise the revenues required to fully fund the achievement of CSED objectives for preschool education, or to allocate the funds for the required investments in physical infrastructure. In this respect, the EFA-FTI 1 and 2 (USD 8.8 million) have played, and the EFA-FTI 3 (USD 4.4 million) will continue to play a crucial role in filling the financial gap. The Project funds could potentially cover 74 percent of the financial gap in 2012 and 2013 while speeding up by 2 years Moldova's achievement of its 2015 target for preschool gross enrolment ratio (78 percent).

## **4.2 Technical**

The technical design of the Project takes into account the gaps in resources and technical capacities to reach the CSED goals, and the international practice for effectively implementing education interventions. Particular technical design issues that have been considered include: (i) the full integration of building standards into civil works designs, so as to improve the quality of contractors' work; (ii) the use of modern specifications for school furniture and learning equipment that are in line with current market conditions; (iii) the development of a mentoring program, in order to increase the effectiveness of in-service training; and (iv) using evaluations as



triggers for further activity, in the areas of in-service teacher training, and attendance promotion. The cost estimates for the Project were based on detailed itemization and estimated quantification of inputs for each activity, using unit costs that are in line with national and international norms.

### **4.3 Fiduciary**

#### Procurement

The Project will be implemented by the MOE, which has several years of experience in implementing projects financed by the World Bank. Currently MOE has limited human resources. To mitigate the risk of poor implementation due to the lack of resources, a team of project management consultants will be hired to assist MOE with implementation, including at least one experienced procurement specialist and one financial management specialist, externally hired. The selection of all Project management consultants will be subject to the WB prior review. The rehabilitation/renovation sub-components will be implemented by MSIF, with the participation of local communities.

#### Financial Management

The Project design assumes that the MOE will continue to have the overall responsibility for Project implementation, while the rehabilitation/renovation sub-components will be implemented by MSIF, under the overall oversight of MOE and the Project Steering Committee, as under the EFA-FTI 2. The Project financial management arrangements will be incorporated within the existing MOE financial management system (budgeting, accounting, reporting systems), as well as within the existing MSIF financial management system for the rehabilitation/renovation sub-components.

The financial arrangements of the projects implemented by MOE have, so far, been considered as satisfactory. The audit reports were submitted in due course with unqualified audit opinion. The project reporting was done in a timely manner, with a satisfactory content. The internal controls and checks have been properly applied.

Two Designated Accounts will be opened for the Project purposes within the national treasury system: one managed by the MOE and one by MSIF for the civil works under sub-component 1.1 and 2.2. Both implementing agencies will follow the World Bank's traditional disbursement methods. The MSIF will be making all the payments to contractors with subsequent transfer of executed works to Local Public Authorities. Financial and/or in-kind contributions from the communities will be collected by MSIF for the rehabilitation sub-components and reflected in the Project financial statements along with Grant financing. The MSIF financial management arrangements have been recently assessed as satisfactory.

The Project budget will be prepared annually based on the project implementation and procurements plans and included as a line in the state budget.

The Economic Policy, Property and Finance Department under the MOE will be responsible for the general project financial management arrangements and the consolidated reporting. The

department will submit, in an agreed format, quarterly (within forty-five days after each quarter end), and the Project interim financial reports.

The Project will be subject to an external audit. The audit will be carried out in accordance with the International Standards on Auditing by an independent private auditor, acceptable to the World Bank and in accordance with audit terms of reference acceptable to the World Bank. The MOE will provide the audited financial statements covering the Borrower’s fiscal year, or any other period agreed with the Bank, together with the Management Letter, within a six months period after the end of this period. The audited financial statements will be made available to the public by both the World Bank and the MOE.

#### 4.4 Social

The overall social impact of the Project will be positive. This is especially the case for the upgrading preschools physical infrastructure, which will lead to more equitable access to proper education facilities and equipment across the country. The Project prioritizes infrastructure investments in relatively poor districts, and those in urgent need of special needs facilities. An aspect of the Project that will contribute to its social sustainability is the involvement of local communities and authorities in contributing to the availability of basic utilities and the maintenance of preschool grounds. Another important social development contribution of the Project will be the analysis of access issues among vulnerable groups that will include the monitoring and evaluation of existing programs and projects and the design of effective targeted support mechanisms for these groups.

#### 4.5 Environment

##### Safeguard Policies

<b>Table 2: Safeguard Policies Triggered by the Project</b>	Yes	No
<a href="#">Environmental Assessment (OP/BP/GP 4.01)</a>	[ x ]	[ ]
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	[ ]	[ x ]
Pest Management ( <a href="#">OP 4.09</a> )	[ ]	[ x ]
Cultural Property ( <a href="#">OPN 11.03</a> , being revised as OP 4.11)	[ ]	[ x ]
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	[ ]	[ x ]
Indigenous Peoples ( <a href="#">OD 4.20</a> , being revised as OP 4.10)	[ ]	[ x ]
Forests ( <a href="#">OP/BP 4.36</a> )	[ ]	[ x ]
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	[ ]	[ x ]
Projects in Disputed Areas ( <a href="#">OP/BP/GP 7.60</a> )*	[ ]	[ x ]
Projects on International Waterways ( <a href="#">OP/BP/GP 7.50</a> )	[ ]	[ x ]

\* By supporting the proposed project, the World Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

The Environmental Category for the proposed EFA-FTI 3 is “C” based on the overall estimation that potential adverse environmental impacts of the Project are likely to range from minor to negligible.

Other than renovation/rehabilitation works to adjust the premises of existing physical infrastructure (schools or other publicly owned buildings) for delivery of preschool education services, the Project will not support civil works, land conversion, resource extraction, or any activities that could potentially damage the environment.

The Environmental Guidelines (EG) explain the environmental aspects of the procedures for the design, screening, appraisal and implementation of the small-scale community infrastructure sub-projects. The Guidelines will be attached to the Project Operational Manual and form part of the Project’s regulatory framework.

Under the EG, each proposed sub-project undergoes a preliminary environmental assessment based on an “Environmental Appraisal Form” (Checklist) which identifies potential issues and indicates what mitigation measures should be applied to address them. These forms are filed with the sub-project documents at MSIF. Environmental requirements, particularly with respect to good construction practices, are also specified in permits required under national regulations for authorizing construction (the District environmental inspectors approve issuance of the permits).

A simple specific Environmental Management Plan should be prepared for each sub-project by using the World Bank’s Checklist Environmental Management Plan for small-scale construction and rehabilitation. The responsible environment entity (MSIF) will afterwards observe that the Environmental Management Plans become part of the contracts for any works.

All bidding documents and contracts will include measures to minimize or mitigate environmental damage. Standard operating procedures will include measures applying to constructions in general, such as measures to control dust, noise, and traffic at construction sites and guidelines for controlling erosion and clean-up after construction. Particular attention would be paid to the issue of disposal of old asbestos-containing material from building rehabilitation.

The Project will not support land acquisition and associated involuntary resettlement.

The Project does not trigger the World Bank’s policy toward Cultural Property, as there is no reason to expect that physical cultural resources would be impacted. The usual provisions for “chance finds” are included in the standard bidding documents.

#### **4.6 Policy exceptions and readiness**

There are no policy exceptions. The initial Procurement Plan is included in this document (Annex 6). The current updated MSIF Operational Manual as approved by the Bank in the frame of the Social Investment Fund project implementation will be applicable for procurement of civil works under Components 1 and 2. The Operational Manual used under EFA FTI 2 will be updated by project effectiveness and will be used for other activities and components. The project financial management arrangements will be incorporated in the existing MOE financial management

system as in the case of previous projects. The financial arrangements of MOE implemented projects have, so far, been considered satisfactory by the Bank.

## **Annex 1: Detailed Project Description**

The third year of bridge funding from EFA-FTI 3 would continue and deepen the impact of activities undertaken under the EFA-FTI 1 and 2 and sharpen the ongoing preschool education reforms in Moldova. The proposed Project will continue to support the Government's efforts to improve equitable access to and quality of preschool programs in Moldova. The Project is aligned with the updated strategic directions for ECD in the 2011-2015 CSED and with the priority areas of future interventions defined by the Local Education Group (LEG) and the Local Donor Group (LDG) in October 2010. Therefore, EFA-FTI 3 will place greater emphasis on the professional development of preschool educators and on capacity building activities so that the child-centered curriculum and the new standards developed under EFA-FTI 1 and 2 will reach all preschool institutions and educators in the country and their application will become routine practice system-wide. In addition, EFA-FTI 3 will seek to improve the equity of preschool education in Moldova, ensuring that children from the most vulnerable and economically disadvantaged families, as well as those with special needs have equal access to quality and inclusive preschool programs. The Project will also provide access to preschool services to children aged 3-6(7) in rural localities where currently such services are missing or supply is significantly lower than actual demand. More generally, the results orientation of FTI interventions will be strengthened through: (i) an end-of-project evaluation study, which will assess the results of the teacher training programs and the extent to which the new child-centered approach to teaching is actually applied at classroom level (evaluation study discussed under Component 4); and (ii) measuring children's progress towards achieving envisaged competencies by pilot testing a school readiness tool (discussed under Component 3). The Project interventions are structured in 4 components.

### **Component 1: Increasing Access to Preschool Education (USD 1,500,000)**

The objective of this component is to provide equitable access to preschool programs in rural localities with inadequate access to preschool education services (i.e. localities with no kindergartens and a significant number of preschool age population or where existing facilities cannot cover a significant share of the preschool population), thus contributing to the second priority direction of Moldova's CSED 2011-2015 to expand access to quality early education. The resources under this component will be used to complement the Government's and donors' efforts to provide the necessary physical infrastructure for preschool education through rehabilitation or renovation of appropriate premises (sub-component 1.1) and to equip the newly renovated facilities with furniture, equipment and pedagogic materials (sub-component 1.2).

*Sub-component 1.1: Premises Renovation for Delivery of Preschool Education Services (USD 1,000,000).*

Objective. The objective of this sub-component is to renovate, upgrade and adjust the premises of existing physical infrastructure (schools or other publicly owned buildings) in order to accommodate the delivery of modern and quality preschool education services in rural localities with a significant number of children aged 3-6(7) that have no preschool infrastructure or where existing facilities cannot cover a significant share of the preschool population.

Target group and beneficiaries. Although over the past four years Moldova has made important efforts in expanding access to preschool education with the support of EFA-FTI 1 and 2, official statistics show there are still about 200 rural localities with inadequate access to preschool programs, out of which 55 localities have no kindergartens and 145 localities having substantial preschool population, where intake capacity of existing preschool infrastructure is significantly lower than the needs (gross enrollment rate of 50 percent or lower), leaving the majority of children out of preschool and forcing a small number of children (mainly aged 5, 6 and 7) to travel to preschools in distant neighboring villages in order to attend the mandatory school preparatory groups. These rural localities represent the project's primary target group; therefore the major eligibility criteria will be: (i) the rural location; (ii) the severity of access issues measured by the number of out of preschool children and (iii) the lack of adequate preschool infrastructure and the possibility to provide preschool facilities in a cost-effective way.

During April-July 2011 the MSIF, supported by UNICEF, conducted a rapid technical and socio-economic study of the localities with inadequate access to preschool education to determine the needs in terms of enrollment of the preschool age children, their social status, the safety and functionality of facilities suitable for renovation and the potential to align project interventions with the unfolding school optimization program of the Government. Based on this information, estimates for the required interventions and their cost were possible. In addition, the MSIF study included detailed technical appraisal of the buildings that could accommodate the delivery of preschool education services, including general information about the buildings (load –carrying structure and assessment of walls, belts, basic foundations) and information regarding the physical state of the buildings and spaces proposed for renovation, functionality and the length of the electricity and thermal supply networks, water supply, sewage and drainage systems etc.

The results from the MSIF study, together with the official statistics will help generate a short list of localities where the interventions of the EFA-FTI 3 will bring the highest impact given the allocation of funds for rehabilitation and endowment with furniture and necessary equipment. Thus sub-component 1.1 will give priority to enrolling all children aged 3-7 in the up to 40 localities, which comply with the eligibility criteria and offer the most cost-effective solutions as measured by the unit cost of investment required for enrolling a presently out-of-preschool child in a preschool program. It is envisaged that approximately 1,200 preschoolers will be enrolled in up to 40 facilities renovated under this sub-component.

The MOE will be responsible for the selection of the project intervention sites. The proposed list will be subject to the endorsement of the Bank, UNICEF and the Project Steering Committee. Prior to its endorsement, the Bank will undertake a reality check jointly with the UNICEF.

Although under EFA-FTI 3 fewer funds will be allocated to the reconstruction and rehabilitation of buildings for preschool services, as compared to the total amount allocated under the previous EFA-FTI 1 and 2, the Project interventions are set to achieve comparable results with respect to the number of children for which access to preschool services will be granted. This will be accomplished by selecting sites suitable for preschool services that are in good shape and require less investment in construction activities. This will happen either by taking advantage of the existing primary school buildings with a lower utilization ratio (thus aligning project interventions with the implementation of the school optimization program in Moldova), or by adapting other available and well-maintained public infrastructure for the purposes of preschool

education. The option to re-open preschool facilities closed down in the past (approach used in EFA-FTI 1 and 2) will be considered only in the case of unmet significant demand for preschool services, large number of preschool population and no viable options to use well-maintained existing public infrastructure. In 2010, the rate of utilization of school buildings in Moldova, as a percentage of the building capacity, ranged by rayon from 75.8 percent to 35.1 percent, revealing the potential for accommodating preschool service delivery in school buildings. The approach of combining preschool and school services will not entail difficulties related to their management and financing, since LPAs are responsible for both kindergartens and schools on their territory.

Where circumstances allow, the Project interventions will ensure the provision of full-day preschool services (including premises designated for kitchens and dormitories). However, not all of the target localities have the required space to provide the entire preschool population with full day kindergartens (especially those with a preschool population exceeding 200 children). Therefore, in localities where the preschool population significantly exceeds the capacity of the facilities subject to renovation, the newly opened kindergartens will offer, depending on the demand and specificities of the locality, the following types of preschool education services:

- half-day education services in 2 shifts for the entire preschool population;
- a combination of full day and 2 shifts half-day education services responding to varied parental needs for pre-schooling of their children. In this case, in addition to parental preferences, selection criteria may be applied for streaming the children into full day and half day services, based on age, social status and other criteria, determined by the LPAs and the community.

By using this approach, the intervention is likely to achieve full coverage of the preschool population and most importantly, to ensure that the required education services are delivered. The final selection of localities and facilities for renovation will be based on detailed criteria, aligned with the abovementioned approaches and agreed by the key stakeholders: MOE, LEG and the donors (UNICEF, World Bank). This will enable the Project to gear its interventions (within the available project resources) towards achieving full preschool coverage in Project localities while ensuring that: (i) children expected to go to school in the following year are attending the preparatory preschool year; and (ii) all efforts are made to enroll the most vulnerable groups early on to compensate for any educational gaps or parental neglect.

Activities. The activities under this sub-component include the rehabilitation and renovation works in up to 40 rural localities to provide preschools or community centers that will serve the preschool education needs of approximately 1,200 children aged 3-7. The financing of rehabilitation works will be made through sub-grants to the LPA which are expected to provide complementary contributions (15 percent of total costs, cash or in kind) for the implementation of the envisaged works. MSIF will continue to play its role as implementing agency for the renovation and rehabilitation works (as it was the case in EFA-FTI 2) and will bear the operational responsibility for coordination and effective and efficient use of project resources. MSIF will receive approximately 10% of the amount for sub-component 1.1 to cover the management costs incurred by the implementation of the envisaged activities. Renovation and rehabilitation of premises will be carried out in strict adherence to existing construction and safety norms and will be based on the architectural designs, drawings, planning guidelines and suggestions for improvement of existing technical standards as recommended by architects

during the implementation of EFA-FTI 1 and 2. Eligible interventions will include (but will not be strictly limited to) renovation of walls, windows, flooring, renovation or rehabilitation of the electricity, heating, water and sewer systems, architectural adjustments as required, energy conservation and efficiency.

Expected results. The expected results are increased access to, and enrollment in up to 40 rural preschools and community centers and improved learning for up to 1,200 children aged 3-7 in the selected localities with inadequate preschool infrastructure.

*Sub-component 1.2: Provision of Furniture, Equipment and Materials to Renovated Preschools (USD 500,000).*

Objective. The objective of this sub-component is to enable the provision of quality preschool education services by equipping/endowing the newly renovated preschool facilities under sub-component 1.1 with the necessary furniture, equipment and pedagogic materials.

Target group: newly renovated preschool facilities.

Beneficiaries: up to 1,200 children aged 3-7 in up to 40 rural preschools and community centers rehabilitated/ renovated under the sub-component 1.1.

Activities. The core activity under this sub-component is the implementation of centralized procurement for goods, their storage, distribution and installation in the renovated preschool facilities. The kindergartens will be endowed with pedagogical materials (including models, graphic materials and games), equipment (kitchen appliances and sanitary goods), outdoor playground facilities and furniture (stackable shelves, chairs, tables, beds, etc.). The scope and the volume of deliveries for certain types of furniture and equipment (especially beds for dormitories and kitchen appliances) will vary from locality to locality depending on the specific form of preschool education services (half day or full day preschool facilities). The value size, equipment diversity and the urgency for rapid intervention leads to the need to centralize the procurement process at the level of MOE. Further, the large number of items from the furniture list that cannot be procured from the domestic markets suggests the organization of international call for bids (ICB). The project will cover storage and distribution costs for the furniture, equipment, and other goods to be provided, as the case may be. Contractors will be responsible for the training of educators and auxiliary staff in usage of equipment. Educators must attend the technical training sessions and include in the teaching/learning process the use of such equipment under maximum security for children.

The MOE, through the project management team (PMT), together with training providers, experts of preschool education and donors' representatives will conduct **monitoring** visits at random to at least half of the renovated preschool facilities to assess the use of the pedagogical material, the equipment and furniture delivered under this sub-component.

Expected results. The expected results are up to 40 fully functional preschools and community centers, equipped with the necessary furniture, equipment and endowed with pedagogic materials that enable quality pre-schooling of about 1,200 children aged 3-7.



## **Component 2: Extending Access to Preschools to Special Needs and Vulnerable Children (USD 520,000)**

The objective of this component is to achieve sizeable progress towards inclusive preschool education in Moldova, at both policy and technical levels. At the policy level (sub-component 2.1), the Project will further promote integrated inclusive ECD services by supporting the refinement of the legal framework on inclusive education and the development of methodologies and training programs. At the technical level (sub-component 2.2), the Project will continue to support the development of premises allowing for an integrated and de-institutionalized model for preschool education and development of children with special needs and vulnerable children (initiated under EFA-FTI 1 and 2).

### *Sub-component 2.1: Promoting Integrated Inclusive ECD Services (USD 260,000)*

Objective. The objective of this sub-component is to propose refinements of the policy and legal framework for integrated, inclusive ECD services and to support its implementation through development of methodologies, training programs and materials. A recent ECD Knowledge, Attitudes and Practices Study shows that only 28,8 percent of parents read to their children every day, and just 5 percent of them would accept their child to be taught in the same group with children with special needs. Some 16 percent of children under 1 year old and 57 percent of 6-7 year old children are beaten. This sub-component is aimed at addressing these issues.

Target group and beneficiaries. Through this sub-component, cross-sectorial staff (education, health and social protection) will be trained on how to promote inclusive education. Parents will have access to training programs regarding the importance of early education, adequate hygiene, nutrition etc. as well as inclusion. Ultimately, the main beneficiaries will be 0-7 year old children in Moldova.

Activities. The activities under this sub-component include the diagnosis of the legal framework and proposals for further refinement with focus on: (i) applying a cross-sectorial approach towards inclusion at central, rayon and local level by mobilizing the efforts of healthcare, social workers and educators towards inclusion and mainstreaming; (ii) institutionalizing parenting programs as a vehicle for sustainable inclusion; (iii) ensuring that the proposals for changing the legal framework provides for mechanisms for inclusive education at all stages of education, and within the context of the Project, the transition to inclusive education from preschool institutions to schools; and (iv) ensuring availability of data on children with disabilities and various forms of vulnerability.

The project will also support the participation of a limited number of key stakeholders at a study tour to a European country having relevant experience with inclusive ECD services.

A joint MOE/MOH/MLSPF technical committee will be established for the legal frameworks, norms and methodologies revisions and development.

Under this sub-component, a guide for work with parents on inclusion will be developed and published and a training program on inclusive ECD will be developed and delivered to preschool teachers, principals, methodologists, medical staff and social workers.

In addition, the Project will support activities related to parenting programs. These will include: (i) the development of a strategy for parenting programs from as early a stage as pregnancy; (ii) the development of a methodology and training materials for parenting programs focusing on inclusion, the importance of formal education in the early stages of childhood, child literacy practices, nutrition, health, hygiene and safety; (iii) the development of training materials for parenting programs; and (iv) the design of an ongoing long term parenting program delivery system.

The scope of the parenting program and of the training materials to be developed will not be limited to inclusion, but will address *inter alia* the importance of formal education in the early stages of childhood, child literacy practices, positive education simulation practices, nutrition, health, hygiene and safety, migration related aspects and the impact on children left behind, etc. More generally, the parenting program will be aligned with the priorities on parenting as described in Moldova's CSED.

Training materials will take into account the fact that parenting programs will target primarily poor communities, in which parents feel disempowered, believing that having no formal schooling themselves, they have little to offer to their children. Parents and communities can make teachers and schools more accountable for student learning, but they too have many things to teach children and can actively participate in their learning. Parents should be empowered and their knowledge valued, instead of trying to train them in what formal teachers are trained. The focus will be on simple and effective things parents can do to stimulate an interest in learning in their children and how they can be engaged in monitoring their children's learning.

Expected results. The expected results of this sub-component are proposals for an improved legal framework, new methodologies, trained education and medical staff and social workers able to better work with parents and, in the long run, parents with an increased awareness regarding inclusion and ECD. Ultimately, the main result will be children in Moldova better taken care and educated.

*Sub-component 2.2: Supporting the Physical Rehabilitation of Special Needs Children (USD 260,000)*

Objective. The objective of this sub-component is to make the necessary architectural adjustments to premises in 3 existing mainstream kindergartens and provide the equipment required for the establishment of physical rehabilitation centers for children with disabilities aged 3-6(7). The model, by creating a friendly and scientific-based educational environment for pre-schoolers with special needs, will promote their social inclusion, increase the access to preschool education and support their physical, emotional and cognitive development.

Target group and beneficiaries. Through this sub-component 3 rehabilitation centers will be developed in mainstream kindergartens, benefitting at least 60 children with special needs aged 3-6(7). Currently there are over 1900 children with special needs enrolled in preschool institutions, 45 percent of them are placed in special groups in mainstream kindergartens, while the other 55 percent are enrolled in specialized preschool institutions. Nearly 83 percent (1638 children) of the children with special needs enrolled in preschool programs live in the two major cities of Moldova – Chisinau and Balti. While the project, through its sub-component 1.1, will

address any architectural and construction issues related to the access of special needs children living in the rural localities with no or limited access to preschool programs, this sub-component will focus on preschools in localities with higher number of special needs children, so that the economic soundness of the envisaged investments in physical rehabilitation centers and specialized vehicles is ensured. By creating a friendly and scientific-based educational environment for pre-schoolers with special needs, the Project will promote their social inclusion, will increase their access to preschool education and will support their physical, emotional and cognitive development. At project preparation phase, the final selection of the locations for physical rehabilitation centers in kindergartens cannot be made through screening only the national statistical data for the preschool population with different forms of disabilities. Further, the information from the rapid technical and social-economic assessment conducted by MSIF is limited to only 230 rural localities, which cannot represent the country-wide needs. Therefore a rapid study will be commissioned at the beginning of the project to assess potential localities and eligible preschools. To ensure sustainability, the respective LPAs will be responsible for covering the costs for the operational maintenance of the vehicles and their drivers.

Activities. The core activities under this sub-component are: (i) the renovation and adjustment of 3 premises in mainstream kindergartens (with MSIF as implementing agency); and (ii) the delivery of equipment for physical rehabilitation (gyms) and the procurement of transportation vehicles for children with disabilities that will service the newly renovated rehabilitation centers (with MOE as implementing agency).

Expected results. The expected results of this sub-component are at least 60 children with different forms of disabilities enrolled in mainstream kindergartens and mainstream kindergarten groups, benefiting from the services of 3 physical rehabilitation centers; vehicles provided for transportation of children with disabilities.

### **Component 3: Improving the Quality of Preschool Education (USD 2,080,000).**

The objective of this component is to improve preschool education quality. More specifically, this component will support: (i) policy dialogue and recommendations on refining regulations and by-laws in education and other sectors that are obsolete to the child centered approach to preschool education, such as the norms of the MOH concerning the physical and sanitary standards for preschool institutions and the norms for teachers' professional development (*sub-component 3.1*); (ii) promotion of hands-on, kindergarten-based teacher training, involving as trainers the mentors and methodologists trained under EFA- FTI 1 and 2 in order to ensure that the innovative approaches to teaching, the new child centered curriculum and standards are actually applied in the day-to-day work of all preschool teachers in Moldova (*sub-component 3.2*); (iii) development and provision of new teaching/didactical materials to all kindergartens in Moldova given that the preschool education system still needs more materials covering wider topics in addition to those already developed under EFA FTI 1 and 2 (e.g. children didactical books on school transition, civic education, environment and tolerance), there is a need to reprint the methodological and didactical materials and books to cover shortages in the system and more didactical and training materials are needed to reflect the changes introduced through the planned revisions of the curriculum (*sub-component 3.3*); and (iv) development and pilot testing of a school readiness monitoring methodology/tool aligned with the new curriculum and standards; while ECD has been re- conceptualized in Moldova under EFA-FTI 1 and 2, it is important now

to go to the next level and develop measurement tools for school readiness of children at kindergarten level to ensure that expected outcomes are in line with school realities<sup>8</sup> (*sub-component 3.4*).

### *Sub-component 3.1: Revising Preschool Norms and Regulations (USD 25,000)*

**Objective.** The objective of this sub-component is to support the MOE and other ministries in revising the norms and regulations of preschool institutions (both public and private), in line with the EU recommendations. Special attention will be given to: (i) the physical, sanitary and health norms; and (ii) the regulations governing preschool teachers' professional development.

In Moldova, since the regulations were first endorsed several years ago, cultural, economic and social changes occurred. Regulations are obsolete, particularly as far as the child-centered approach to preschool education is concerned. Therefore, refinement of regulations and norms in education and other sectors is needed.

The norms of the MOH concerning the physical and sanitary standards for preschool institutions must be revised. Preschool institutions around the world are operating under physical, sanitary and health regulations that have as objective the protection of children from harm and the provision of the minimum conditions for child *wellbeing*. Licensing policies and regulations are necessary for ensuring the health and the safety of children who spend time in out-of-home care and education. However, research shows that regulations may only guarantee that minimum quality is achieved and that, under certain circumstances, they may even slow down quality improvement processes.

All EU countries have developed regulations for Child Care services<sup>9</sup>. Several analysis<sup>10</sup>, indicate that the ECE regulations in several Eastern countries are outdated, not responding to the needs of children and families of the 21st century and with cost-effectiveness issues. A recent report commissioned by UNESCO, recommends a revision of the programs' length and of the sanitary norms in order to provide cost-effective ECE services that offer more places to children currently out of the services (see Box 1).

#### **Box 1: Optimization of the ECE services: Revising the length and sanitary norms**

*In several Southeast and Eastern Europe (SEE) and former Commonwealth of Independent States countries (CIS) good arguments exist for reducing the length of the present preschool day by some hours, so as to allow more financing for the children who need services most(...). Early childhood services exist to help parents, not to replace them, but in this matter, parents should be helped by*

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<sup>8</sup> A well-known Early Development Instrument (EDI) school readiness instrument has been developed in Canada (McMaster University in 1997) and was successfully tested and implemented in many countries including Canada, regions in the US, Australia, Chile, Egypt, Holland, Jamaica, Kosovo, Mexico; Moldova was also introduced to this instrument under a separate grant, but to a limited extent (initial data collection); Romania is currently developing a similar tool.

<sup>9</sup> An example of recently updated regulation in the case of Ireland: Child Care (Pre-School Services) (No. 2) Regulations 2006 and Explanatory Guide to Requirements and Procedures for Notification and Inspection, Department of Health and Inspection, Ireland, [http://www.louthchildcare.ie/docs/Childcare\\_Book.pdf](http://www.louthchildcare.ie/docs/Childcare_Book.pdf)

<sup>10</sup> Zafeirakou, 2006, Background Paper for GMR 2007; [Early Childhood Care Education Regional Report: Europe and North America](#), UNESCO 2010.

*workplace legislation that provides flexibility of working hours to parents with young children. A revision of resource allocation would imply:*

*1. A re-examination of norms from the past in order to make savings. Past norms, such as dormitories for children, kindergarten swimming pools, on-site medical staff, etc. are expensive. Such norms may need to be revised and a more rigorous per-unit cost approach adopted. Likewise, with a combination of parental leave and family-friendly work policies, it may be possible to avoid costly infant care and begin kindergarten services only from the age of 18 months.*

*2. A rigorous review of staffing needs and current staffing patterns. A start could be made by examining post accumulations inherited from the past, e.g. staff numbers that have grown in the past decade although child enrolments have fallen; administrative posts at all levels – government, municipal and center-based posts. There is then the need to ask: what is the priority task that the kindergarten should fulfill? If the task is pedagogy –the care, upbringing and education of young children – then pedagogical staff and their training must be given priority.*

*3. A change in policy toward child health, that is, to change from ‘integrating-in’ to ‘integrating-out’ health services. For example, many screening and health services for young children are based within the preschool education institutions, often occupying two or three rooms with a small medical staff. From all accounts – and this would follow the European experience – the service is not intensively used. A more effective – and less expensive solution – might be to ‘integrate out’, that is, for parents to use a district health clinic for young children, as is the case in most European countries. At least, this is a solution to consider, given that infant and child mortality rates have greatly improved in the recent decade.*

*Source: (UNESCO Regional Report Europe and North America, 2010, p.57)*

The revision and modernization of regulations and norms for ECD services needs to be the result of a joint political decision by the MOE and the MOH. Consequently, the revised regulations must be worked out in close cooperation by the two ministries, a joint team of experts preparing the amendments, taking into account the regulations in EU countries.

During project implementation, it is envisaged to merge the technical assistance for the revision of the physical and sanitary norms with the consultancy for revising the legal framework for inclusive education as described under sub-component 2.1 above, given the common child-centered approach, also subject to identification of qualified consultants capable to cover both areas.

In Moldova, the professional development of preschool teachers is not yet regulated. One time trainings have been organized, including in-service trainings developed under EFA-FTI 2. However, there is no legal framework regulating the general professional development of preschool teachers. MOE will need to formally include preschool teachers in in-service training requirements that apply to other categories of teachers. Additionally, the legal framework should include the kindergarten-based approach to teach training and mentoring should be institutionalized.

Target Group: MOE staff, including the members of the joint MOE/MOH and MOE/MLSPF Committees, the rayon level administrators of preschool services (Education and Health services, Local Authorities) and the parents of preschool children.

Envisaged beneficiaries: all children 3 to 6(7) years old participating in the preschool institutions. The optimization of the system will also benefit children currently out of the system who will be able to enroll in ECD services.

Activities. The main activity includes technical assistance (international and local experts) to support MOE in revising preschool regulations and norms, particularly the physical, sanitary and health norms and norms governing the professional development of preschool teachers.

In the case of sanitary norms, a joint MOE and MOH committee will prepare proposals, in line with the EU recommendations and updated health conditions favoring the wellbeing of young children in both the urban and rural areas. In this case, implementation will be conducted in two steps:

Step 1: reaching the political commitment from the MOE and MOH in revising the norms and regulations for ECD services. Key donors such as UNICEF and the World Bank will work to increase awareness among policy makers on the urgent need for revising the norms and regulations for ECD services. The norms and regulations should apply also to the private sector in supporting the development of the sector. The key donors may present the argument to the Education Committee of the Parliament.

Step 2: establishment of a Joint MOE/MOH Technical Committee that will receive the mandate to revise the norms and regulations of ECD services in a given period of time. The Project will provide technical assistance to the Committee by financing an international and local expert in supporting the process. The international expertise will bring in Moldova the UNESCO/UNICEF/OECD/EU recommendations in the matter, as well as scientifically recognized child development recommendations.

In the case of preschool teachers' professional development, consultants will make recommendations for new regulations. While in Moldova the in-service training and professional development of teachers for other levels of education is regulated and financed, this is not the case for preschool teachers. Proposals for change are needed particularly at this time, when the MOE is revising the Strategy for the Professional Development of all teachers. Additional recommendations will be made regarding the type of in-service teacher training. Under the Project, preschool-based teacher training is undertaken. However, in order for this activity not to be a onetime intervention, the legal framework needs to be amended to also acknowledge as a valid type of training the kindergarten-based teacher training. MOE will need to work with the MLSPF in order to make mentoring an acknowledged type of training profession, along with that of trainer.

Work under this sub-component will be completed during the first period of Project implementation.

Expected results. Proposals for revising norms and regulations that will help increasing access for those children still out of the services and will improve the quality since the educational and pedagogical dimension will be reinforced, as compared to the traditional care dimension and thus will respond to the 21<sup>st</sup> century child development needs.

*Sub-component 3.2: Teacher Training (USD 800,000)*

Objective. The objective of this sub-component is to train preschool teachers in early literacy and language development using active teaching methods, through a hands-on, kindergarten-based teacher training for professional skills development. The training will involve as trainers a network of mentors trained under EFA-FTI 1 and 2 in order to ensure that the innovative approaches to teaching, the new active learning curriculum and standards are effectively applied in the day-to-day work of all preschool teachers in Moldova. Under previous projects, training covered all preschool principals and methodologists and 34 percent of the preschool educators. During EFA-FTI 3, practical, hands on, kindergarten-based training should continue to be provided to all kindergarten teachers and especially to the 66 percent teachers who did not receive any training under the project. In that respect refresh training also will be provided to all preschool principals and methodologists and inspectors, including the selected mentor group.

During the previous training, trainees were: (i) exposed to current theories on child development, on how young children learn and on the principles of active learning and child centered education; (ii) taught on how to organize in the activity centers in the preschool classrooms; (iii) informed on the new documents: the teacher pedagogical standards, the learning and development standards for children 5 to 7 years old, the National Curriculum, and the teacher guide “1001 Practices of Pedagogy”; (iv) informed on the importance of play activities for child wellbeing and development; and (v) informed on how to select and plan activities and how to select instructional strategies in order to achieve the established learning and child development standards in line with the national curricula.

Following the above training, there is evidence, (evaluation report of EFA-FTI 2 , October 2010; external report on the impact of the Project, AXA 2010; Final Report Step by Step May 2009; field observations April 2011) that visible changes occurred in the preschool classes in Moldova. For instance, in several preschool classes teachers set up “activity centers”, introduced morning messages, developed posters, such “I am here today”, “The Calendar” “Responsibilities”, and started working with children around them. This constitutes a remarkable movement from a traditional approach that values the care and the rote memory and execution of simple exercises towards approaches that enrich the learning opportunities in the daily work of preschools, supporting the active role of children towards learning.

However, despite the above changes, new professional practices promoting active learning and increasing learning opportunities are still not dominant in the Moldovan kindergartens. Both providers of training and teachers still feel that teachers need much more practical training on how to develop activities around the “activity centers”, how the “Child centered approach”, the “teacher standards” and the “learning standards” should be translated in the everyday work of teachers in the preschool classes. Thus, more “kindergarten- based training” is critical because it provides the opportunity to teachers to observe “in vivo” good practices that promote active learning, cognitive and affective development of all children and especially of those coming from environment providing little learning opportunities. As one of the training providers underlines, a more sustained hands on training, using the mentoring and the coaching model of delivery is now necessary in the kindergartens of the country. This kind of training will help teachers to make the basic professional behavior changes and to incorporate the new skills and teaching practices that will support all children’s cognitive, health, emotional and social development.

As a result there is need to strengthen the *educational* versus *care* role of kindergartens, by increasing the learning opportunities for all children. This serves also children coming from more disadvantaged environments that have little opportunities for early literacy and language development. The opportunities for early literacy and language development are often reduced in poor Moldovan households. As a recent study finds out (National Survey, UNICEF, 2011) only 28,8 percent of parents read to their children every day and the practice of every day reading is associated to geography (37.6 percent urban versus 23.2 percent rural), the education and the socio-economic level of parents.

Preschool education may have a strong equity achievement, by helping particularly the poorest to have the opportunities for early literacy and language development that do not have at home, and thus help them to be ready for school and learning.

The content of teacher education and professional development funded under the Project will be especially focused on how teachers should enrich and further develop sound activities on early literacy and language development that in particular benefits children from disadvantaged environments. The principles guiding the training will be:

1. Prioritize the early language and literacy interventions within the ECE daily program. International research confirms that preschool education is critical for child's long term success. In particular, early reading and exposure to good quality children books and other appropriate learning material is a key factor for language development and affects directly cognitive, emotional and social capacities of preschoolers before entering school. Linguistic and cognitive delays can accumulate rapidly if not addressed. Skilled preschool teachers are essentials on developing a child's language and literacy skills, which are closely related to success in reading. Teachers need specific practices backed by solid research. The role of parents, of extended family and community are also key elements for child development in language and literacy skills before school.

2. Teacher training should be oriented on practical learning of skills and practices applicable by teachers directly at the preschool centers. Training providers should distinguish between training that provides mainly academic information and knowledge on theories of child development and on pedagogical approaches and training that helps professional to change practices and improve teaching skills at the preschool classes the day after. The training that will be provided during the Project should support teachers on how to improve directly their work in the kindergarten classes, how to incorporate in their everyday work plan new practices and how to develop the necessary professional skills and competencies. International experts in teacher training agree that mentoring and coaching are two of the most effective ways for development and changes of teacher professional skills competencies and practices. Providers of training should design the training on the basis of mentoring/coaching principles.

3. Establishing a network of mentors/coaches, fully integrated in the public system of ECE services in Moldova. The purpose of mentoring/coaching is to build a community of teachers who continually engage in the study of their work in the classroom. The main idea is that the incorporation of new knowledge and teaching skills requires hard work in which the periodical help of mentoring and/or coaching is inseparable with an intensive training program.



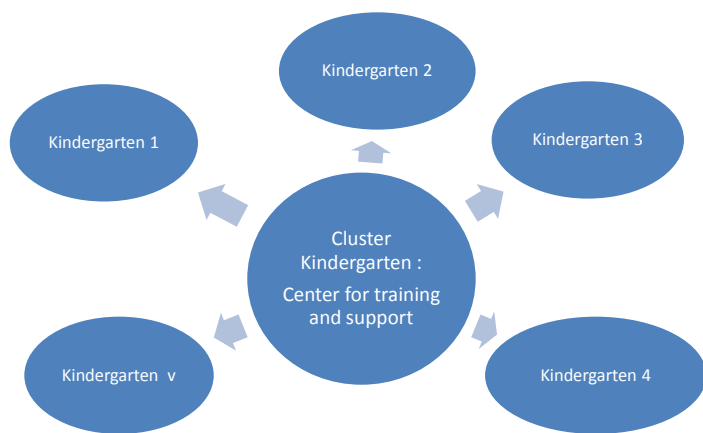
Internationally, the mentoring/coaching approach appears the most appropriate when teachers have to acquire unique teaching patterns and to master strategies that require new ways of thinking about learning objectives and the ways students achieve them.

The mentoring/coaching is part of a teacher training aiming to enhance the understanding and use of a teaching strategy or curriculum innovation by teachers themselves. First, the mentoring/coaching team studies the rationale of the new teaching skills, then demonstrates them, practice them and finally learn to provide feedback to one another as they experiment with the professional skills. This is a continuing process.

In the case of Moldova, the training provided during EFA-FTI 2 has introduced the principles of the mentoring process; however the system was not fully established. It provided training to about 100 mentors on both the technique of mentoring and on content (new pedagogical theories and practices in the preschools). Nevertheless, as it was stated by providers, not all teachers are able to provide mentoring and coaching to other colleagues. Thus a selection process is necessary. Also, further training on the technique of mentoring/coaching should be delivered. Mentors should be part of the system; otherwise, there is no incentive for them to function as mentors while sustainability is uncertain. Thus, under EFA-FTI 3 a sufficient number of potential mentors will be trained (around 150) in order to allow the selection of about 130 mentors. Mentors should be teachers, methodologists, inspectors, thus part of the public system.

**4. Develop the cluster network of kindergartens that will continually diffuse the training.**

Teacher Training through a horizontal mentoring network  
A cluster of kindergartens



**How many clusters? 130 clusters kindergartens**  
(1367 kindergartens; around 10 kindergartens per cluster)

During EFA-FTI 3, around 130 mentors will be selected, among the methodologists, school directors, inspectors and teachers. One mentor per each cluster will be responsible for providing mentoring support to the teachers of around 10 kindergartens in the surrounding geographic area. Clusters covering all kindergartens in Moldova will be set up under the Project.

The objective of setting up the cluster network is to provide nationwide support for preschool teachers, methodologists, school directors and inspectors in order to improve preschoolers' learning opportunities by: (i) exposing kindergarten teachers to efficient, modern teaching methods that promotes child development and learning opportunities according the new national curricula and the preschools standards; (ii) learning from the best international educational practices and ECE interventions on language and literacy skills development; and (iii) improving the capacity of teacher trainers, inspectors and ECE mentors.

Target group: training providers, as well as trainees (kindergartens teachers and directors, preschool experts and inspectors, about 150 mentors and MOE policy makers.

Envisaged beneficiaries: pupils and preschool teachers in kindergartens and community centers.

Activities:

- (i) Improvement of the capacity of training providers. The main training providers in the country (NGOs, education institutes and universities) will be trained in order to improve their training capacity. An international expert will develop and deliver the training on how to change the teaching/learning process in kindergartens using the mentoring and coaching approach. It is expected that these trainers will form a consortium to be further involved in Project training.
- (ii) Development of training modules. The experts' team will provide methodological materials, as well as guidelines on how to develop training modules. Local training providers will develop 11 training modules with the support of the experts' team, under the coordination of MOE. Modules will cover both mentoring techniques and teaching practices in preschools. The hands-on training materials to be developed will also define expected observable behaviors of preschool educators.
- (iii) Fundamental Training of about 150 prospective mentors. The mentors will be trained through two fundamental modules on mentoring and 9 specific modules on content.
- (iv) Selection of about 130 mentors from the 150 prospective mentors who will work at cluster level and train, support and mentor, the teachers of around 10 preschools in proximity. The selection will be carried out by the consortium, setting up clear requirements, upon analysis of responses to a questionnaire applied at the end of the fundamental modules.
- (v) Continuous support to 130 mentors. The consortium of training providers in cooperation with the MOE will provide a 2 days professional support to mentors every 2 months, i.e. 5 times during the school year.
- (vi) Training preschool teachers. Nine specific training modules will be delivered by mentors to about 7,000 teachers. The selected group of mentors will deliver the training modules to each cluster. Each cluster will comprise about 20 preschool teachers and one selected kindergarten for the coaching/mentoring workshops. The selected kindergartens will be gradually transformed in hubs, showcasing good practices in kindergarten.
- (vii) Equipping 130 hubs. Each hub kindergarten that will serve a cluster of kindergartens for continuous professional development will receive basic equipment needed for training and mentoring purposes.

(viii) Modernizing initial teacher training at the university level. Competitive grants will be awarded to universities to improve their capacity of conducting kindergarten- based research. MOE will select the themes and will organize the competition for grants.

The teacher training will include 11 modules during the school year 2012-2013: a Fundamental Training module, 9 practice modules and a formative evaluation module. The mentors training will include a fundamental training module during 4-5 days at the beginning of the school year on content and on mentoring methodology. The group of 150 mentors will receive the fundamental training of 4-5 days in the beginning of the school year on content and on the mentoring methodology.

Expected results. Teachers in all selected ECE settings in the country are informed and assisted on how to implement efficient hands-on pedagogic methodologies by using the enriched “Reading Corners” and the other activity centers and pedagogic materials. Clusters are organized around selected kindergartens and gradually become hubs in terms of being the mentoring/ training location for preschool teachers coming from the 10 kindergartens from the surrounding areas.

The long term sustainability of the mentoring program will also be addressed; the consultancy TORs will include proposals in this respect to be subsequently discussed with the MOE and stakeholders.

#### *Sub-component 3.3: Teaching/ Didactical Materials (USD 1,175,000)*

Objective. The objective of this sub-component is to improve the teaching/learning environment in all preschool settings in the country through provision of teaching/learning materials.

The preschool education system still needs more materials covering wider topics in addition to those already developed under EFA-FTI 1 and 2 (children didactical books on school transition, civic education, environment and tolerance); there is also a need to reprint the methodological and didactical materials and children books to cover shortages in the system. In line with the planned light revisions of the curriculum, more didactical and training materials will be needed to reflect these changes.

For the first time since the transition period, an investment was available in order to renew the poor pedagogic material and books in the public kindergartens in the country and create more child friendly environment. Under the EFA-FTI 1 and 2 key pedagogic materials and children books were developed and distributed to the project kindergartens. The situation at present is as follows:

1. The materials for teachers and other specialists seem to be of high quality and excellent layout. However, they are not available to each kindergarten teacher (around 7,000 kindergarten teachers in the country). This is the first basic document that each professional teacher needs in order to carry out the day to day work.
2. While Early Learning and Development standards, as well as National Curriculum were prepared for 0-7 years old children, most kindergartens in Moldova enroll 3-7 years old children. Although the whole picture, starting from birth, is important, priorities should be set

in terms of materials distribution. The priority in this case is to prepare cheaper aid materials for teachers referring to the group age of children currently enrolled in kindergartens in order to reach as many teachers and children as possible.

3. Activity Centers, such as ‘The Corners’ for language and reading are in many cases poorly endowed and not properly located. Kindergartens in Moldova, especially in rural areas need to have a number of additional children books of stories that will help early literacy and language development. In addition teachers should receive training on how to use the pedagogical materials and children books according to the “active learning” and “child centered” principles.

The table below presents the basic materials distributed previously for the use of preschool teachers.

**Table 3: Beneficiaries of Education Materials during EFA-FTI 1 and 2**

<b>Kindergarten teachers, methodologists, directors and inspectors</b>	Early Learning and Development Standards for Children (age 5-7) Early Learning and Development Standards for Children (age 0-7) Teacher Pedagogical Standards “1001 Pedagogical Practices” Curriculum for Preschool Education for 1-7 years old children
<b>3-6(7)years old kindergarten children</b>	A package of didactic materials and children books, including two children books developed in cooperation with UNICEF
<b>University professors involved in pre-service teacher training and providers of in-service teacher training</b>	Two booklets providing guidelines for curricula for pre-service and in-service training promoting child centered teaching/learning methods

Target Group: 66 percent of kindergarten teachers (who were not yet trained), methodologists and school directors; children in all kindergartens in the country.

Envisaged beneficiaries: kindergarten teachers and children enrolled in kindergartens who received pedagogic materials and the children books.

Activities. Activities will include development, printing and distribution of teaching/learning materials. All documents will refer only to the ages 3- 7 and will be printed in a low cost version, in order to reach all teachers in the country. An international consultant (desk work) together with a local consultant will finalize the versions ready for printing.

Specific criteria related to quality and cost-effectiveness will be developed in order to select or revise the pedagogic package and the children books distributed during EFA-FTI 2. The opinion of teachers, as expressed in the external evaluation, should be taken into account.

Expected results. All kindergarten teachers will receive the following teacher aid materials: (i) the national curriculum for the ages 3- 7; (ii) the early learning and development standards for ages 3-7; (iii) the “1001 Pedagogical Practices” guide; and (iv) the teacher’s pedagogical

standards. A package of pedagogic materials and children books will be distributed to all kindergarten classes in the country that did not receive such a package during the previous EFA-FTI 1 and 2.

*Sub-component 3.4: School Readiness Assessment (USD 80,000)*

Objective. This sub-component will support MOE in developing a simple instrument that will assess the readiness of preschoolers for attending school, i.e. school readiness tool. Since the Project is supporting the quality of ECE services in Moldova in order to increase the learning opportunities especially for the most disadvantaged children, the school readiness assessment will be focused on language and cognitive skills development and will be targeted at a specific population, i.e., the children receiving financial aid.

Measuring child outcomes helps accelerate action in terms of efficient policies for early childhood education services and apply a new understanding of ECD. It also helps identify the need for and the benefits of early childhood education programs. It is now well documented that young children growing up in poverty are disproportionately exposed to a wide range of risk factors such as: poor nutrition; less stimulating learning environments; poor sanitation; stressful life events; exposure to environmental risks. Good quality ECE services may reduce the above risk factors.

The term “school readiness” was developed in the USA and Canada more than 40 years ago. Research showed in the above mentioned countries that many children entering school were ill-prepared to achieve success. Particularly children from low-income families were more likely to enter school with fewer of the language, literacy, social, and other skills needed to ensure school success compared to more advantaged children. School readiness was introduced in order to focus educators and policy makers to the fact that poorer and most disadvantaged children needed to receive good quality ECD services in order to be ready for learning and thus close the gap. Currently, in the USA context, “school readiness” encompasses five dimensions: (i) physical well-being and motor development; (ii) social and emotional development; (iii) approaches to learning; (iv) language development (including early literacy); and (v) cognition and general knowledge. In the USA, in order to capture the difference in school readiness by socio-economic status, a school readiness indicator was developed that includes four skills related to early literacy and cognitive development:- the ability to recognize letters; - count to 20 or higher;-write his/her name; - read or pretend to read.

The Great Britain funded a large-scale national longitudinal study to collect national estimates of school readiness, using indicators such as verbal skills, reasoning ability, letter recognition and phonological awareness.

In the case of the Project, while all dimensions of child development are important, the focus will be on language and cognitive development in order to capture, if any, the gap between children ready for learning at school and those who are not. This focus will help to illustrate a gap, if any between children of different socio-economic environment.

Target Group: preschool age children enrolled or not enrolled in preschools.

Envisaged beneficiaries: preschool children, parents, policy makers and ECE stakeholders.

Activities. The activities will include the development and piloting of a school readiness tool for measuring the language and cognitive skills of specific socio-economic groups. International consultancy will work closely with local experts to design and implement the baseline for the school readiness assessment.

Expected results. A school readiness tool developed and piloted in the selected domain of language and cognitive development.

#### **Component 4: Project Management, M&E and Communication (USD 300,000)**

Objective. The objective of this component is to provide support to project implementation, including project monitoring and evaluation, and to inform the public at large about the Project objectives and results.

Target Group: MOE management and staff, education stakeholders.

Envisaged beneficiaries: MOE and education stakeholders.

Activities. Under this sub-component, support will be provided for the effective project implementation by strengthening key management and fiduciary capacities. Particular attention will be paid to the Project M&E, including monitoring indicators for the EFA-FTI 3 interventions and the overall preschool sector indicators. The end-of-project evaluation will present data from an evaluation study that will assess the results of Project interventions and will highlight the progress achieved under EFA- FTI 3 against the 2010 baseline data and the results of EFA- FTI 2. The study will assess, inter alia, the results of the teacher training programs and the extent to which the new child-centered approach to teaching is actually applied at classroom level. At the same time, the end-of-project evaluation will include feedback from all key stakeholders groups, including parents and communities based on surveys and focus groups. Such feedback will be also sought during ongoing monitoring visits undertaken by the MOE in the field, but also by the Bank and UNICEF teams upon implementation support missions.

This component will also contribute to increase the MOE's capacity for the ECD management in the long run; a plan will be developed in this respect including actions related to permanent preschool staff at MOE level. More generally, given the importance of strengthening ECD management capacities, the project is expected to contribute towards this objective through various technical assistance interventions planned under other project components; for example, the development of a school readiness assessment tool is expected to serve as a vehicle for increasing the capacity for informed decision making at MOE management level.

Given the relatively small size of the grant, the Project annual audit will be contracted to a private firm with standard terms of reference for a financial audit.

The Project will continue its very good communication initiatives implemented under EFA- FTI 1 and 2 that will ensure both Project visibility and successful implementation of Project activities

through effective information and public awareness campaigns for community mobilization and participation. The Project will promote the implementation of smart communication campaigns on the integration of children with special needs using the experience in other countries having implemented similar activities.

Expected results. The expected results of this sub-component include: a media campaign conducted in order to raise institutional and individual awareness about ECD; a Project website; published and disseminated Project newsletters; and an end-of-project results evaluation study, plan on increasing MOE's capacity for ECD management in the long run.

## Annex 2: Project Costs and Financing

Project Cost By Component and/or Activity	Total USD million
<b>1. Increasing Access to Preschool Education</b>	<b>1.50</b>
<i>1.1 Premises Renovation for Delivery of Preschool Education Services</i>	1.00
<i>1.2 Provision of Furniture, Equipment and Materials to Renovated Preschools</i>	0.50
<b>2. Extending access to preschools to special needs and vulnerable children</b>	<b>0.52</b>
<i>2.1 Promoting Integrated Inclusive ECD Services</i>	0.26
<i>2.2 Supporting Physical Rehabilitation of Special Needs Children</i>	0.26
<b>3. Improving the quality of preschool education</b>	<b>2.08</b>
<i>3.1 Revising Preschools Norms and Regulations</i>	0.025
<i>3.2 Teacher Training</i>	0.80
<i>3.3 Teaching/Didactical Material</i>	1.175
<i>3.4 School Readiness Assessment</i>	0.08
<b>4. Project management, M&amp;E and communication</b>	<b>0.30</b>
<b>Total Baseline Cost</b>	<b>4.40</b>
<b>Total Project Costs</b>	<b>4.40</b>

### Project Costs by Category

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)]
(a) Goods	825,000	100%
(b) Works	1,005,000	100%
(c) Consultants' services under the Project	1,666,000	100%
(d) Training and study tour	740,000	100%
(e) Operating Costs	164,000	100%
(f) Unallocated	0	100%



### Annex 3: Results Framework and Monitoring

#### EFA-FTI 3

**Project Development Objective (PDO):** The Project Development Objective is to improve the access, quality and inclusiveness of preschool education in Moldova

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**		Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2				
<b>Indicator One:</b> Gross rate of enrollment (total, rural and urban) in preschool education of children aged 3-6(7)	<input checked="" type="checkbox"/>	Percentage	77.1% (total) 67.1% (rural) 94.5% (urban)	77.5% 67.5% 94.6%	78% 68 % 94.8%	Annually and at the end of the Project	NBS	MOE	The total number of children enrolled in preschool education programs divided by the total number of population in the age group 3-6(7) , multiplied by 100
<b>Indicator Two:</b> Percentage of new entrants to primary grade 1 who have attended some form of organized ECD program	<input checked="" type="checkbox"/>	Percentage	97.7 %	98%	98.3%	Annually and at the end of the Project	NBS	MOE	The number of new entrants to primary grade 1 who have attended some form of organized ECD program equivalent, expressed as a percentage of the total number of new entrants to primary grade 1
<b>Indicator Three:</b> Discrepancy in access to ECD programs between urban and rural localities		Percentage	27.4 %	27.1 %	26.8 %	Annually and at the end of the Project	NBS	MOE	The difference between the gross rate of enrolment in preschool education in urban areas and the gross rate of enrolment in rural localities
<b>Indicator Four:</b> Number of special needs children of preschool age (up to 7 years old) in Project localities enrolled in mainstream preschool programs		Number	0	20	60	Periodically and at the end of the Project	MSIF, LPAs, Rayon Education Departments	MOE	The number of special needs children of preschool age enrolled in preschools established / renovated/ rehabilitated / endowed with physical rehabilitation centers with project funds
<b>Indicator Five:</b> Percentage of preschool educators applying the new child-centered approach to preschool education, the new curricula and standards		Percentage	0%	0%	50%	At the end of the Project	Source: Final Project Evaluation Study	MOE	The number of preschool educators included in the representative sample of the Final Project Evaluation Study who successfully apply the child-centered approach as a result of the mentoring and in-class coaching they received in the 130 kindergartens developed as training hubs, divided by the total number of preschool educators included in the sample, multiplied by 100

<b>INTERMEDIATE RESULTS</b>									
<b>Intermediate Results (Component One): Increased Access to Preschool Education</b>									
<b>Intermediate Result Indicator One:</b> Number of children aged 3-6(7) enrolled in preschools renovated / rehabilitated / established with Project funds		<b>Number</b>	<b>0</b>	<b>300</b>	<b>1200</b>	Periodically and at the end of the Project	MSIF, MOE, LPAs, Rayon Education Departments	MOE	The number of children aged 3-6(7) who accessed preschool programs with Project funds (for renovation, furniture, equipment) in the rural localities with inadequate access to preschool programs selected for project interventions
Number of preschool premises renovated / rehabilitated / endowed using Project funds		<b>Number</b>	<b>0</b>	<b>10</b>	<b>40</b>	Periodically and at the end of the Project	MSIF, MOE	MOE	
<b>Intermediate Results (Component Two): Extending Access to Preschools to Special Needs and Vulnerable Children</b>									
<b>Intermediate Result indicator One:</b> Number of children with special needs of preschool age (up to 7 years of age) who benefitted from physical rehabilitation centers developed with Project		<b>Number</b>	<b>0</b>	<b>20</b>	<b>60</b>	Periodically and at the end of the Project	MSIF, MOE, LPAs, Rayon Education Departments	MOE	The number of children with special needs of preschool age (up to 7 years of age) enrolled in mainstream kindergartens with physical rehabilitation centers developed with Project funds
<b>Intermediate Result indicator Two:</b> Number of physical rehabilitation centers for children with special needs established with project funds		<b>Number</b>	<b>0</b>	<b>1</b>	<b>3</b>	Periodically and at the end of the Project	MSIF, MOE, LPAs, Rayon Education Departments	MOE	The number of physical rehabilitation centers developed within mainstream kindergartens with Project funds (including required renovation, architectural adjustment, endowments with equipment (gyms) and specialized vehicles)
<b>Intermediate Result indicator Three:</b> Strategy for parenting programs developed			<b>Strategy not developed</b>	<b>Strategy developed</b>	<b>Strategy adopted</b>	Periodically and at the end of the Project	MOE	MOE	Strategic document for the implementation of parenting programs endorsed by MOE
<b>Intermediate Result indicator Four:</b> Methodology and training modules for parenting programs developed			<b>Methodology and training modules not developed</b>	<b>Methodology and training modules developed</b>	<b>Methodology and training modules developed</b>	Periodically and at the end of the Project	MOE	MOE	Document describing the methodology and training modules for parenting programs endorsed by the MOE
<b>Intermediate Result indicator Five:</b> Guide for work with parents on inclusion developed			<b>Guide not developed</b>	<b>Guide developed</b>	<b>Guide developed</b>	Periodically and at the end of the Project	MOE	MOE	Document with guidelines for work with parents on inclusion endorsed by the MOE
<b>Intermediate Result indicator Six:</b> Percentage of: (i) preschool principals; and (ii) educators who		<b>Percentage</b>	(i) <b>0%</b> (ii) <b>0%</b>	(i) <b>20%</b> (ii) <b>20%</b>	(i) <b>100%</b> (ii) <b>100%</b>	Periodically and at the end of the Project	Source: NBS, Training providers, LPAs, Rayon Education	MOE	The number of preschool principals and educators trained on inclusive ECD divided by their respective total numbers according to the official

benefited from training on inclusive ECD						Departments, MOE Methodology: Training attendance records and reports		statistics (NBS, MOE), multiplied by 100
<b>Intermediate Result indicator Seven:</b> Proposals for revisions of existing norms and regulations on inclusive education that apply cross-sectorial approach towards inclusion discussed and endorsed by the MOE		<b>Proposals not discussed</b>	<b>Proposals discussed by MOE, MOH and MLSPF</b>	<b>Proposals finalized and endorsed by MOE</b>	Periodically and at the end of the Project	MOE, MOH, MLSPF	MOE in collaboration with MOH, MLSPF	Official document(s) endorsed by MOE containing proposals for amendments to the existing norms and regulations that promote a cross-sectorial approach towards inclusion
<b>Intermediate Results (Component Three): Improving the Quality of Preschool Education</b>								
<b>Intermediate Result indicator One:</b> Proposals for revisions of existing norms and standards on ECD that align the legal framework to the child-centered approach to preschool education discussed and endorsed by the MOE and MOH		<b>Proposal not discussed</b>	<b>Proposals discussed by MOE and MOH</b>	<b>Proposals finalized and endorsed by MOE and MOH</b>	Periodically and at the end of the Project	MOE and MOH	MOE	Official document(s) endorsed by MOE containing proposals for amendments to the existing norms and standards that reinforce the child centered approach to preschool education
<b>Intermediate Result indicator Two:</b> Kindergarten-based hands-on training program on application of the child-centered approach to preschool education developed		<b>Training program not developed</b>	<b>Training program developed</b>	<b>Training program developed</b>	Periodically and at the end of the Project	MOE	MOE	Document describing the methodology and training modules that will be applied in the kindergarten-based hands-on training on application of the child-centered approach to preschool education
<b>Intermediate Result indicator Three:</b> Number of training hubs developed and equipped for the purposes of the kindergarten-based hands-on training program	Number	0	130	130	Periodically and at the end of the Project	MOE	MOE	Number of kindergartens developed and equipped as training hubs for the implementation of the kindergarten-based hands-on training on application of the child centered approach to preschool education
<b>Intermediate Result indicator Four:</b> Percentage of preschool educators who received in-class hands-on training and mentoring in the 130 kindergartens developed as training hubs	<b>Percentage</b>	<b>0%</b>	<b>40%</b>	<b>100%</b>	Periodically and at the end of the Project	Source: Training Providers, LPAs, Rayon Education Departments Methodology: Training attendance records and kindergarten-based training end-point reports	MOE	The number of preschool educators trained in the 130 training hubs divided by the total number of preschool educators in the country according to the official statistics, multiplied by 100
<b>Intermediate Result indicator Five:</b> Percentage of preschool educators	<b>Percentage</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	Periodically and at the end of the Project	Procurement records and delivery documents	MOE	The number of preschool educators who received updated package of training materials, divided by the total

who received the updated package of teachers aid materials								number of preschool educators according to the official statistics, multiplied by 100	
<b>Intermediate Result indicator Six:</b> Percentage of preschool groups that benefitted from a package of pedagogic materials and children books		<b>Percentage</b>	<b>0%</b>	<b>20%</b>	<b>100%</b>	Periodically and at the end of the Project	Procurement records and delivery documents	MOE	The number of preschool groups that benefitted from a package of pedagogic materials and children books divided by the total number of preschool groups according to official statistics, multiplied by 100
<b>Intermediate Result indicator Seven:</b> Baseline results from the sample-based pilot application of the School Readiness Assessment Tool (SRAT) are analyzed in a report and discussed by the key preschool education stakeholders			<b>SRAT not available</b>	<b>SRAT is designed</b>	<b>SRAT is piloted, baseline results are analyzed and report is discussed by key preschool education stakeholders</b>	Periodically and at the end of the Project	MOE	MOE	Report analyzing the results from the pilot implementation of the school readiness assessment tool is presented and discussed by key preschool education stakeholders
<b>Intermediate Result indicator Eight:</b> Project activities are timely implemented with expected results			<b>Monitoring reports not due</b>	<b>Two semiannual monitoring reports prepared and discussed with counterparts</b>	<b>Four semiannual monitoring reports and final project evaluation prepared and discussed with counterparts</b>	Periodically (every six months reports) and at the end of the project	MOE, MSIF	MOE	Procurement activities are timely undertaken and delivered; monitoring and evaluation is performed on a regular basis. and results discussed internally by the MOE, as well as with the advisory group and the Bank team.
<b>Intermediate Result indicator Nine:</b> Education stakeholders are informed on ECD and on the project objectives and results.			<b>Monitoring reports not due</b>	<b>Two semiannual monitoring reports prepared and discussed with counterparts</b>	<b>Four semiannual monitoring reports and final project evaluation prepared and discussed with counterparts</b>	Periodically (every six months reports) and at the end of the project	MOE	MOE	Media campaign conducted in order to raise institutional and individual awareness about ECD, Project web-site in place; published and disseminated Project newsletters; end-of project results evaluation study.

#### **Annex 4: Institutional and Implementation Arrangements**

The institutional and implementation arrangements are similar to those used for the EFA-FTI 1 and 2 projects. MOE will have the overall responsibility for Project implementation. The implementing agency for sub-components 1.1 and 2.2 will be the MSIF given its previous involvement in the successful implementation of EFA-FTI 1 and 2, its knowledge of the Moldovan construction market, the proven potential to work effectively with local communities and its experience to carry out procurement of construction works in accordance with World Bank regulations. The World Bank and the GOM agreed on very strict conditions to be stipulated in the Grant Agreement on the selected sites for renovation interventions to make sure there is full coordination with the current school optimization efforts.

A Project Steering Committee (PSC), under the chairmanship of the MOE minister, comprising representatives of MOF, MOH, MLSPF and the Ministry of Local Public Administration of the Republic of Moldova will oversee the implementation of the Project. The members of the Project Steering Committee will be assigned by the institutions they represent, upon the request of the MOE. PSC members will meet at least twice during the annual Project timescale, or whenever a decision is needed. The PSC will function throughout the Project life and will have the role of internal supervisory board for the Implementing Agency.

The Project management is provided by a Project Management Team (PMT) led by the Project executive director (PED) at deputy minister level. To ensure an efficient implementation of the Project, the functional departments of MOE will work in close cooperation with the PMT.

An Advisory Group will provide technical support to the PED for the achievement of the Project objectives. The Advisory Group will be chaired by a representative of the UNICEF (lead FTI donor in Moldova) and will comprise relevant experts from the local education community including specialized NGOs.

The PED will be appointed by the MOE minister. In his/her activity, the PED will be constantly supported by the Project Manager (PM) and the staff employed within the PMT. The PMT is aimed at assisting the PED in the coordination of Project implementation. Therefore, this team will be in charge with the overall management of the Project. The PMT staff will be recruited following the financiers procurement rules.

The PMT will assist the PED and will be responsible for the day-to-day consultancy of the MOE and coordination of the Project management process, including preparation of the procurement plans, budgets and progress reports, procurement of goods, works and services, maintenance of the Project accounts in accordance with terms the acceptable to the World Bank, IAS accounting, financial management and reporting requirements stipulated by the Financing Agreement, in close collaboration with the MOE's Economic-Financial Department for incorporation of grant accounts into the MOE's accounts. The PMT will report to the Project Executive Director, appointed by the Minister of Education as the person in charge with Project preparation and implementation. Although employed as consultants, the PMT staff will have a full-time working schedule.

Proposals for legal frameworks, norms and methodologies revisions and development will be agreed upon by MOE and, where is the case, by joint inter-ministerial committees: joint MOE/MOH/MLSPF technical committees for sub-component 2.1 and a joint MOE/MOH technical committee for sub-component 3.1.

The Project management costs (including office equipment and supplies, furniture, transportation and trips, training, software, communication, telephone, bank charges etc.) will be covered through the operational costs via a budget line.

The PMT is in charge with:

- general Project management;
- collection and analysis of Project information for annual and quarterly reporting;
- end-of-project evaluation of the Project.

The consultants team will be made up of four persons, as follows: Project manager (PM), Procurement specialist (procurement of goods, works and services), Financial Management specialist, Project assistant, with good command of English, who will also play the role of translator-interpreter whenever there is need for written or verbal external communication.

The rehabilitation activities will be performed by the Moldova Social Investment Fund (MSIF). This decision is supported by the following:

- a. demonstrated experience in capacity building within communities, in conducting technical and social assessments of more than 300 localities, implementation of renovation/construction works through governmental programs carried out with the international finance organizations' support;
- b. successful operations in the field of infrastructure rehabilitation in rural areas, including educational units;
- c. good knowledge of the Moldovan construction market in terms of: (i) design and construction, design firms and their reliability, capacity and quality of services; (ii) construction materials and equipment in terms of prices and availability on the local market; and (iii) individual professionals/ firms that could provide supervision of services;
- d. procurement of construction works carried out in accordance with World Bank regulations;
- e. information system tailored to the management of construction works;
- f. good business reputation, ability to take over and ensure long term responsibility for the services provided;
- g. application of "zero" VAT clause, provided through the Fiscal Code, for the works implemented by MSIF that leads to reduction of contract prices;
- h. effectiveness in rising funds (LPAs and communities' financial contribution) for construction/renovation works;
- i. lack of technical expertise and qualified personnel within MOE to supervise the civil works component implementation;
- j. MSIF's demonstrated capacity, knowledge and experience for the implementation of works component under EFA FTI 1 and 2;

MSIF is expected to ensure the achievement of objectives through: timely accomplishment of works; qualitative organization of supervision of works and monitoring of the physical progress of works; involvement of competent construction companies.

MSIF will provide technical assistance and professional advice to communities in the implementation of the works interventions and will manage the payment process on behalf of communities.

Implementation of works interventions is planned to be done through financing of sub-grant proposals submitted by communities, using participatory methods, thus increasing their responsibility for managing the implementation of sub-grants hence ensuring transparency of activities. Although there are many institutional options to provide funding to communities, the chosen approach is based upon the experience gained during the implementation of the EFA-FTI 1 and 2, the lack of skills of communities to independently manage external funds in an efficient way and the goal of achieving a high degree of partnership between the funding agency and the community.

Under this approach, a Sub-Grant Agreement will be signed between the community and MSIF, based on which the community shall be in charge of preparing the sub-grant proposal for implementation (development of the technical design and bill of quantities, participatory discussion of the volume of work to be executed, collection of community contribution, employment of contractors and local supervisors for rehabilitation of pre-school education facilities) and ultimately managing the overall implementation of the sub-grant. In this scheme MSIF will be a facilitator providing not just funds, but also technical support and training to the community throughout the sub-grant cycle.

## **Annex 5: Financial Management and Disbursement Arrangements**

The Project will follow the arrangements established under the EFA-FTI 2: the MSIF will carry out the rehabilitation activities under sub-components 1.1 and 2.2, while the MOE will be responsible for the other activities and components and for the overall Project reporting. The Project financial management arrangements will be incorporated within the existing MOE financial management system (budgeting, accounting and reporting systems), as well as within the existing MSIF financial management system for the rehabilitation sub-component, which were found satisfactory. The recent assessment of both implementing agencies under other projects they are accountable for (Quality Education in Rural Areas – in January 2011, and Moldova Social Investment Fund – in June 2011) has also confirmed their capacity to handle the proposed Project financial management arrangements.

The Project budget preparation will follow the current country's budget calendar. It will be based on the Project implementation and procurement plans. The Project annual budget will form part of the MOE overall budget and will be approved by the Ministry of Finance. The budget execution will be monitored through interim financial reporting to the World Bank and the Ministry of Finance and the Treasury.

In terms of accounting, the Project will follow the procedures already existing within the implementing agencies. The accounting systems need to be adjusted to accommodate the new funding source.

The Project funds will flow through the Treasury system following the traditional World Bank's disbursement mechanisms. Two Designated Accounts will be opened by each implementing agency on their behalf and only their designated staff will have access to the Project funds. The Treasury will apply additional checks over money spending.

The MOE, through the Economic Policy, Property and Finance Department will be responsible for the consolidated reporting. It will gather the financial data provided by MSIF and consolidate them with its own figures. The MOE will use the same format of the reports as under the EFA-FTI 2, yet adjusted in accordance with the new components: sources and uses of funds by category, by components and by financing source, cumulatively and for the reporting period together with variance analysis, statement of designated account, notes to financial statements and reconciliation statement. The Project consolidated financial reports will be submitted quarterly to the World Bank within the forty-five days after each calendar quarter end.

The MOE will also be responsible for making the Project financial reports mentioned above audited in accordance with the World Bank's auditing requirements. Thus, the audit will be conducted in compliance with the International Standards on Auditing and by an acceptable independent audit firm on the agreed audit Terms of Reference. The cost of audit will be financed out of Project proceeds. The audited financial statements covering the Borrower's fiscal year or any other period agreed upon, together with the auditors' opinion and Management Letter will be submitted by MOE to the World Bank within the six months' time-frame after the end of such period. Once received and reviewed by the World Bank staff, the Project audited financial statements will be made publicly available by the World Bank in line with its Disclosure Policy. In its turn, the MOE will bear responsibility of their disclosure as well, not later than two months



after their submission to the World Bank. The Project audited financial statements will be published on the MOE's web site.

## Annex 6: Procurement Arrangements

The key procurement risks are related to MOE's implementing capacity, which will be mitigated by hiring an external procurement specialist to help MOE in procurement during project implementation and involvement of MSIF in the implementation of the small civil works components through local communities.

The applicable Guidelines will be: (i) Guidelines for Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, edition of January 2011; and (ii) Guidelines for Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, edition of January 2011.

### Summarized Procurement Plan:

#### I. General

The period covered by this procurement plan is the Project implementation period

#### II. Goods and Works and non-consulting services

**1. Prior Review Threshold:** Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

	<b>Procurement Method</b>	<b>Prior Threshold US\$</b>	<b>Review</b>	<b>Comments</b>
	ICB (Goods)	All		
	NCB (Works) packages	None		
	Shopping (Goods)	First 2 contracts		
	Direct Contracting	All		

#### **2. Reference to (if any) Project Operational/Procurement Manual:**

- (i) Moldova Social Investment Fund (MSIF) Operational Manual (current version approved by the World Bank under the Social Investment Fund project) and
- (ii) Grant Operational Manual (EFA-FTI 2 POM to be updated and cleared by the World Bank for the current operation).

#### **3. Any Other Special Procurement Arrangements:**

Procurement of small works for the renovation of up to 40 preschool facilities and 3 rehabilitation centers will be done by local communities under supervision of MSIF and in accordance with the provisions of the MSIF Operational Manual.

Operating costs are not to be subject to procurement procedures; however due diligence and considerations of economy and efficiency should be applied for purchases under operating costs.

Summary of the Procurement Packages

1	2	3	4	5	6	7
Ref. No.	Description	Estimated Cost US\$	Procurement Method	Domestic Preference (yes/no)	Review by Bank (Prior/Post)	Comments
	Renovation/ rehabilitation works under component 1.1.	900,000	NCB		post	
	Renovation of 3 physical rehabilitation centers for children with disabilities under component 2.2.	105,000	NCB		post	
	Goods for up to 40 renovated pre-school facilities under component 1.2 and: (i) equipment (kitchen appliances and sanitary goods); (ii) outdoor playground facilities; (iii) furniture (stackable shelves, chairs, tables, beds etc.) (iv) basic pedagogic materials (graphic materials, models, games, etc.)	500,000	ICB		prior	
	MSIF management costs	100,000	DC		prior	
	Procurement of equipment for the rehabilitation centers	35,000	SH			
	Procurement of 3 vehicles for transportation of disabled children to the rehabilitation centers	120,000	ICB		prior	
	Procurement of equipment (laptop, printer, projector, flipchart) for 130 training hubs	170,000	ICB		prior	
	Printing/ reprinting teaching/ didactical materials and booklets	1,135,000	ICB		prior	
	Operating costs	64,000	OC		n/a	

### III. Selection of Consultants

- 1. Prior Review Threshold:** Selection decisions subject to Prior Review by the World Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

	<b>Selection Method</b>	<b>Prior Review Threshold US\$</b>	<b>Comments</b>
1.	Competitive Methods (Firms)	>100,000	and first 2 CQ and LCS
2.	Individual Consultants	> 50,000	and all individual consultants selected for the project management

- 2. Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than \$100,000 equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

- 3. Any Other Special Selection Arrangements:** Special procedures for distribution of Grants to universities to develop preschool-based researches will be described in the Grant Operational Manual (Agreed Procedures).

#### 4. Consultancy Assignments with Selection Methods and Time Schedule

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Ref. No.</b>	<b>Description of Assignment</b>	<b>Estimated Cost US\$</b>	<b>Selection Method</b>	<b>Review by Bank (Prior/ Post)</b>	<b>Comments</b>
	Development of a diagnose study with proposals for refining the legal framework governing inclusive ECD	25,000	CQ		
	Development and publishing a Guide on inclusion for parents	15,000	CQ		
	Development of a training program on inclusive ECD and training preschool teachers, principals, methodologists, medical staff and social workers; study tour for key stakeholders	160,000	CQ		
	Development of a strategy, methodology and training materials for parenting programs	60,000	CQ		
	Development of a diagnose study with proposals for changing norms and regulations governing preschools	25,000	CQ		

<b>Ref. No.</b>	<b>Description of Assignment</b>	<b>Estimated Cost US\$</b>	<b>Selection Method</b>	<b>Review by Bank (Prior/ Post)</b>	<b>Comments</b>
	Development of a training program, training trainers, training mentors and training teachers	580,000	QCBS	<b>prior</b>	
	Development of teaching/ didactical materials	40,000	CQ		
	Development of the school readiness tool	50,000	CQ		
	Piloting the school readiness tool	30,000	CQ		
	Grants to universities to develop preschool-based research	50,000	AP		
	Project management, including procurement and financial management	120,000	IC	<b>prior</b>	
	Development of end-of-project evaluation study	60,000	CQ		
	Project audit	15,000	LCS	<b>prior</b>	
	Communication campaign	41,000	CQ		

Detailed procurement documentation should be maintained in the Project files. The detailed final Procurement Plan should be published on the World Bank website in accordance with the Guidelines.

The post review will be carried regularly during Project supervision visits and at least once per year. The percentage of contracts which will be reviewed is 15 percent of the total number of contracts signed, which were not subject to prior review. The first post review will be done 6 months after the hiring of the Project procurement consultant.

## **Annex 7: Safeguard Policy Issues**

Except for the OP/BP/GP 4.01– Environmental Assessment, no other safeguard policy will be triggered by the Project.

The Environmental Category for the proposed EFA-FTI 3 is “C” based on the overall estimation that potential adverse environmental impacts of the Project are likely to range from minor to negligible.

Other than renovation/rehabilitation works to adjust the premises of existing physical infrastructure (schools or other publicly owned buildings) for delivery of preschool education services, the Project will not support civil works, land conversion, resource extraction, or any activities that could potentially damage the environment.

The Environmental Guidelines (EG) explain the environmental aspects of the procedures for the design, screening, appraisal, and implementation of the small-scale community infrastructure sub-projects. The Guidelines are attached to the Project Operations Manual and form part of the Project’s regulatory framework.

Under the EG, each proposed sub-project undergoes a preliminary environmental assessment based on an “Environmental Appraisal Form’ (Checklist) which identifies potential issues and indicates what mitigation measures should be applied to address them. These forms are filed with the sub-project documents at MSIF. Environmental requirements, particularly with respect to good construction practices, are also specified in permits required under national regulations for authorizing construction (the District environmental inspectors approve issuance of the permits).

A simple specific Environmental Management Plan (EMP) should be prepared for each sub-project by using the World Bank’s Checklist Environmental Management Plan for small-scale construction and rehabilitation. The responsible environment entity (MSIF) will then observe that the Environmental Management Plans become part of the contracts for any works.

All bidding documents and contracts will include measures to minimize or mitigate environmental damage. Standard operating procedures will include measures applying to constructions in general, such as measures to control dust, noise and traffic at construction sites and guidelines for controlling erosion and clean-up after construction. Particular attention would be paid to the issue of disposal of old asbestos-containing material from building rehabilitation.

### Environmental guidelines for the MSIF project cycle

MSIF, as environmental responsible entity, has prepared environmental guidelines which define the responsibilities of the MSIF partners for sub-projects throughout the sub-project cycles, using the MSIF checklists which have been prepared for this purpose.

## **Annex 8: Economic and Financial Analysis**

Moldova joined the FTI Partnership in 2005, and has received two grants totaling USD 8.8 million from the FTI Catalytic Fund to support implementing its education strategy and meeting the education MDGs and the EFA goal—all children complete a full cycle of basic education by 2015. The GOM developed the CSED 2011-2015 to achieve key goals and priorities of the National Development Strategy. There are seven priority directions identified in the CSED, one of them focusing on the expanded access to quality early education. The specific objectives for ECD in the CSED are to:

- 1) Expand services of early child education and development;
- 2) Further improve the quality of early education and development services; and
- 3) Ensure methodical, teaching and technical material supplies for the institutions of early child education and development.

The proposed EFA-FTI 3 will invest in activities closely aligned with the stated objectives for improving access, equity and quality of preschool education. The economic analysis assesses the rationale and effectiveness of these activities, while the financial analysis examines the impact of the EFA-FTI 3 investment on the government education spending and its financial sustainability.

### **Economic Analysis**

The economic soundness of the Project is ensured by: (i) aligning the Project concept with the CSED and the Country Assistance Strategy; (ii) selecting cost-effective options for the four Project components, which complement activities of the Government and the donors in the sector; (iii) gearing Project activities to the implementation of key policy reform measures in the education sector aimed at fiscal sustainability, e.g. the evolving school optimization program; and (iv) strengthening institutional capacity. The Project will mainly finance continuation and completion of activities started under EFA-FTI 1 and 2, with a focus shifted from investment in physical infrastructure to teacher training and professional development of educators, deemed essential for ensuring the long term sustainability of the EFA-FTI projects in Moldova. Because the Project is linked to achievements in previous EFA-FTI projects and activities are designed as elements of a results chain that covers three consecutive grants, a full economic analysis of the Project Grant was not done. Instead, this section gathers information, some of it of an economic and financial nature, to make an assessment of the cost-effectiveness of the Project and its four key components addressing the issues of: (i) access; (ii) equity; (iii) quality of preschool education; and (iv) management capacity.

Access. The EFA-FTI 3 investment in access to preschool programs (Component 1) envisions funds for civil works that will target poor rural localities selected on the basis of the severity of the access issues, the cost-effectiveness of the civil works and the impact of these investments as measured by the resulting number of new enrolments in preschool programs. Access interventions were present in prior EFA-FTI projects, and were judged satisfactory in terms of need, design, execution and results. Such investments are still highly justified. Moldova severely lacks adequate physical infrastructure in its rural localities, as evidenced by the low gross enrollment rate in rural areas (67 percent) when compared with gross the

enrollment rate in urban locations (94.5 percent). Cost-effectiveness analysis of the Project components shows that with access interventions, up to 1,200 additional children aged 3-(6)7 will have access to ECE programs, thus increasing their learning time at the age that is critically important for the formation of learning and social skills. International evidence and research show that the timely exposure to ECE programs results (in addition to all private benefits of being better educated) in overall system-wide improvements, e.g. increased share of children prepared for schooling, improved transition rates, larger participation in education, decrease in dropouts, overall improved performance of students and, ultimately, better performance of graduates on the labor market and higher individual and household income. This, in turn, is closely associated with increased public and fiscal benefits (through higher personal income tax revenues and less resources spent to alleviate poverty and social deprivation) and higher private benefits for the individuals (higher income and improved socio-economic status). Given the potential benefits from boosting the participation in preschool programs by up to 1,200 preschoolers annually, and with recent research on ECD pointing to USD 7 of returns to each USD 1 invested in preschool education, the envisaged costs for renovations and endowments with furniture and equipment of USD 1.5 million appears highly justified.

Equity. The equity interventions (Component 2) of the project will help reduce social exclusion and the educational gap of disadvantaged populations, breaking the exclusion cycle in the early stages of human development, and later on, contributing to: (i) a reduced fiscal burden associated with the implementation of social support programs; and (ii) improved employability and economic and social integration of disadvantaged groups. In the Project context, investments in equity take the form of policy reforms and resources allocated for improving the access to mainstream preschool programs of disadvantaged populations, particularly children with disabilities. Under EFA-FTI 1 and 2 two rehabilitation centers were developed using project funds. EFA-FTI 3 intends to scale up equity interventions in physical infrastructure, allocating USD 260,000 for the development of 3 physical rehabilitation centers in mainstream kindergartens, with the number of beneficiaries expected to reach at least 60 children with special needs. Private, public and fiscal benefits per child with disability enrolled in ECE under this component would amount to the same benefits described above under “Access”, with the additional benefits associated with improved living prospects and societal integration of persons with disabilities expected as a result of mainstreaming their education at preschool age.

Quality. Support to in-service teacher training (Component 3) is justified by the impact such training can have on teaching/ learning practices and on child learning, if the training is well designed, delivered and supported. The EFA-FTI 3 will continue to support the professional development programs that were designed and initiated under EFA-FTI 2 to make teacher training effective. The approach will shift from a cascade model of training to kindergarten-based training, drawing on the legacy of trained mentors and methodologists and bringing sharper focus on the specific needs of the trained educators. As training is not limited to the localities targeted under the Access and Equity components of the Project, but is designed to be a system-wide intervention, the envisaged improvements in the quality of teaching are expected to have a significant impact upon the school readiness of preschoolers, hence contributing to the public and private benefits associated with better educated individuals and workforce.



Management Capacity. Investments in improving the management capacity (Component 4) are justified and can be highly effective, in that they have the potential to increase MOE's capacity to effectively and efficiently deploy its scarce resources.

## **Financial Analysis**

Since the early 1990s, Moldova has experienced a rapid demographic transition driven by significant outmigration, coupled with declining birth rates, resulting in lower demand for preschool education. By mid-2000 Moldova made minimal capital investments to rehabilitate and renovate preschools, or provide basic furniture and essential teaching equipment. However, over the past five years demographic trends reversed with preschool population increasing and demand for preschool services following suit, while supply in rural areas has remained limited. The government responded to the changing needs by increasing investments in physical infrastructure. Government spending on preschools more than tripled over the past five years, starting from USD 31 million in 2005 and reaching USD 103 million in 2009. The share of expenditures on preschools in the total education expenditure during the same period rose from 14.3 percent to 19.6 percent, and its share as percentage of GDP nearly doubled from 1 percent in 2005 to 1.9 percent in 2009. The share of capital expenditures in the total education sector spending rose from 13.2 percent in 2005 to 15.6 percent in 2008 and dropped dramatically to 9 percent in 2009 due to the financial crisis. The CSED, the accompanying financial gap simulation model and the budget projections (Mid-term Budgetary Framework) for the preschool sub-sector for the period 2012-2015 point to a significant financial gap of over USD 20.7 million, of which USD 5.91 million appearing in the planned project implementation period (2012/2013).

Given the widening fiscal deficit and the kept promise for teachers' salaries increase, the Government of Moldova is not likely to raise the revenues required to fully fund the achievement of CSED objectives for preschool education, or to allocate the funds for the required investments in physical infrastructure. EFA-FTI 1 and 2 (USD 8.8 million) have played, and the EFA- FTI 3 (USD 4.4 million) will continue to play a crucial role in filling the financial gap. The Project funds could potentially cover 74 percent of the financial gap in 2012 and 2013, while speeding up by 2 years Moldova's achievement of its 2015 target for preschool gross enrolment ratio of 78 percent.

## Annex 9: Key Milestones

	Planned	Actual
PCN review	February 14, 2011	February 14, 2011
Submission of Application Package to EFA FTI Secretariat	September 23, 2011	
EFA FTI Board approval	November/December 2011	
Financial Agreement signing	January 2012	
Grant Effectiveness date	January 2012	
Grant Closing date	August 31, 2013	

The key institutions responsible for the preparation of the Project are: the MOE in collaboration with MSIF.

The project preparation was also supported by UNICEF, as EFA FTI Lead Donor Agency.

Bank staff and consultants who worked on Project preparation included:

Name	Title	Unit
Mariana Moarcas	Sr. Operations Officer, TTL	ECSH2
Ala Pinzari	Operations Officer	ECSH2
Plamen Danchev	ET consultant	ECSH2
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Ana Maria Sandi	Consultant	ECSH2
Irina Shmeliova	Procurement Specialist	ECSO2
Ruxandra Costache	Counsel	LEGEM
Rajeev K. Swami	Sr. Financial Management Specialist	ECSO3
Cesar Niculescu	Environmental Specialist	ECSS3
Nicholay Chistyakov	Sr. Finance Officer	LOAEL
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