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January 30, 2018

<p>Closing Date: Friday, February 16, 2018 at 6 p.m.</p>

FROM: Vice President and Corporate Secretary

**Moldova - Education Reform Project
Additional Financing and Restructuring**

Project Paper

Attached is the Project Paper regarding a proposed additional credit and restructuring to Moldova for an Education Reform Project (IDA/R2018-0015), which is being processed on an absence-of-objection basis.

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Report No: **PAD1820**

INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT PAPER
ON A
PROPOSED ADDITIONAL CREDIT AND RESTRUCTURING
IN THE AMOUNT OF SDR 7.1 MILLION
(US\$10 MILLION EQUIVALENT)
TO THE
REPUBLIC OF MOLDOVA
FOR THE
EDUCATION REFORM PROJECT
JANUARY 26, 2018

Education Global Practice
Europe and Central Asia

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CURRENCY EQUIVALENTS

(Exchange Rate Effective: NOVEMBER 30, 2017)

Currency Unit = Special Drawing Rights (SDR)

SDR 0.71 = US\$1

US\$ 1.42 = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CGAP	Country Gender Action Plan
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
DLI	Disbursement Linked Indicator
ECA	Europe and Central Asia
EMIS	Education Management Information System
GoM	Government of Moldova
GRM	Grievance Redress Mechanism
IDA	International Development Association
IPF	Investment Project Financing
MERP	Moldova Education Reform Project
MERP-AF	Moldova Education Reform Project – Additional Financing
MoE	Ministry of Education, Culture and Research (previously known as Ministry of Education)
MSIF	Moldova Social Investment Fund
NACE	National Agency for Curriculum and Evaluation
NSI	National School Inspectorate
OECD	Organization for Economic Cooperation and Development
PCF	Per Capita Financing
PDO	Project Development Objective
PforR	Program for Results
PHRD	Japan Policy and Human Resources Development
PISA	Programme for International Student Assessment
PLR	Performance and Learning Review
POM	Project Operations Manual
SCD	Systematic Country Diagnostic
SDR	Special Drawing Rights
SICI	Standing International Conference of Inspectorates
TOR	Terms of Reference
UNICEF	United Nations Children's Fund
USD	United States Dollars
VET	Vocational Education and Training
WB	World Bank

Vice President:	Cyril E. Muller
Country Director:	Satu Kristiina J. Kahkonen
Country Manager:	Anna Akhalkatsi
Senior Global Practice Director:	Jaime Saavedra Chanduvi
Practice Manager:	Mario Cristian Aedo Inostroza
Task Team Leader:	Andréa C. Guedes

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ADDITIONAL FINANCING DATA SHEET

Republic of Moldova

Moldova Education Reform Additional Financing (P156657)

EUROPE AND CENTRAL ASIA

GED03

Basic Information – Parent									
Parent Project ID:		P127388			Original EA Category:		C – Not Required		
Current Closing Date:		28-Jun-2019			Current EA Category:		B - Partial Assessment		
Basic Information – Additional Financing (AF)									
Project ID:		P156657			Additional Financing Type (from AUS):		Cost Overrun, Restructuring, Scale Up		
Regional Vice President:		Cyril E Muller			Proposed EA Category:		B - Partial Assessment		
Country Director:		Satu Kristiina J. Kahkonen			Expected Effectiveness Date:		29-Jun-2018		
Senior Global Practice Director:		Jaime Saavedra Chanduvi			Expected Closing Date:		30-Jun-2020		
Practice Manager/Manager:		Mario Cristian Aedo Inostroza			Report No:		PAD1820		
Team Leader(s):		Andrea C. Guedes							
Borrower									
Organization Name		Contact		Title		Telephone		Email	
Republic of Moldova		Igor Sarov		State General Secretary				igor.sarov@mecc.gov.md	
Project Financing Data - Parent (Moldova Education Reform Project-P127388) (in USD Million)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P127388	IDA-51960	Effective	24-Jan-2013	07-Feb-2013	01-Jul-2013	31-Aug-2018	28-Jun-2019		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed

									d
P127388	IDA-51960	Effective	XDR	26.10	26.10	0.00	16.78	9.32	64.28
Project Financing Data - Additional Financing Moldova Education Reform Additional Financing (P156657) (in USD Million)									
<input type="checkbox"/> Loan <input type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:		10.00		Total Bank Financing:		10.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
International Development Association (IDA)								10.00	
Total								10.00	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									
Does the project require any policy waiver(s)?							No		
Explanation									
Team Composition									
Bank Staff									
Name	Role	Title	Specialization	Unit					
Andrea C. Guedes	Team Leader (ADM Responsible)	Lead Education Specialist	Education Specialist	GED03					
Elena Corman	Procurement Specialist (ADM Responsible)	Procurement Specialist	Procurement Specialist	GGO03					
Oxana Druta	Financial Management Specialist	Financial Management Specialist	Financial Management Specialist	GGO21					
Aimonchok Tashieva	Social Safeguards Specialist	Social Development Specialist, Safeguard Policies	Social Specialist	GSU03					
Cesar Niculescu	Environmental Safeguards	Senior Environmental	Environmental Specialist	GEN03					

	Specialist	Specialist			
Hanna Katriina Alasuutari	Team Member	Education Spec.	Education Specialist	GED03	
James Gresham	Team Member	Consultant	Education Specialist	GED03	
Janelle Plummer	Social Safeguards Specialist	Senior Social Development Specialist	Social Specialist; Community Engagement	GSU03	
Lucia Casap	Team Member	Operations Officer	Economist	GED03	
Luis M. Schwarz	Team Member	Senior Finance Officer	Sr. Finance Officer	WFALN	
Maria Qureshi	Team Member	Consultant	Teacher Specialist	GED01	
Patrick A. Biribonwa	Team Member	Program Assistant	Team Assistant	GED03	
Pilar Elisa Gonzalez Rodriguez	Counsel	Senior Counsel	Country Lawyer	LEGLE	
Tamara Ursu	Team Member	Program Assistant	Team Assistant	ECCMD	
Extended Team					
Name		Title	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Moldova		Edinet			
Moldova		Ungheni			
Moldova		Telenesti			
Moldova		Taraclia			
Moldova		Stefan Voda			
Moldova		Straseni			
Moldova		Soroca			
Moldova		Riscani			
Moldova		Rezina			
Moldova		Orhei			
Moldova		Rainul Ocnita			
Moldova		Anenii Noi			
Moldova		Nisporeni			
Moldova		Leova			
Moldova		Singerei			
Moldova		Criuleni			

Moldova		Municipiul Chisinau			
Moldova		Causeni			
Moldova		Cantemir			
Moldova		Calarasi			
Moldova		Cahul			
Moldova		Ialoveni			
Moldova		Glodeni			
Moldova		Floresti			
Moldova		Falesti			
Moldova		Dubasari			
Moldova		Drochia			
Moldova		Donduseni			
Moldova		Cimislia			
Moldova		Briceni			
Moldova		Basarabesca			
Moldova		Balti			
Moldova		Hincesti			
Moldova		Soldnesti			
Moldova		Gagauzia			
Moldova		Transnistria			
Moldova		Municipiul Bender			
Institutional Data					
Parent (Moldova Education Reform Project-P127388)					
Practice Area (Lead)					
Education					
Contributing Practice Areas					
Additional Financing Moldova Education Reform Additional Financing (P156657)					
Practice Area (Lead)					
Education					
Contributing Practice Areas					
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required? Consultants will be required					

I. Introduction

1. **This Project Paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) in the amount of SDR 7.1 million (US\$10 million equivalent) to the Republic of Moldova in support of the Education Reform Project (MERP)(P127388). It also seeks Executive Directors' approval to restructure MERP to:** (i) change the Project Development Objective (PDO); (ii) cancel one Disbursement-linked Indicator (DLI) and reallocate its funds to other activities, with the corresponding reallocation of disbursement category; (iii) introduce changes to the Results Framework to align it to the proposed changes and additional resources; and (iv) extend the closing date of the original financing from June 28, 2019 to June 30, 2020, aligning it with the proposed closing date for the additional financing.

2. **The current Project Development Objective (PDO) is to improve learning conditions in targeted *receiving*¹ schools and strengthen the Recipient's education monitoring systems, while promoting efficiency reforms in the education sector.** The PDO would be revised from the one approved by the Board through a restructuring on February 2017 to remove the word "receiving." Since the project finances selected interventions benefiting receiving as well as non-receiving schools, namely school staff training and the provision of lab equipment and other teaching and learning materials (including for special education) to schools, the proposed revision would more closely align the PDO with project-supported interventions. Similarly, the project's results framework would be amended to reflect the additional activities supported under the proposed AF, including adding indicators on citizen engagement and gender to track corporate priorities.

3. **The Additional Financing would help cover the costs associated with the scale-up of selected activities initiated under the original credit, as well as the addition of a few new complementary activities.** Through this scale-up, the AF seeks to deepen the developmental impact of the Moldova Education Reform Project. To a lesser extent, the proposed AF would also offset exchange rate losses and address a gap in financing for technical assistance under the original project.

II. Background and Rationale for Additional Financing

A. Background

4. **Moldova has made significant progress in achieving inclusive growth and reducing poverty, which declined from 26 to 11 percent between 2007 and 2014. However, future growth and poverty reduction will depend on private sector job creation, increased productivity, and availability of skilled human capital.** For Moldova to continue progress towards the World Bank Group's twin goals, its Systemic Country Diagnostic (SCD) identified

¹ A "receiving school" is one that has received students transferred from other schools that were closed in the process of optimizing the school network. At the time of MERP's approval, the Ministry of Education, Culture and Research (MoE) had identified 135 general schools as "receiving schools." As of September 2017, MoE informed that there were 216 "receiving schools," as identified by local public authorities.

three priority policy areas: (i) strengthening the rule of law in and the accountability of economic institutions; (ii) improving inclusive access to and the efficiency and quality of public services; and (iii) enhancing the quality and relevance of education and training institutions for job-relevant skills.

5. **Two in five Moldovan students lack basic skills, while inequality and exclusion remain persistent challenges.** Although PISA 2015 results show significant improvements in learning outcomes since 2009, 50 percent of 15-year-old students are still below basic proficiency in mathematics, along with 46 percent in reading and 42 percent in science. At the same time, inequitable performance is sizeable—equivalent to almost three years of schooling in science between high- and low-income students, and nearly 1.5 years between urban and rural students. Further, children with disabilities and/or special education needs face widespread challenges, and about 2,200 children with disabilities remain in special schools.²

6. **A continuous demographic transition presents challenges and opportunities to the education sector, and reinforces the need to invest in quality relevant education to maximize the potential of human capital.** Moldova's school-age population has decreased by more than half since 1991. Since 2012, the government has taken critical steps toward improving resource allocation by adopting per capita financing in primary and general secondary education and adopting an enabling legislative framework. Sustaining and advancing these reforms with a focus on improving learning results is fundamental to increase the quality and efficiency of the education system.

7. **The Moldova Education Reform Project (MERP) was designed to support the government's education reform program by focusing on interventions to strengthen the quality and increase efficiency in the education sector.** MERP supports five priority areas of intervention: (i) implementation of quality assurance standards in *receiving* schools; (ii) establishment of teachers and directors' training and remuneration programs; (iii) improvement of the student assessment system; (iv) strengthening the quality of data and the education management information system (EMIS); and (v) increasing efficiency of General Education³, which covers the primary and secondary levels.

B. Project Progress to Date

8. **While MERP was prepared in a period of political and economic optimism, its implementation has been affected by political instability, macroeconomic challenges, and governance shortcomings.** As stated in Moldova's *FY14-17 Country Partnership Strategy*

² National Bureau of Statistics 2016/17.

³ *Under this project General Education refers to primary and general secondary schools (gymnasium and theoretical lyceums with humanities and science profiles) as defined at the time of project design.* It should be noted that after MERP's approval, Moldova's Parliament approved an Education Code (adopted on Nov 23, 2014), defining that general education covers: (i) early childhood education for children from birth to the age of 3; (ii) preschool education for children aged 3 to 6 (or 7), including preparatory groups for school; (iii) primary education covering grades 1 to 4; (iv) gymnasium education covering grades 5 to 9; and (v) lyceum education covering grades 10 to 12 (or 13). General Education also includes special education, extra-school education [education at home], and educational alternatives.

Performance and Learning Review, the Bank underestimated the impact of those challenges on the pace of reforms and portfolio performance.⁴

9. **The MERP was the first education project in ECA to follow a results-based approach and was mostly designed in parallel to the development and approval of the PforR instrument.**⁵ The Project, financed through an IDA credit in the amount of SDR 26.1 million (US\$40 million equivalent at the time of Board approval) was approved on January 24, 2013 and became effective on July 1, 2013. The original closing date for the Project was August 31, 2018, but it was subsequently extended to June 28, 2019. The choice of disbursement mechanism aimed to shift the focus of the Bank's engagement in the education sector from financing inputs to one of results, by disbursing against the completion of key actions, outputs, and outcomes in the results chain expected to strengthen the quality of education and lead to a more efficient use of resources within the sector. Project design foresaw that approximately 96 percent of disbursements would be linked to the attainment of 16 measurable results, referred to as Disbursement-linked Indicators (DLIs), while the remaining project funds would mostly finance technical assistance, including operating costs, to support strengthening of the institutional capacities of the Ministry of Education, Culture and Research (MoE), formerly known as the Ministry of Education, to implement, measure and monitor the project.

11. **Over the last 12 months both the Project Development Objective (PDO) and Implementation Progress ratings have been *Moderately Satisfactory*.** Of the original 16 DLIs, 12 have been achieved and approximately 64 percent disbursed.⁶ Annex 3 includes a table detailing the implementation progress of all DLIs.

Table 1. Progress Toward Achievement of MERP's PDO

<i>The PDO is to improve learning conditions in targeted receiving schools and strengthen the recipient's education monitoring systems, while promoting efficiency reforms in the education sector.</i>				
PDO Indicator	Baseline	Current	End Target	Current Status
Total receiving schools that meet infrastructure requirements under national quality assurance standards	0.00	0.00	15.00	On track per February 2017 restructuring. MSIF has carried out communication and outreach activities to inform the beneficiaries about the principles that will guide project implementation as well as done the technical evaluations of eight out of the 15 schools.
School report cards with comparative data on school	0.00	3.00	5.00	On track; the is expected to be out by February 2018.

⁴ Report No. 105224-MD, April 2016.

⁵ MERP's Concept Review was in October 2011, the Decision Review in May 2012, and Board approval in January 2013.

⁶ Of the 16 DLIs, three of them have been cancelled and funds reallocated to disburse through traditional disbursement methods under the restructuring approved by the Board in February 2017. This Additional Financing also includes a restructuring request to cancel the one remaining DLI and reallocate funds to be disbursed through traditional disbursement methods.

performance (2014-2018) publicly disseminated				
Student-teacher ratio for Grades 1-12 of primary and general secondary education	10.85 : 1	11.89 : 1	11.85 : 1	Target met

12. **The MERP underwent two level-one restructurings since its approval, first in July 2015 to trigger the environmental safeguard, and again in February 2017 to address design shortcomings and implementation bottlenecks.**⁷ The February 2017 restructuring introduced three major changes: (i) revision of the PDO and corresponding results framework; (ii) revision of implementation and disbursement arrangements; and (iii) extension of the project's closing date. Specifically, the PDO and results framework were revised; the responsibility for school rehabilitation was transferred from the MoE to the Moldova Social Investment Fund (MSIF), with the three corresponding DLIs cancelled and the funds reallocated to MSIF under traditional disbursement methods; and the project was granted 10 additional months for implementation.

13. **MERP implementation has been mixed, with substantial progress in three of five priority areas, and the other two with delays, as described below.** The second restructuring, as mentioned in paragraph 12, aimed to address implementation bottlenecks.

- *Improving the student assessment system.* All the activities that were foreseen in this area have been successfully carried out. The 4th and 9th grade national assessments in Romanian and Russian languages, and mathematics were revised, its results analyzed by the National Agency for Curriculum and Evaluation (NACE), and publicly disseminated. Similarly, Moldova participated in PISA 2015, NACE carried out an analysis of the data and produced a report, and the results were disseminated. Moving forward, it would be important to continue strengthening NACE so that it can regularly update its national assessments, reinforce its policy analysis capacity, and reduce its reliance on external technical assistance, as well as continue supporting Moldova's participation in PISA.
- *Improving the quality of data and management information systems.* MERP has supported the consolidation and strengthening of the Education Management Information System (EMIS) that covers primary and general secondary education. School data is regularly collected and entered in the system, and the system can produce school-level data. School report cards have been produced and electronically disclosed annually since 2014, and the data allows the MoE to monitor student drop outs by gender and reason for departure. Further, with grant financing from a Statistical Capacity Building Trust Fund, there were concerted efforts to improve the quality and access to education data, including developing a pre-school module for the EMIS. Moving forward, it would be important to expand the coverage of EMIS to technical vocation schools so that the entire pre-tertiary level is covered under EMIS; continue ensuring data integrity and openness;

⁷ A third restructuring was approved by the Country Director in September 2017, to allow MERP to support the rehabilitation of two schools (of 15) that have fewer than 600 students, one of the agreed rehabilitation selection criteria.

reconciling education data among various official sources (EMIS, National Bureau of Statistics, and MoF); and making the system more user-friendly to promote greater use of it.

- *Improving the efficiency of general education.* MERP provided incentives through four DLIs for the attainment of targets related to classroom optimization and efficient allocation of resources in the education sector; all the DLIs have been met. The first DLI was attained when 100 percent of primary and general secondary schools had their budgets approved through a per capita financing formula; the project's target was 80 percent. The second target was attained when MoE provided evidence that 2,840 classrooms in general education had been closed and/or reorganized, an eight percent reduction in the number of schools; the project's target was 980 classes. The third DLI was attained when the student to teacher ratio increased from 10.85:1 to 11.89:1⁸, slightly more than the target and despite the continued decline in the school-age population. Finally, the last DLI, already discussed earlier, pertains to having a system in place to monitor student drops-outs to make sure that optimization has not caused an increase in drop-outs. Moving forward, it would be important for the MoE to continue setting policies that promote the optimization of its school network in terms of school occupancy and staff allocation.
- *Establishing teacher and school directors' training and remuneration programs.* With MERP support, the MoE has developed and is implementing new in-service training programs for both teachers and school managers (directors and deputy directors) based on defined professional competencies and standards. The teachers' training comprises of five modules: (i) educational design in the context of the curriculum centered on competences; (ii) inclusive educational environment; (iii) teaching and evaluation in the context of active education; (iv) professional development of teaching framework for quality assurance in education; and (v) partnership for education. The directors' training covers the following six modules: (i) vision and strategies; (ii) curriculum; (iii) human resources; (iv) financial and material resources; (v) structures and procedures; and (vi) community and partnership. Between 2016 and 2017, the MoE trained approximately 2,630 teachers and 950 school directors and deputy directors, attaining DLI 6 (30 percent of school directors and 10 percent of teachers trained based on the updated training program for of school directors and teachers). However, the development of a new remuneration program will take more time than originally anticipated as key monitoring and inspection mechanisms are not yet functional. The MoE is considering to move towards a performance-based teacher remuneration system, although the proposal under consideration falls short of what was initially envisioned in terms of performance-based pay. In general, this type of reform takes time and coordinated effort, but in Moldova it is further hampered given that systems for inspection and monitoring of teacher performance are not yet operational. It is likely that the current revision of the remuneration system would not yet result in a performance-based pay system. As such, the attainment of this DLI 7 (new remuneration system of school directors and teachers adopted) is no longer considered realistic within MERP's implementation period so the

⁸ National Bureau of Statistics. *Education in the Republic of Moldova: Statistical Publication 2014/15.*

corresponding resources would be better utilized being reallocated to another activity that would also support the attainment of the PDO. Moving forward, it is necessary to first strengthen the National School Inspectorate (NSI) so that it can properly support and evaluate schools and teachers, including having the instruments in place to move toward a performance-based remuneration system. Training coverage should also be expanded but only after the training program is reviewed and updated based on a formative evaluation and through the integration of additional modules on community, gender, and inclusion awareness.

- *Implementing quality assurance standards for schools* was significantly delayed but is on track since the February 2017 restructuring. Quality assurance standards were defined by the MoE to include five dimensions: (i) school organization; (ii) teaching and learning; (iii) school infrastructure and equipment; (iv) curriculum and evaluation; and (v) school governance. However, implementation of standards has mostly focused on improving school infrastructure, which had very little progress. First, MoE deferred by almost two years the definition and adoption of the set of school quality standards that should be applied to all “receiving” schools. Consequently, MoE was not prepared to assess the conditions of its schools to determine what was needed to comply with the approved standards; this assessment was only completed in late 2015. Additionally, while project design expected standards to cover minimally acceptable conditions for a school to function, the assessment pointed to the need for large-scale facility upgrades. In turn, this created various challenges. First, the total physical needs of schools were determined to be far greater than initially anticipated, well beyond the scope or resources of the project. Second, the extent of the work planned by MoE triggered the Bank’s environmental safeguard (OP 4.01) and required a project restructuring which took six months to be completed. Third, the experience of the last three years showed that MoE lacks the technical and managerial expertise to efficiently carry out civil works. Finally, the use of national procurement procedures has brought its own challenges, as various processes had to be re-launched due to an insufficient number of bidders as required by national laws. To address these challenges, the February 2017 restructuring increased the scope of the works while reducing the number of beneficiary schools, focusing on larger schools. The restructuring also transferred implementation responsibility from the MoE to Moldova Social Investment Fund (MSIF), and changed disbursement methods from results-based to traditional. These modifications have removed critical barriers hampering this aspect of project implementation, and key steps have been taken to advance this process, including the transfer of technical drawings⁹ to MSIF, carrying of a community consultation process with beneficiaries, and technical evaluation most of the 15 schools. Moving forward, however, it would be as important to focus on other aspects of quality assurance standards aimed at improving learning conditions more broadly, especially properly equipping schools with science labs and information and

⁹ It should be noted that the MERP Restructuring Paper from February 2017 incorrectly stated that the MoE had transferred 13 designs to MSIF. However, MoE subsequently informed the Bank that seven technical designs were transferred to MSIF. Of these seven schools, two did not comply with the selection criterion. Therefore, of the seven designs transferred to MSIF, five can be used to support rehabilitation. The remaining 10 designs will be procured by MSIF.

communication technology (ICT), ensuring that staff are sufficiently trained to meet professional competency standards, and providing adequate assistance for the inclusion of students with special education needs or disabilities.

C. Rationale for Additional Financing

14. **MERP was designed to provide support to the Government of Moldova (GoM) in implementing its education reform.** MERP's focus is to support interventions that would lead to improvements in the quality and efficiency of primary and general secondary education. In that regard, while progress has been achieved, additional resources would enable MoE to deepen and expand the scope of key interventions, increasing their development impact and promoting their sustainability.

15. **The learning conditions continue to require updating, particularly in regards to school infrastructure and teaching/learning materials.** MERP is supporting the rehabilitation of 15 schools¹⁰—with another six being financed with national budget funds—while the MoE committed to furnishing and equipping all 21 schools. While the Additional Financing would not support any additional rehabilitations, it would finance the provision of science laboratories and ICT equipment to approximately 160 schools. This is particularly important given the lack of modern science labs in Moldovan schools, central in promoting science, technology, engineering and math (STEM) skills among students, which are currently deficient in the education system as indicated by Moldova's PISA 2015 results in science.

16. **Teaching practices and leadership skills are also key elements of schools' learning conditions, yet MERP's coverage on teachers and school managers was limited.** MERP supported the development and rollout of an updated training program to about 10 percent of general education teachers and 30 percent of school directors. However, it did not foresee any form of evaluation to assess the updated training programs. Additional funds would allow the new training programs to be (i) reviewed through a formative evaluation; (ii) adjusted based on the evaluation; (iii) expanded with the development and inclusion of additional modules supporting community, gender, and inclusion awareness; and (iv) delivered to a greater number of teachers and school managers. With MERP-AF, the training program would be scaled up to cover approximately 2,500 additional teachers and 700 additional school managers, thereby increasing the number of direct (teachers and school managers) and indirect (students) project beneficiaries. Selection criteria for teachers to be trained under the enhanced program would be detailed in the POM. The MERP-AF would also support a rigorous and statistically representative evaluation of the expanded teacher training program using classroom observations to assess the impact of the training on teachers' classroom practices. Further, the Additional Financing would support the development and provision of specialized training to at least 450 staff working with students with disabilities and/or special educational needs, including strategies for home-school collaboration and community engagement, so that all students could better participate and learn. To maximize the coverage and impact of the interventions, training would not be limited to staff from *receiving* schools.

¹⁰ With the approval of the proposed restructuring, another two schools would also benefit from MERP.

17. **Schools were expected to be inclusive since the 2014 approval of Moldova’s *Education Code*, but most lack the conditions to receive and support students with special educational needs and/or disabilities.** Most of the existing general education schools have not been adequately prepared to serve those students. In general, their facilities were not designed to be accessible for students with physical disabilities, they lack adequate teaching and learning materials, and most teachers have not been appropriately trained to support inclusive education in practice. At the same time, as required by the *Education Code*, approximately 960 teaching support staff were working as teacher aides in delivering inclusive education in 2016. The *Integration of Children with Disabilities into Mainstream Schools Project* (P144618; closing in January 2018), financed by a Japan Policies and Human Development (PRHD) grant, is *inter alia*, supporting efforts to promote the integration of children with disabilities into regular schools on a pilot basis by financing the rehabilitation of 20 schools, training school staff, and promoting community awareness initiatives. The proposed Additional Financing would build upon those efforts and lessons, and finance specialized training for support and pedagogical staff. It would also provide specialized learning materials and equipment for the support centers within approximately 100 targeted schools to facilitate inclusion of students with special needs or disabilities.

18. **As previously stated, Minimum Quality Assurance Standards encompasses a set of dimensions with measurable indicators identified as key inputs to improve the learning conditions of schools, eventually leading to an improvement in the quality of education.** MERP’s interventions at the school level, including those supported with the proposed Additional Financing –infrastructure, learning and teaching materials, equipment, training of school staff, and promoting inclusiveness and citizen engagement—are all elements of those standards.

19. **The mechanisms needed to monitor and improve teaching and learning are nascent and require further strengthening.** This is particularly true considering MoE’s decision to eventually move toward a performance-based remuneration system for teachers. The project has been successful in supporting the MoE to improve key systems for quality assurance and monitoring. However, as already mentioned, these systems are still developing and lack the capacity needed to operate effectively and sustainably. Further support in the form of technical assistance, training and equipment for the MoE, particularly the National Agency for Curriculum and Evaluation (NACE) and the e-Transformation Unit responsible for the Education Management Information System (EMIS) is needed. Support to strengthen the capabilities of the National School Inspectorate (NSI)—not envisioned under the original project design—is also needed. These activities would help MoE to monitor changes at the school level, and provide timely feedback and support to school staff.

20. **Finally, a review of the per capita financing (PCF) formula is due to determine if any adjustments are warranted.** Since its inception in 2010 as a pilot in two rayons, the PCF formula has not undergone any review to determine if adjustments are needed. The proposed MERP-AF would finance this review and, if needed, technical expertise to propose adjustments to the PCF. Also, funds would support the piloting and evaluation of a new financing mechanism for preschools—likely to be a PCF formula—which will be developed under

UNICEF's technical assistance. This intervention is expected to improve transparency and efficiency in resource allocation in the sub-sector.

III. Proposed Changes

21. **This Project Paper seeks the Executive Directors' approval to restructure the Moldova Education Reform Project (MERP) and to supplement its resources with an Additional Financing.** The restructuring would: (i) change the PDO to re-align it with the expanded coverage of activities supported by MERP; (ii) cancel one Disbursement-linked Indicator (DLI) and reallocate its funds to other activities under MERP, with the corresponding reallocation of disbursement category; (iii) introduce changes to the Results Framework to align it to the proposed changes and additional resources; and (iv) extend the closing date of the original credit from June 28, 2019 to June 30, 2020 to allow sufficient time for project implementation.

22. **The MERP-AF would primarily finance the costs associated with expanding and/or enhancing selected activities initiated under the MERP.** Activities to be supported were selected based on four factors: strategic relevance to the PDO, current performance, promise of high-impact results, and expected sustainability. Additionally, a decision has been made to finance activities in the education sector that promote inclusive education, gender equality, and citizen engagement, in line with the *Moldova Education Code*, lessons from the PHRD grant on *Integrating Children with Disabilities into Mainstream Schools* (P144618), recommendations from the *Moldova Country Gender Action Plan* (P160373), and the World Bank corporate requirements for mainstreaming citizen engagement.

23. **The activities financed with the additional credit would continue supporting activities that are consistent with the Government of Moldova's (GoM) priorities for the education sector and the Country Partnership Framework (CPF) FY18-21 (Report No 115716-MD).** Specifically, the MERP-AF would directly contribute to the implementation of the *Moldova Education Code* and *Moldova Education Strategy 2020*, adopted by the Parliament and entered into force in October and November 2014, respectively. Similarly, it would contribute to the achievement of the CPF FY18-20 Focus Area 3: Skills Development.

As detailed below, this Project Paper seeks approval to introduce changes to the Moldova Education Reform Project, as well as to provide it with Additional Financing to expand and/or enhance selected activities initiated under the MERP.	
Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Implementation Schedule	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Development Objective/Results	
Project's Development Objectives	
Original PDO	
The Project Development Objective (PDO) is to strengthen the quality of education while supporting the efficiency reforms being implemented in the education sector.	
Current PDO	
The Project Development Objective is to improve learning conditions in targeted receiving schools and strengthen the Recipient's education monitoring systems, while promoting efficiency reforms in the education sector.	
Change in Project's Development Objectives	
Explanation:	
The PDO would be revised from the one approved by the Board at the February 2017 restructuring to capture the fact that some activities supported under the project cover <i>receiving</i> and in <i>non-receiving</i> schools. For instance, teaching and learning equipment and materials (including materials for special education) to be purchased with the Additional Financing may also benefit some schools not denominated as <i>receiving</i> . This proposed change aligns the PDO more accurately with project-supported activities.	
Proposed New PDO - Additional Financing (AF)	
The Project Development Objective is to improve learning conditions in targeted schools and strengthen the Recipient's education monitoring systems, while promoting efficiency reforms in the education sector.	
Change in Results Framework	
Explanation:	
The project's results framework would be revised to reflect the (i) increase in coverage of some activities, (ii) addition of new activities; (iii) inclusion of required corporate targets related to gender; (iv) addition of citizen engagement indicators; (v) elimination of the intermediate indicator pertaining to the introduction of a new remuneration system for school directors and teachers; and (vi) elimination of the intermediate indicator on 'direct project beneficiaries' given its redundancy.	

Compliance						
Covenants - Additional Financing (Moldova Education Reform Additional Financing - P156657)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Section I.B.1 of Schedule 2	The Recipient shall ensure that the Project is carried out in accordance with the EMF, and thereafter ensure that the applicable EMPs are implemented, in accordance with their terms and in a manner acceptable to the Association. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the EMF or any of its provisions.		<input checked="" type="checkbox"/>	CONTINUOUS	New
IDA	Section I.B.2 of Schedule 2	The Recipient shall ensure that no activities to be carried out under the Project involve Involuntary Resettlement.		<input checked="" type="checkbox"/>	CONTINUOUS	New
Conditions						
Source of Fund		Name		Type		
IDA		Update Project Operations Manual (POM)		Effectiveness		
Description of Condition						
POM updated in a manner satisfactory to the Association and the updated POM has been adopted by MoE and MSIF.						
Risk						
Risk Category				Rating (H, S, M, L)		

1. Political and Governance							High			
2. Macroeconomic							Substantial			
3. Sector Strategies and Policies							Moderate			
4. Technical Design of Project or Program							Moderate			
5. Institutional Capacity for Implementation and Sustainability							Substantial			
6. Fiduciary							Moderate			
7. Environment and Social							Moderate			
8. Stakeholders							Moderate			
9. Other										
OVERALL							Moderate			
Finance										
Loan Closing Date - Additional Financing (Moldova Education Reform Additional Financing - P156657)										
Source of Funds					Proposed Additional Financing Loan Closing Date					
International Development Association (IDA)					30-Jun-2020					
Loan Closing Date(s) - Parent (Moldova Education Reform Project - P127388)										
Explanation:										
The closing date of the original credit (5196-MD) would also be extended by one year to provide more time for the rehabilitation of schools. The additional year would off-set the effectiveness delay of almost six months in the second amendment to the Financing Agreement approved by the Board at the February 2017 restructuring. This would be the second extension to the original credit (5196-MD) for a total of close to 22 months.										
Ln/Cr/TF	Status	Original Closing Date		Current Closing Date		Proposed Closing Date		Previous Closing Date(s)		
IDA-51960	Effective	31-Aug-2018		28-Jun-2019		30-Jun-2020		28-Jun-2019		
Change in Disbursement Arrangements										
Explanation:										
As the funds originally allocated to DLI 7 (US\$2 million equivalent at the time of MERP approval) in credit 5196-MD would be reallocated to finance school rehabilitations carried out by MSIF, disbursement arrangement for those funds would be changed from Results-based to traditional disbursement method (SOEs).										
Change in Disbursement Estimates (including all sources of Financing)										
Explanation:										
Disbursement estimates are for the Additional Financing.										
Expected Disbursements (in USD Million) (including all Sources of Financing)										
Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual	2.00	6.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Cumulative	2.00	8.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Allocations - Additional Financing (Moldova Education Reform Additional Financing - P156657)										
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement %(Type Total)					
			Proposed		Proposed					
IDA	XDR	CS (including audits), NCS, goods, Training and Operating Costs under Parts A.3, B.2 and C of the Project	7,100,000		100.00					
		Total:	7,100,000							
Reallocation between Disbursement Categories										
Explanation:										
Given the challenges highlighted earlier about the adoption of a new remuneration system for school directors and teachers corresponding to DLI 7 under the MERP, its full amount of SDR 1,276,667 would be reallocated to finance school rehabilitations under MSIF's responsibility (Disbursement Category 3 under Credit 5196-MD: Works, Consultant's services, and Operating Costs under Part A.2 of the Project). The funds would be used for the rehabilitation of two additional schools disbursing through traditional disbursement methods.										
Ln/Cr/TF	Currency	Current Category of Expenditure	Allocation		Disbursement %(Type Total)					
			Current	Proposed	Current	Proposed				
IDA-51960	XDR	Teacher salaries under EEP under Part A.1 and B.1 of the Project	17,020,000	15,743,333	100	100				
IDA-51960	XDR	Consultant Services (including Audits), NCS, goods, Training and Operating Costs under Part C of the Project	980,000	980,000	100	100				
IDA-51960	XDR	Works, Consultant's services, and Operating Costs under Part A.2 of the Project	8,100,000	9,376,667	100	100				
		Total:	26,100,000	26,100,000	100	100				
Components										
Change to Components and Cost										

Explanation: The MERP-AF would primarily finance the costs associated with expanding and/or enhancing selected activities initiated under the MERP. Components' overall objectives would remain unchanged but costs would increase to reflect the expansion of existing activities and addition of new ones. To a lesser extent, the proposed AF would also offset exchange rate losses and address a gap in financing for technical assistance under the original project (Component 3).				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Component 1: Strengthening the Quality of Education	Component 1: Strengthening the Quality of Education	30.50	39.78	Revised
Component 2: Improving the Efficiency of the Education Sector	Component 2: Improving the Efficiency of the Education Sector	8.00	8.16	Revised
Component 3: Improving the Ministry of Education’s Capacity to Monitor the Reform	Component 3: Improving the MoE's Capacity to Monitor the Reform	1.50	2.06	Revised
	Total:	40.00	50.00	
Other Change(s)				
Implementing Agency Name		Type	Action	
Ministry of Education		Implementing Agency	No Change	
Moldova Social Investment Fund (MSIF)		Implementing Agency	No Change	
Change in Implementation Schedule				
Explanation: The project implementation period would be extended by one year, from June 28, 2019 to June 30, 2020.				
Appraisal Summary				
Economic and Financial Analysis				
Explanation: For years, research from around the world has consistently found high economic rates of return to education, at least 10 percent per year on average, with higher returns in low-income countries like Moldova. ¹¹ Learning—the result of schooling—has even higher returns. A recent study found that after accounting for educational attainment, a one-standard-deviation increase in numeracy skills is associated with an average 18 percent wage increase, which is likely to be the lower bound on the return to skills. ¹²				

¹¹ Montenegro, C. & H. Patrinos. (2014). "Comparable Estimates of Returns to Schooling Around the World." Policy Research Working Paper No. 7020. The World Bank.

¹² Hanushek, E., Schwerdt, G., Wiederhold, S., & L. Woessmann. (2013). "Returns to Skills Around the World: Evidence from PIAAC." NBER Working Paper Series No. 19762. National Bureau of Economic Research.

In other words, schooling that produces skills is critical to economic growth. Moldova's Systematic Country Diagnostic (Report No. 107502-MD) recognizes this by identifying education quality, relevance, and equity as key to building human capital – one of two main pathways towards the twin goals of sustained poverty reduction and shared prosperity.

The design of the MERP-AF is not suited to a quantitative cost-benefit analysis (CBA) for two reasons. First, the benefits arising from the interventions supported under the MERP-AF are difficult to quantify and monetize. Second, the population of Moldova is in flux and significant immigration complicates the analysis of affected regions and beneficiaries. However, improved quality and relevance of education will strengthen labor market preparedness and job opportunities in due course. Expectantly, job opportunities would be there to encourage youth to remain in or return to Moldova, and schools would support the labor market to propel Moldova's economic growth. As a traditional CBA is not appropriate for this investment, this restructuring paper presents the economic justification for two key interventions supported under the MERP-AF that are expected to result in improved learning conditions in schools: training for teachers and school managers, and equipping schools with science labs and ICT. These interventions were selected to be supported under the MERP-AF taking into consideration their strategic relevance to the PDO, promising high impact results, and expected fiscal and political sustainability.

Research has empirically confirmed that teachers are the most important factor affecting learning in schools, and teachers' skills are closely tied to their effectiveness as educators.¹³ Research about school leadership also shows that (i) it significantly contributes to student learning, being second only to classroom instruction; and (ii) its impact is generally largest in schools that need it the most.¹⁴ Raising teachers' skills around pedagogy, assessment, inclusion, and quality assurance, and school managers' skills around leadership, administration, and curriculum are expected to improve learning conditions in schools and ultimately improve student outcomes. As the training programs for teachers and school managers have already been developed with MERP's support, evaluating and improving them before further expansion is the most cost-effective alternative manner of carrying out this activity, compared to developing and implementing new programs.

Research also shows that modern science laboratories play a key role in facilitating teaching and learning of science content as well as the development of inquiry-based problem solving skills that are inherent to science education and essential for a modern labor force.¹⁵ Without opportunities to engage with science content in practical laboratory settings, Moldovan students are at a disadvantage, as shown by their poor performance on the PISA 2015 science and mathematics assessments. Equipping science laboratories would improve school learning environments and ultimately advance students' science knowledge and problem solving skills. To maximize the number of beneficiaries and decrease the per-student cost, schools with relatively larger enrollments would be prioritized to receive science labs and ICT equipment.

The rationale for public investment stems from the positive social and economic externalities that are generated through education. Moldova's *Education Code* establishes that it is the public sector's legal responsibility to provide quality education that is inclusive of all students, with adequate

¹³ Bau, N. & J. Das. (2017). "The Misallocation of Pay and Productivity in the Public Sector: Evidence from the Labor Market for Teachers." Policy Research Working Paper No. 8050. The World Bank.

¹⁴ Leithwood, K., Louis K., Anderson S., and Walhstrom K. (2004) "How leadership influences student learning." University of Minnesota and University of Toronto. Learning from Leadership Project. Commissioned by the Wallace Foundation.

¹⁵ Hofstein, A. & V. N. Lunetta (2003). The Laboratory in Science Education: Foundations for the Twenty-First Century. *Science Education*, Vol. 88, Issue 1: 28-54.

accommodations made for students with special needs or disabilities. Per Moldova's National Bureau of Statistics data from the 2016/17 school year, almost 100 percent of teachers and students in primary and general secondary education Moldova work in or attend public schools. Given that the proposed AF is designed to build on an existing Bank-financed operation, the Bank's value-added is derived from its technical expertise and implementation support, as well as its commitment to and engagement with the broader education sector. This is reflected in the Bank's Country Partnership Framework FY 2018-2021.

Technical Analysis

Explanation:

The Additional Financing (AF) would provide funds to the GoM to advance its effort to improve the quality and efficiency of primary and general secondary education. Specifically, the AF would allow MoE to expand the coverage and depth of selected activities already initiated under MERP, such as teacher and school managers' training, participation in PISA, and development of an additional module to EMIS (TVET module) and roll-out of the preschool module. The AF would also enable the MoE to finance additional activities that are complementary to the ones already implemented, including providing science labs and ICT equipment and special education teaching and learning materials to selected schools; evaluating and/or enhancing teacher and school managers' training programs including through the introduction of new modules to raise awareness on issues related to gender, citizen engagement and inclusive education of students with special needs and/or disabilities, and the importance of community engagement; training school support staff and psycho-pedagogues who work with students with special needs and/or disabilities; developing the capacity of the National School Inspectorate (NSI) and the National Agency for Curriculum and Evaluation (NACE); and piloting a new financing mechanism for preschools.

The AF is expected to deepen the development impact of MERP, and increase the overall number of project beneficiaries. The AF would directly benefit a greater number of students, teachers, and school managers through the expansion of existing activities, especially training of teachers and school managers, and through support for new activities such as the provision of science laboratories and ICT equipment and training for teaching support staff in education for students with special needs and/or disabilities.

Social Analysis

Explanation:

The proposed Additional Financing does not include any construction/rehabilitation activities. However, the original credit continues to finance the rehabilitation and upgrading of schools. All the school rehabilitation works to be carried out under the project will be implemented within the existing school areas on the lands that are publicly owned, and will not require any land acquisition or temporary/permanent physical resettlement. Activities are not expected to cause adverse impacts on project affected people/beneficiaries, or impact their access to productive assets. Therefore, OP 4.12 on Involuntary Resettlement is not triggered for this project.

The proposed AF will expand project efforts to engage with parents and other members of school communities in: (i) school performance, (ii) rehabilitation, and/or (iii) education reforms, through a range of citizen engagement mechanisms including consultative forums, participatory planning and decision-making, and beneficiary feedback surveys. These efforts to engage school stakeholders would be measured through two surveys: (i) survey for school users (parents and older students) and service providers (school managers and staff) of the schools rehabilitated under the project to determine if users/providers felt that their concerns/recommendations were properly considered in the process; and (ii)

survey of parents of beneficiary schools to determine if there was an improvement in information, community engagement and school responsiveness. As the surveys would be carried out as the project nears completion, the findings would be shared with MoE and MSIF with the recommendation that they also share them with their staff and schools, and that they incorporate the lessons into the processes that will continue to be implemented after project closure. The project will also address gender concerns by supporting the development of gender awareness modules to be incorporated into the trainings for school managers and teachers, and a sample review of school textbooks for gender-bias. Finally, the project has established a grievance redress mechanism, adopted by both implementing agencies (MoE and MSIF).

Environmental Analysis

Explanation:

The proposed Additional Financing does not include any construction/rehabilitation activities. However, as the original credit continues to finance the rehabilitation and upgrading of at least 15 schools requiring guidance and supervision for compliance with the project's Environmental Management Framework, the team has revised the environmental risk from "low" to "moderate."

Risk

Explanation:

The overall implementation risk of the MERP is moderate given (i) its current implementation progress, and (ii) the application of the credit to support many activities which are already ongoing. Notwithstanding, implementation will take place within a back-drop of political instability, weak governance, and macro-economic concerns. Regardless of the AF's simple technical design and conservative targets, the Ministry of Education, Culture and Research continues to demonstrate weak implementation capacity, which is affected by the recurrent staff turnovers. At the same time, fiscal constraints are impacting the availability of financing for the sector, including those needed to recruit staff for the MoE, which raises concerns about the sustainability of interventions. Finally, given the electoral cycle of late 2018, school optimization efforts are likely to slow down or even stall.

The project seeks to minimize the above risks through simplification and selectivity in design, and adoption of conservative targets. The outcome indicator related to efficiency gains through the school optimization effort has already been achieved. The proposed AF would finance selected activities associated with improving the quality of education but without significant additional recurrent costs.

The overall climate change risks that impact Moldova are not directly relevant to the MERP. A Climate and Disaster Risk Screening was prepared for the proposed AF and concluded that the current and future potential climate and geophysical hazards on project sub-sector/components is either low or non-existent.

V. World Bank Grievance Redress

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection

Panel which determines whether harm occurred, or could occur, because of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

ANNEX 1: REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS

Republic of Moldova

Moldova Education Reform Project (P127388) and Additional Financing (P156657)

EUROPE AND CENTRAL ASIA

Project Name:	Moldova Education Reform Additional Financing (P156657)	Project Stage:	Additional Financing	Status:	DRAFT
Team Leader(s):	Andrea C. Guedes	Requesting Unit:	ECCEE	Created by:	Andrea C. Guedes on 17-Feb-2016
Product Line:	IBRD/IDA	Responsible Unit:	GED03	Modified by:	Andrea C. Guedes on 19-Dec-2017
Country:	Moldova	Approval FY:	2018		
Region:	EUROPE AND CENTRAL ASIA	Financing Instrument:	Investment Project Financing		
Parent Project ID:	P127388	Parent Project Name:	Moldova Education Reform Project (P127388)		

Project Development Objectives

Original Project Development Objective - Parent:

The Project Development Objective (PDO) is to strengthen the quality of education while supporting the efficiency reforms being implemented in the education sector.

Current Project Development Objective - Parent:

The Project Development Objective is to improve learning conditions in targeted receiving schools and strengthen the Recipient's education monitoring systems, while promoting efficiency reforms in the education sector.

Proposed Project Development Objective - Additional Financing (AF):

The Project Development Objective is to improve learning conditions in targeted schools and strengthen the Recipient's education monitoring systems, while promoting efficiency reforms in the education sector.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Total receiving schools that meet infrastructure requirements under national quality assurance standards	<input type="checkbox"/>	Number	Value	0.00	0.00	17.00
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment		Underway: 5 schools have technical design documents; design documents for the other 10 to be developed.	Previous target: 15 schools.
New	Trained teachers demonstrating a defined minimum level of competency for objectives covered in training program	<input type="checkbox"/>	Percentage	Value	0.00	0.00	50.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			
No Change	School report cards with comparative data on school performance (2014-2018) publicly disseminated	<input type="checkbox"/>	Number	Value	0.00	3.00	5.00
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			
No Change	Student-teacher ratio for Grades 1-12 of primary and general secondary education	<input type="checkbox"/>	Text	Value	10.85:1	11.89:1	11.85:1
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment		Source: National Bureau of Statistics 2014/15	End target achieved

Intermediate Results Indicators

Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	New minimum quality assurance standards formally adopted by MOE	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			End target achieved
No Change	Additional receiving schools that meet infrastructure requirements under national quality assurance standards financed by the national budget	<input type="checkbox"/>	Number	Value	0.00	0.00	6.00
				Date	04-Dec-2012	01-Nov-2017	31-Aug-2018
				Comment		Works underway and expected to be completed in June 2018	
New	Beneficiaries of rehabilitated schools who feel their concerns were considered in the planning and implementation process	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			
No Change	Updated training program for school directors and teachers officially approved and implementation initiated	<input type="checkbox"/>	Text	Value	Existing program for training of school directors and teachers to be updated	Updated program approved in November 2016 and implementation initiated in December 2016.	Work plan to update the existing system for training of school directors and teachers approved and pilot training completed
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			End target achieved

Revised	School managers trained under the revised training program	<input type="checkbox"/>	Percentage	Value	0.00	27.96	50.00
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment		953 school managers trained (includes directors and deputy directors). Not counted on this percentage are 62 heads of Rayon Departments trained. NBS 2016/2017 data: 3,408 managing staff	Original target of 30% only included school directors trained and was met (696 directors out of 1,274 trained)
New	School managers trained in gender awareness	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	20.00
Revised	Teachers recruited or trained	<input checked="" type="checkbox"/>	Number	Value	0.00	627.00	800.00
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment		Indicator measures PRIMARY teachers only.	
Revised	Primary and general secondary teachers trained under the revised training program	<input type="checkbox"/>	Percentage	Value	0.00	10.46	20.00
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment		2,630 teachers trained. Not included in this data are 80	Original target achieved: 10%

						Education Department Specialists. NBS 2016/2017 data: 25,132 pedagogical staff (excluding managing staff).	
New	Primary and general secondary teachers trained in gender awareness	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	10.00
New	Support staff and psycho-pedagogues trained on in-depth skills in special education	<input type="checkbox"/>	Number	Value	0.00	0.00	450.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			
New	Targeted schools equipped with new science labs and technology equipment	<input type="checkbox"/>	Number	Value	0.00	0.00	160.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			Target EXCLUDES 23 schools being rehabilitated and equipped with MERP support.
New	Targeted schools equipped with teaching/learning materials for students with disabilities and/or special educational needs	<input type="checkbox"/>	Number	Value	0.00	0.00	100.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			
Marked for Deletion	New remuneration program for school directors and teachers adopted by the government	<input type="checkbox"/>	Text	Value	Existing remuneration system of school directors and	Proposals under consideration	New remuneration program for school directors and teachers is

					teachers to be updated		formally adopted by Government
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			
No Change	System for learning assessment at the primary level	<input type="checkbox"/>	Yes/No	Value	Yes	Yes	Yes
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			End target achieved
No Change	Utility of the learning assessment system	<input type="checkbox"/>	Number Sub Type Supplemental	Value	4.00	4.00	4.00
New	National School Inspectorate Staff Trained	<input type="checkbox"/>	Number	Value	0.00	0.00	300.00
				Date	14-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			20 full-time employees 100 part-time employees 180 inspectors from Local Departments of Education
No Change	Administration of revised national testing of all 4th grade students completed	<input type="checkbox"/>	Text	Value	Existing national tests and scoring guidelines for all 4th grade	All 4th grade students tested in Romanian language and Math based on revised national testing	All 4th grade students tested in Romanian language and Math based on revised national testing
				Date	04-Dec-2012	01-Nov-2017	31-Aug-2018

				Comment			End target achieved
No Change	Administration of revised national testing of all 9th grade students completed	<input type="checkbox"/>	Text	Value	Existing national tests and scoring guidelines for all 9th grade students	All 9th grade students tested in Romanian language and Math based on revised national testing	All 9th grade students tested in Romanian language and Math based on revised national testing
				Date	04-Dec-2012	01-Nov-2017	31-Aug-2018
				Comment			End target achieved
No Change	Report analyzing results of national assessments publicly disseminated	<input type="checkbox"/>	Number	Value	0.00	1.00	3.00
				Date	04-Dec-2012	03-Aug-2017	28-Jun-2019
				Comment			
Revised	Report analyzing Moldova's performance in PISA 2015 and PISA 2018 publicly disseminated	<input type="checkbox"/>	Text	Value	No report	PISA 2015 publicly disseminated	PISA 2015 and PISA 2018 reports publicly disseminated
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment			Original target achieved: 1 report
Revised	Consolidated Education Management Information System (EMIS) covering pre-primary through and general secondary education established	<input type="checkbox"/>	Text	Value	Existing school mapping system	EMIS covering primary and general secondary education in place and functional	Consolidated EMIS including preschool and VET education
				Date	04-Dec-2012	01-Nov-2017	30-Jun-2020
				Comment		Preschool module	Original target

						developed with grant but not operational yet.	achieved - it excluded preschool and VET.
No Change	System in place to closely monitor and mitigate drop outs in primary and general secondary schools (using EMIS)	<input type="checkbox"/>	Text	Value	No system in place to monitor and mitigate dropouts	System in place	Dropout rates are determined using data disaggregated at the level of schools and used in policy making
				Date	04-Dec-2012	01-Nov-2017	31-Aug-2018
				Comment			End target achieved
No Change	Primary and general secondary schools that have their budgets approved according to the new per student formula	<input type="checkbox"/>	Percentage	Value	38.00	100.00	80.00
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			End target achieved
No Change	Total classes reorganized in primary and general secondary schools	<input type="checkbox"/>	Number	Value	0.00	2840.00	980.00
				Date	04-Dec-2012	01-Nov-2017	28-Jun-2019
				Comment			End target achieved
New	Students benefiting from direct interventions to enhance learning	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	98450.00
				Date	06-Sep-2017	01-Nov-2017	30-Jun-2020
				Comment			Final target calculated by MoE includes approximately: (i) 12,950 students in 17

							rehabilitated schools by MSIF; (ii) 85,000 students in schools receiving lab and IT equipment; and (iii) 500 students with special needs in schools receiving learning equipment. Students of teachers who received training under MERP and students benefiting from new assessment tests are not counted in the total given the likelihood of double-counting beneficiaries.
New	Students benefiting from direct interventions to enhance learning - Female	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	49000.00
New	Schools where parents report that information, community engagement, and school responsiveness has improved	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	14-Sep-2017	21-Oct-2017	30-Jun-2020
				Comment			
Marked for	Direct project beneficiaries	<input type="checkbox"/>	Number	Value	0.00	1150.00	336700.00

Deletion				Date	04-Dec-2012	31-Mar-2016	28-Jun-2019
				Comment			
Marked for Deletion	Female beneficiaries	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	170000.00

ANNEX 2: DETAILED DESCRIPTION OF MODIFIED OR NEW PROJECT ACTIVITIES

Republic of Moldova

Moldova Education Reform Project (P127388) and Additional Financing (P156657)

EUROPE AND CENTRAL ASIA

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Project Components

1. **The proposed Additional Financing builds upon the Moldova Education Reform Project (MERP) by supporting targeted interventions that would deepen its impact.** Activities financed by both credits are directly related to the GoM's *National Development Strategy* and two central focus areas of the FY18-21 *Country Partnership Framework* (CPF): skills development and service governance.
2. **The MERP would remain organized into three components, as detailed below.** However, the project's description in the Financing Agreement would be modified to include additional sub-components under components 1 and 2 (Schedule 1, Part A and Part B), covering new or modified activities as described below, and reflecting the fact that activities supported under the Additional Financing would fully disburse using traditional disbursement methods. Table 1 details the activities already supported under the original credit (5196-MD) and the new or modified activities to be financed with the Additional Financing.

Component 1: Strengthening the Quality of Education (Original allocation US\$30.5 million equivalent; Additional Financing US\$9.28 million)

3. *The overall objective of this component is to improve the quality of education in primary and general secondary education.* The component was designed with interventions supporting four broad areas: (i) implementation of quality assurance standards in schools, with respect to school organization, teaching and learning, school infrastructure and equipment, curriculum and evaluation, and school governance; (ii) establishment of teacher and directors' remuneration programs; (iii) strengthening of student assessment systems; and (iv) improvement in the quality of data and the education management information system (EMIS). Component 1 was originally designed to disburse against the attainment of 12 DLIs. However, during the February 2017 restructuring three of the 12 DLIs were cancelled and the funds reallocated to school rehabilitation to be carried out by the Moldova Social Investment Fund (MSIF). As part of processing this Additional Financing, approval is sought to cancel a fourth DLI – DLI 7: establishment of teacher and directors' remuneration programs—and reallocate the US\$2 million equivalent to MSIF to be also invested in the rehabilitation of schools.
4. Component 1 is currently divided into two sub-components, the first one being implemented by MoE and financing payments under the Eligible Expenditure Program (EEP) supporting interventions strengthening the quality of education in Moldova's general education

subsector, and the second being implemented by MSIF financing the rehabilitation and upgrading of receiving schools, including preparation of designs, and project management. With the approval of the proposed Additional Financing, Schedule 1 of the Financing Agreement would be revised to include a third sub-component, under MoE's responsibility, financing the expansion of activities supported under the original credit and the addition of complementary activities, all to be financed through traditional disbursement methods.

5. The MERP-AF would continue financing activities to improve school learning conditions, defined as activities intended to ensure a child-friendly environment that is conducive to learning.¹⁶ While the original credit supports the development of quality assurance standards and the rehabilitation of 15 schools, the MERP-AF would finance the provision of science labs and ICT equipment for approximately 160 additional schools. The funds from the cancelled DLI 7 under the first credit would be reallocated to the rehabilitation of another two schools. Additionally, the MERP-AF would finance the provision of specialized equipment, and teaching and learning materials to equip school resource centers for students with disabilities and/or special educational needs in approximately 100 targeted schools. The selection criteria for the schools to benefit from these interventions would be detailed in the POM.
6. The MERP-AF would continue to improve teachers' pedagogical knowledge and skills and school management's managerial and leadership skills. While the original credit supported the development and roll out of a teachers' training program covering about 10 percent of teachers, the Additional Financing would support a formative evaluation to review that training program with the purpose of further enhancing it --including developing and adding awareness modules on community, gender, and inclusive education for students with special needs and/or disabilities—and expanding its coverage by training approximately 2,500 additional teachers, that is covering another 10 percent of teachers. The original credit also supported the development and roll out of the school directors' training program covering approximately 30 percent of school directors and deputy directors. Under the Additional Financing, this training would also be reviewed and enhanced based on the evaluation and the additional modules, and scaled up to cover approximately 700 additional school managers, for a total of around 50 percent of school managers in Moldova. After the second round of teacher training, the program for teachers would also be assessed using classroom observations. Further, the Additional Financing would support specialized training for at least 450 support teachers and psycho-pedagogues working directly with students with disabilities and/or special educational needs.

¹⁶ The MoE formally adopted these standards in 2015 which broadly and ambitiously define what consists of a child-friendly learning environment. Those standards cover all aspects concerning the functioning of a school, including management, institutional capacity, and curriculum/educational processes. Based on the approved *Quality Standards*, the MoE developed an instrument defining implementable and measurable targets that should be the minimally required inputs for a school to be operating in accordance with those quality standards – the “minimum operating standards.” The MERP has been supporting the implementation of these “minimum operating standards,” albeit the focus has mostly been on the physical conditions of schools.

7. The MERP-AF would continue financing interventions to strengthen education monitoring systems. This includes new efforts to develop the capacity of the National School Inspectorate (NSI), the institution under the MoE responsible for assessing general education, accrediting institutions and assuring quality in general education by monitoring policy implementation and supporting teachers and directors. The NSI initiated its activities in June 2015, and is responsible for assuring quality in all education institutions in Moldova. The MERP-AF would support efforts to build the capacity of this institution so that it could effectively exercise its function. It should be noted that NSI is in the process of incorporating student and parental feedback into school/teacher evaluation efforts, linking it to the preparation of school improvement plans. This effort is nascent and has recently been piloted in a group of about 50 schools with approximately 2,000 parents/students being surveyed. The expansion of this pilot is pending government decision; should the pilot be rolled out, the Additional Financing would support this effort to engage school stakeholders in the school improvement process.
8. The MERP-AF would continue supporting the National Agency for Curriculum and Evaluation (NACE) to deepen its capacity to carry out national assessments and participate in international assessments, including PISA 2018 and PISA 2021, and analyze assessment results to support policy formulation by the MoE. This would involve additional training on assessment and testing techniques and good practices on organization in assessment agencies, as well as additional support for data systems, including hard and software. Additionally, the MERP-AF would continue to strengthen the Education Management Information System (EMIS) by developing an additional module for technical/vocational education and supporting the roll-out of the already developed preschool module, completing EMIS coverage of the entire compulsory education system, as well as training users on it.
9. Finally, MERP-AF would build on existing project efforts to engage with parents and other community stakeholders to promote citizen engagement and social accountability in schools. Whereas the original credit supported the production and disclosure of yearly report cards about individual school performance (primary and general secondary education), the AF would push this effort further by encouraging school managers to formally engage parents into a discussion of the report cards, and to seek their feedback on how to address education challenges at that level. To measure this effort, a parents' perceptions survey would be carried out toward project completion to determine whether they feel that was an improvement in information sharing, community engagement and school responsiveness in the last year; a corresponding new indicator on citizen engagement would be included in the Results Framework with the target that at least 70 percent of parents feel a positive improvement. Additionally, for those school communities benefiting from school rehabilitation, MSIF has started carrying out communication and outreach activities to inform beneficiaries about the principles that will guide project implementation, the implementation cycle, and the World Bank rules that apply to the projects implemented by MSIF. Following this, the local authorities where the 15 schools are located have been asked to conduct outreach campaigns, organizing focus-groups and joint meetings with teachers, parents, and

the active members of communities to discuss the priority works that could be covered with the money provided by the World Bank.¹⁷ The MSIF project cycle also involves the local government and school community in overseeing the works. At project completion, a survey of beneficiaries in the 17 schools and focus groups would be carried out to determine whether they perceive that their concerns were considered in the rehabilitation planning and implementation process; the results of this survey would be shared with MSIF authorities so that, if needed, they can improve and/or strengthen their community engagement processes. This activity would also be tracked through a new indicator in the Results Framework, with the target that at least 70 percent of beneficiaries feel they were engaged in the process. Finally, the project would also support broader outreach and communication activities for parents and stakeholders such as communication campaigns and social marketing under Component 3.

Component 2: Improving the Efficiency of the Education Sector (Original allocation US\$8 million; Additional Financing US\$160,000)

10. *The overall objective of Component 2 is to support efforts to make the education sector more efficient.* In the context of this project, “efficiency” refers to the re-organization of the school network so that its use can be optimized, and resources allocated based on a per capita financing formula rather than historical norms. The MERP includes four Disbursement Linked Indicators (DLIs) incentivizing the attainment of targets associated with efficiency gains in primary and general secondary education: (i) allocation of 80 percent of school budgets through a per capita financing (PCF) formula; (ii) reorganization of 980 classes; (iii) increase in student-teacher ratios; and (iv) system in place to monitor and mitigate school drop outs. All four DLIs have been achieved.
11. The MERP-AF would continue promoting efficiency in the sector, albeit with a far less ambitious scope. The PCF formula, piloted in 2010 and under implementation nationwide since 2013, has been successful in promoting the optimization of the school network. However, given the quick demographic decline of the student population, closures have not been sufficient to have a significant impact on school occupancy rates or to have a substantial impact on student to teacher ratios. A 2017 report produced by the consulting firm Civitta for the MoE cites the school occupancy rate as 40 percent, albeit with variations from 20 to 175 percent. Given that the PCF formula has not been reviewed or revised since it came into effect, and 18 percent of it is allocated based on the number of schools as of 2007, it may no longer be properly calibrated to the composition of the sector. For that reason, the MERP-AF would support technical assistance to review the formula and, if needed, introduce adjustments that would continue providing incentives for network optimization.
12. The MERP-AF would also support efforts to enhance the efficiency of resource allocation at the preschool level. Moldova’s *Education 2020 Strategy* includes a strong commitment to

¹⁷ It should be noted that the community prioritization must occur within the following parameters: (i) works required for school and stakeholders’ safety are to take precedence over other requests; and (ii) eligible works must be part of the school’s minimum operating standards.

pre-primary education, and there has been a steady increase in both enrollment and the number of preschools in the country over the last ten years.¹⁸ At the same time, government expenditures on pre-primary education have nearly doubled over the same period, and Moldova now allocates a substantially higher share of its education budget to preschool than other EU countries.¹⁹ The MERP-AF would support piloting a new financing mechanism for preschools in two rayons with the aim of enhancing transparency, efficiency and sustainability of expenditure on pre-primary education. At MoE's request, UNICEF is currently funding technical assistance to help develop a financing mechanism for preschools, like the PCF formula used to allocate budget to primary and general secondary schools. Once this mechanism is developed, the MERP-AF would support its piloting and evaluation.

Component 3: Improving the MoE's Capacity to Monitor the Reform (Original allocation US\$1.5 million; Additional Financing US\$560,000)

13. *MERP's third component was designed to support strengthening the institutional capacities of the MoE to implement, measure and monitor the project.* The MERP-AF would continue financing punctual technical assistance –including training, study visits, studies and evaluations, and community/stakeholder outreach activities-- and operating costs. As MERP was designed before the corporate requirement for citizen engagement came into effect, the MERP-AF finances citizen engagement activities (under Component 1) to promote social accountability at the schools. The feedback from parents and communities to be gathered and incorporated under the above-mentioned citizen engagement activities would complement the MoE's efforts under Component 3 to enhance communication, and outreach. Under Component 3, the MERP-AF would also support the implementation of a grievance redress mechanism to facilitate the collection and management of grievances as required by 4.01.

Table 1. MERP and MERP-AF Activities and Expected Project Outcomes

Components	Areas of Focus	MERP Activities	MERP-AF Activities	Project Outcomes
Strengthening the Quality of Education	Implement quality assurance standards for schools	<ul style="list-style-type: none"> Define standards for receiving schools. Rehabilitate receiving schools to implement standards. 	<ul style="list-style-type: none"> Equip selected schools with science labs and ICT. Equip selected schools with special education teaching and learning materials and selected equipment. 	<ul style="list-style-type: none"> Total receiving schools that meet infrastructure requirements under national quality assurance standards
	Establish teacher and school directors training and remuneration	<ul style="list-style-type: none"> Update program for training school directors and teachers. 	<ul style="list-style-type: none"> Evaluate training programs for school managers and teachers and update accordingly, 	<ul style="list-style-type: none"> Trained teacher demonstrating competencies covered in train

¹⁸ World Bank (2017). *Moldova Pre-School and General Education: Transitioning to a Decentralized Service Delivery Model: Selected Issues*. Draft Report.

¹⁹ In 2015, preschool education in Moldova received around 28 percent of the overall education budget, compared to 3 to 10 percent in the UK, Portugal, and Germany, and 11 to 18 percent in Belgium, Finland, and Hungary. World Bank (2017) Education Sector Public Expenditure Review (PER) (forthcoming).

	programs	<ul style="list-style-type: none"> • Train 1st cohort of school directors and teachers. • Update and adopt new remuneration program for teachers and directors. 	<p>including developing additional modules on community engagement, gender and inclusion.</p> <ul style="list-style-type: none"> • Train 2nd cohort of managers and teachers based on updated training program • Evaluate 2nd cohort of trained teachers using classroom observation instrument. • Develop special education modules and train teaching support staff and psycho-pedagogues working with students with disabilities and/or special educational needs. 	program
	Develop the capacity of the National School Inspectorate (NSI)		<ul style="list-style-type: none"> • Strengthen the capacity of NSI, including: <ul style="list-style-type: none"> ◦ participate in conferences, including SICI²⁰ ◦ carry out training needs assessment, develop training, train inspectors and school managers, and evaluate training. ◦ develop NSI's webpage and MIS on school inspections connected to EMIS. 	
	Develop/support mechanisms and capacity for parent/community feedback		<ul style="list-style-type: none"> • Support the design and implementation of parent/community feedback surveys and focus groups aimed at assessing perceptions of community engagement and school responsiveness [in terms of school rehabilitation, and in terms of overall school staff efforts to engage and/or be responsive to parents]. • Modernize portal for open data for public use. 	

²⁰ SICI = Standing International Conference of National and Regional Inspectorates of Education

	Improve student assessment system	<ul style="list-style-type: none"> • Support participation in PISA 2015. • Administer revised national testing of all 4th and 9th grade students (2015-2019). 	<ul style="list-style-type: none"> • Support participation in PISA 2018 and PISA 2021. • Strengthen capacity of National Agency for Curriculum and Evaluation (NACE). • Improve Automated Data Processing System (ADPS) to retrieve data under EMIS. 	<ul style="list-style-type: none"> • School report cards with comparative data on school performance produced and publicly (5 reports: 2015 - 2019)
	Improve the quality of data and management information system (EMIS)	<ul style="list-style-type: none"> • Consolidate EMIS for primary and general secondary education. 	<ul style="list-style-type: none"> • Develop and incorporate VET module into EMIS. • Train additional users on use of EMIS, including on new preschool module. • Purchase digital signatures. 	
	Review sample of textbooks for gender awareness		<ul style="list-style-type: none"> • Review sample of textbooks for gender awareness 	
2. Improving the Efficiency of the Education Sector	Improve efficiency of General Education	<ul style="list-style-type: none"> • Reorganize classrooms in primary and secondary general schools. • Establish system to monitor student drop outs. 	<ul style="list-style-type: none"> • Review per capita financing formula and introduce adjustments. • Pilot and evaluate preschool financing mechanism in selected rayons. 	<ul style="list-style-type: none"> • Student:teacher ratio increases from 10.85:1 to 11.85:1
3. Improving MoE's Capacity to Monitor the Reform	Provide technical assistance to MoE to support the implementation, monitoring and measurement of the education reform program	<ul style="list-style-type: none"> • Provide technical assistance to implement reform (training, study visits, TA). • Support project implementation. 	<ul style="list-style-type: none"> • Provide technical assistance to implement and monitor the project, including carrying out of communications and outreach activities associated with project and/or reform. • Support the establishment and operation of a GRM. 	

ANNEX 3: IMPLEMENTATION PROGRESS OF MERP DLIs

Republic of Moldova

Moldova Education Reform Project (P127388) and Additional Financing (P156657)

EUROPE AND CENTRAL ASIA

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Disbursement-Linked Indicator (DLI)			Expected Year of Achievement					Disbursement Amount Linked to the Indicator (in USD million equivalent) ²¹	Status
			1	2	3	4	5		
Component 1: Strengthening the Quality of Education									
Implement quality assurance standards for schools	1.	Standards for receiving schools approved	x					2.5	DLI met. <i>Disbursed Feb. 2015</i>
	2.	30 percent of receiving schools meet the approved school quality assurance standards			x			4.0	Cancelled <i>Restructuring Feb. 2017</i>
	3.	50 percent of receiving schools meet the approved school quality assurance standards				x		4.0	Cancelled <i>Restructuring Feb. 2017</i>
	4.	70 percent of receiving schools meet the approved school quality assurance standards					x	4.0	Cancelled <i>Restructuring Feb. 2017</i>
Establish teacher and school directors training and remuneration programs	5.	Updated program for training of school directors and teachers officially approved and implementation initiated		x				2.0	DLI met. <i>Disbursed Dec. 2016</i>
	6.	30 percent of school directors and 10 percent of teachers trained based on the updated program for training of school directors and teachers			x			2.0	DLI met. <i>Disbursed Dec. 2017</i>
	7.	New remuneration program of school directors and teachers adopted				x		2.0	To be cancelled under the proposed Restructuring
Improve student assessment system	8.	Enrollment of Moldova in PISA 2015	x					2.0	DLI met. <i>Disbursed Dec. 2013</i>
	9.	Results of Moldova participation in PISA 2015 analyzed and publicly disseminated					x	2.0	DLI met. <i>Disbursed June 2017</i>
	10.	Revised national testing of all			x			2.0	DLI met.

²¹ USD equivalent based on the exchange rate at the time of project negotiations.

Disbursement-Linked Indicator (DLI)		Expected Year of Achievement					Disbursement Amount Linked to the Indicator (in USD million equivalent) ²¹	Status
		1	2	3	4	5		
	4 th and 9 th grades students completed and its results analyzed, publicly disseminated and used by the MoE							<i>Disbursed Feb. 2016</i>
Improve the quality of data and management information systems	11. Establish a consolidated Education Management Information System (EMIS)	x					2.0	DLI met. <i>Disbursed Mar. 2014</i>
	12. School Report Cards produced by the consolidated EMIS and sent to all schools with comparative performance outcomes and trends at regional and country level			x			2.0	DLI met. <i>Disbursed Dec. 2014</i>
Component 2: Improving the Efficiency of the Education Sector								
Improve efficiency of General Education	13. 80 percent of primary and general secondary schools have their budgets approved according to the new per student formula methodology	x					2.0	DLI met. <i>Disbursed Dec. 2013</i>
	14. 980 classes reorganized in primary and secondary schools from the baseline in 2011/2012 school year		x				2.0	DLI met. <i>Disbursed Dec. 2015</i>
	15. Student-teacher ratio for grades 1-12 is increased from 10.5:1 to 11.5:1				x		2.0	DLI met. <i>Disbursed Mar. 2016</i>
	16. System in place to closely monitor and mitigate drop outs (by gender) in General Education (using EMIS)		x				2.0	DLI met. <i>Disbursed July 2015</i>