

**Analytical Review of Governance, Provision and Quality of
Early Childhood Education Services at the Local Level in
Countries of Central and Eastern Europe and the
Commonwealth of Independent States (CEE/CIS)**

Country Report for Moldova

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September, 2017

Foreword

Providing access to preschool education to all children and ensuring the quality of this essential service are key priorities for countries in Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS). In most of these countries, preschool education is a local mandate. The governance and finance of preschool education are responsibilities of municipalities or similar local administrative entities, which presents challenges and opportunities that are systematically explored in this study. When the Regional Office of UNICEF decided in 2016 to investigate the local governance of preschool education in an analytical review, Moldova was selected as one of the country case studies. Our team visited Moldova in March 2017 and conducted in-depth interviews with key informants from three different municipalities. The geographic selection was conducted based on a previously defined sampling frame and study protocol detailed in the cross-country inception report. The Moldova report is the outcome of the work that was done before, during and after the in-country visit. A cross-country synthesis analysis will follow, covering the other three participating countries Azerbaijan, Kyrgyzstan and Serbia.

We are deeply appreciative for the valuable information provided by all the key informants interviewed during the week in Moldova, and thankful to the UNICEF staff who facilitated our work notably Larisa Virtosu, Galina Ambrono and Deolinda Martins. We are especially thankful to Viorel Girbu, the consultant in Moldova who accompanied us during the field visits and gathered information before, during and after in-country data collection.

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Acronyms

CALM Congress of Local Authorities from Moldova

CEECIS: Central and Eastern Europe and the Commonwealth of Independent States¹

CPA Central Public Administration

ECA Europe and Central Asia

ECDI Early Child Development Index

ECE Early Childhood Education

ELDS Early Learning and Development Standards

GDP Gross Domestic Product

GER Gross Enrolment Ration

GPE Global Partnership for Education

KG Kindergartens

LPA Local Public Authorities

MICS Multiple Indicator Cluster Survey

MoE Ministry of Education

MoF Ministry of Finance

NBO National Bureau of Statistics

NCPH National Centre of Public Health of the Ministry of Health of the Republic of Moldova

NDS National Decentralization Strategy

NER Net Enrolment Ration

NGO Non-Governmental Organization

PS Pre School

PSE Preschool Education

PSI Pre School institutions

PTR Pupil Teacher Ratio

¹ In the course of this project, the acronym CEEICIS has been replaced by the acronym ECA. For consistency with earlier documents, we continued to use the old acronym throughout the project.

UNICEF United Nations Children's Fund

YCWD Young children with disabilities

Executive summary

Background

Expanding and improving Early Childhood Education (ECE) has been a major priority for UNICEF Country Offices and Regional Office in the CEE/CIS region for several years. In Moldova, UNICEF pursues a range of activities with regard to ECE including the promotion of child-friendly pedagogies through teacher training and curriculum development, as well as programmatic diversification in order to include vulnerable children and parents and families both into existing preschools and community based centres. These strategies have been pursued in close cooperation with national and local government, national and international NGOs and international organizations including the World Bank and the Global Partnership for Education.

In 2014, a regional report showed that the common trend towards decentralized governance of ECE has important disadvantages that need to be addressed if quality and inclusive ECE is to be accessible to all children. This was the impetus to conduct an *Analytical Review of Governance, Provision and Quality of Early Childhood Education Services at the Local Level in Countries of Central and Eastern Europe and the Commonwealth of Independent States*. This country report is based on desk review and field work in Moldova in March 2017. The Analytical Review also covers Azerbaijan, Kyrgyzstan and Serbia. In addition to the four country reports, a synthesis report provides overarching analysis.

Methodology

The study looks at the governance of ECE through a combination of three lenses:

- Decision space or autonomy: the extent to which Local Public Authorities (LPA) has the discretion to take decisions about ECE and matters related to it.
- Accountability: the extent to which – and ways in which – LPAs and higher bodies can be held accountable for ECE policy at their respective levels.
- Institutional capacities: the extent to which leaders and staff at LPA and higher levels have the knowledge, skills, motivation, authority and resources to act upon their mandates and the national policy directives with regard to ECE.

The study distinguishes:

- The *de jure* situation: the ways in which the governance of ECE is *supposed* to be executed, according to formal documents such as policies, laws, bylaws, decrees, and such (chapter 2).
- The *de facto* situation: the ways in which the governance of ECE *actually* takes place (chapter 3). In this case the evidence was gathered during the country visit in March 2017 where relevant stakeholders were interviewed at all levels.

Wherever differences occur between the formal arrangement and the actual practice, this is reason to investigate the causes of the discrepancies (chapter 4). The analysis focuses on the implications of decentralization for access, quality and equity of preschool education.

De jure: levels of governance

The three most important levels in Moldova's Administrative-Territorial Structure are:

- Central Public Administration (CPA)
- 2nd tier of LPA - Raions (32)
- 1st tier of LPA - Municipality level (898 primarias or communities)

While the ratification in 1997 of the European Charter of Local Self-Government marked the beginning of decentralization in Moldova, it was the National Decentralization Strategy (NDS) of 2012 that determined the current arrangement, seeking to overcome failures from the past such as limited local capacity, fiscal autonomy and fiscal potential; excessive fragmentation; weaknesses of the primarias to undertake broader and more complex responsibilities and an inefficient, unpredictable and in-transparent transfer system that provides little incentive for fiscal responsibility. This affected the credibility of the primarias and led to inequalities within the population as well as deprivation among vulnerable groups especially Roma. The NDS also aspired to end the frequent interference from the central level to the raions and primarias on political grounds.

While in practice most of PSE is provided in kindergartens, it can also be conducted in nurseries, community centres for early education or any other institutions providing services in accordance with state educational standards, including more specific settings such as institutions for orphans or children without parental care, nursing institutions for children with chronic diseases, and in special educational institutions within prisons and medical institutions. PSE is for free, except that parents one third of the price of the food that is provided.

The Regulation of Preschool Institutions (date unknown) stipulates a number of competences and responsibilities such as: compliance with the International Convention on the Rights of the Child and with the early education and preschool age children (1-7 years) curriculum approved by the Ministry of Education of the Republic of Moldova; continuing professional development of teachers; methodological support; fund raising for quality enhancement; cooperation with external institutions for quality improvement, safety and health.

Launched in 2008, the curriculum for PSE addresses teaching and learning for all children aged 1 year to 7 years. It guides teachers in designing, organizing and conducting educational activities from the perspective of a new pedagogical vision, marking a transition from focusing on the collective to child-centered pedagogies. The curriculum came with a guide for teachers, in order to support them in translating theory into daily practice, aiming to achieve the learning and developmental objectives that are considered to be appropriate for the relevant age group, prior to the start of primary school. A holistic approach, with equal attention to children's development in the physical, health, cognitive and socioemotional dimensions and respect for the uniqueness of each child are central to both the curriculum and the guide.

Other regulatory milestones include:

- that the last year of PSE will henceforth be compulsory, ensuring in practice that all children aged 5 are in preschool (2014).

- the introduction of Early Learning and Development Standards (ELDS), reflecting the intended outcomes of ECD interventions and guiding and improving practices.
- the adoption of national professional standards for teachers, in line with the ELDS.
- introduction of health regulations for early education institutions, to establish sanitary standards for operation and maintenance, whether public or private.
- the work of the National Agency for Curriculum and Assessment, tasked to prepare and implement a national curriculum that is relevant and effective for all institutions in pre-school (as well as primary and secondary education) and a national system for assessing school performance oriented to international standards.
- The introduction of Educational (Community) Centers meant to create a favorable environment for the development of children aged 3- (6) 7 years, including children with special educational needs, with emphasis on children from socially underprivileged families and provide support to them. The centers tend to provide shorter programs that are less costly than full-day kindergarten, especially in areas where kindergartens are scarce or absent and difficult to create.

De jure: the stated ambitions for the future

Titled “Education 2020”, the Education Development Strategy for 2014-2020 expresses plans and targets both for the education system as a whole and PSE more in particular focusing on access, relevance and quality. The educational system’s main aims are to unlock the potential of each person and to form a competitive workforce. It seeks to ensure sustainable development of the educational system in order to form integral personalities who are active, social and creative, and it wishes a friendly and protective school environment, in consultation with students and parents. Efficient management and the good use of ICTs must contribute to meeting European standards.

The Strategy sets targets for preschool enrolment: from 82% in 2012 to 95% in 2020 for ages 3-6 and from 92% in 2012 to 98% in 2020 for age 6/7. The Strategy demands that early education be child-centred and ensure a successful transition to primary school. To this end, all institutions must meet methodical, didactic, technical and material standards by 2020 (only 80% of institutions met standards in 2015).

The Inclusive Education Development Programme in Moldova for 2011-2020 preceded the Education Development Strategy. Inspired by the "Education for All" paradigm, this Program is designed to substantiate processes to ensure appropriate conditions for all children in education institutions and to meet the educational needs of all children, youth and adults throughout their lives, regardless of their individual differences while fully respecting diversity. Socio-educational partnerships must contribute to this objective, involving all relevant actors in a unique educational framework by harmonizing intercultural relations and focusing attention on the educational needs of marginalized and excluded children.

The cross-sector Strategy for the Development of Parenting Skills and Competencies (2016-2022) aims to ensure an adequate family environment for each child, in order for children to achieve their full potential and become responsible adults.

Adjacent to the education sector, the Child Protection Strategy for the years 2014-2020 intends to create conditions for eradicating education exclusion by ensuring the proper conditions for raising and educating children in the family. It seeks to prevent the separation of children from their families; to end the institutionalization of children aged 0-3 years; to continue to reduce the number of children in residential care; to reduce the negative effects of migration on children left behind by parents; to prevent and combat violence, neglect and exploitation of children, promotion of non-violent practices in raising children; and to reconcile family and work to ensure growth and harmonious development of the child.

De jure: the official arrangement for financing

As noted above, preschool is provided for free except for one third of the food costs. This principle is elaborated as follows. Both the CPA and the LPAs collect taxes, but usually local revenues are insufficient to finance all of the decentralized functions. The revenues collected at central level are partially transferred to the LPAs. Each LPA receives annually a general transfer made according to a formula approved by a Law and special purposes transfers for specific delegated responsibilities and there is an earmarked fund for PSE. So, LPAs are not allowed to use that segment for other functions. Conversely, they do have the right to top-up the State's earmarked transfer for PSE from their own resources (locally collected or received through the general transfer).

For each LPA, the size of the transfer is determined by the MoF based on a set of criteria including historical budget, inflation rate and changes in salaries. Yet, there is no explicit or openly available formula. Nevertheless, in practice mayors do know the amount of funds their LPA is going to receive each year so they can plan accordingly at least for the operational costs.

The system does not have a per capita basis: if LPAs want to expand the capacity of the local preschool system, this is not automatically covered by the transfer. So to start new groups or to open up new facilities, the LPAs have to make a special request justifying the need. This request is directed to the MoF, not to the MoE. It is also the MoF that takes the final decision.

The lack of a clear funding formula that ensures minimum standards and more efficiency is recognized as a weakness of the system. There have been recent efforts including a UNICEF funded study on costing and a collaborative working group (MoE – MoF) that is working on a “standard package of educational services for preschool, primary, lower and upper secondary education”, which will then lead to a formula. Meanwhile the Government has encouraged the operation of kindergartens with multiple time-tables - 4, 6, 9, 10 or 12 hours per day – to enhance flexibility and cost-effectiveness.

De facto situation: enrolment

The Gross Enrolment Ratio (GER) for PSE in Moldova stood at 86.5% in 2016/17. In the six preceding years there has been 2.4% growth of enrolment, on average. This implies that 13.5% of the children are excluded and at this pace of expansion it would take half a decade to reach full inclusion. Yet if we compare Moldova's preschool enrolment with that of

other countries in the CEE/CIS region, it appears to be relatively high, especially in light of macroeconomic indicators. Moldova is an outlier with one of the highest enrolment levels despite having one of the lowest income levels.

There are 1.502 preschool institutions in Moldova. More than 90% of these are kindergartens, some of them with crèches (for children under 3 years old). Officially there are very few private kindergartens, but there is a strong impression that there is a growing number of private kindergartens that are not registered, hence not covered in the statistics. It has been suggested that these kindergartens deliberately avoid registration in order to dodge formal requirements. Finally there are 66 educational centers; these were introduced with the assistance of the international community - mainly through the Fast Track Initiative - aiming to improve the access of children in remote and under-served areas.

The introduction of the alternative preschools that offer cost-effective offering short programs can be seen as part of an international movement. Yet, in Moldova this seems less successful than elsewhere in the CEE/CIS region. By far most of the enrolled children are still in the full-day program, and from the interviews conducted in this study it appeared that even some of the recently opened educational centers have already been converted into kindergartens. The dominant perception in Moldova both among parents and policy makers remains that only the full-day kindergarten is a genuine preschool program. This is a very labor intensive program, and against the backdrop of fiscal constraints this results very low the salaries of teachers and other staff in kindergartens. In fact, remuneration is so low that it is difficult to attract young people for a career in preschool education. Combined with the fact that many people in the preschool workforce are close to retirement, this raises the question whether the current situation is sustainable, and whether closing the current enrolment gap of 15% is possible while maintaining the focus on the relatively expensive full-day program.

A large percentage of the kindergartens is located in rural areas, where the majority of the population lives. Due to migration and low birth rates, the occupancy rate is much lower in rural areas (80%) than in urban areas (102%). In fact, the total number of places available in the whole country (173.623) is almost equal to the number of eligible children, meaning that, theoretically at least, Moldova is already financing full enrolment. However, places are not located where the needs are. At the same time, there are more than 150 localities without any preschool facilities at all. This supply-demand mismatch is one of the key issues of the Moldovan system that needs to be addressed in the coming years.

This challenge is compounded by the fact that the calculation of enrolment rates at local level is difficult since the number eligible children per locality is subject to permanent change. This is due to both internal migration (rural to urban) and external migration (mainly to EU countries with employment opportunities). As in many other CEE/CIS countries, many children are left behind by their parents to be cared for by grandparents and/or extended family, which tends to weaken the parental involvement in and support for preschool education. Finally, some children attend in another municipality than where they live, e.g. as they come along with commuting parents.

De facto: Equity

More boys than girls are attending preschool in Moldova - 74% against 67% - while a similar gap exists between four year olds (74%) and three year olds (68%). Attendance is significantly lower in rural areas (64%) than in urban areas (82%), with a top position for Chisinau at 90%. Differentials by socioeconomic status are rather significant: 88 percent of children living in the richest households attend, while the figure drops to 50 percent among children living in the poorest households, where the need for preschool education is the highest. Likewise, children of mothers with higher education have more chance to be enrolled than those of mothers with secondary education. Another vulnerable group are the children who have at least one biological parent, in most cases the father, living abroad; this concerns 21% of all children aged 0-17.

Among Roma children the enrolment was as low as 21% in 2011. This has serious consequences for their chances in life since a third of all Roma children do not show emerging literacy at age 6, and on average only half of them are in primary and secondary school while for the non-Roma population this figure stands at 90%. At the end of their educational careers, only one out of five young Roma are illiterate.

De facto: Quality

Quality of (preschool) education can be conceptualized and measured in many ways, but the analysis of quality in a given country is limited to the measures that are available. One of these is the size of the educational groups; the rationale is that learning and development are suboptimal if there are too many children in a group. In Moldova, the average group size in PSE is 24 children, with slightly larger groups in urban areas.

Another available measure is the Early Child Development Index (ECDI). This indicator is based on benchmarks that children would meet if they were developing as the majority of children in that age group. The primary purpose of the ECDI is to inform public policy regarding the developmental status of children in Moldova, and it distinguishes four domains to determine if children are developmentally on track: literacy and numeracy, physical, social-emotional, and learning. It was found that in Moldova, 84% of children aged 36-59 months are developmentally on track, with virtually no difference between boys and girls. ECD-scores are higher in the older age group: 89% of children of 48-59 months are on track against 80% of those aged 36-47 months. Higher ECDI outcomes are seen in children who attend early childhood education programmes: 86% compared to 78% for those who are not attending. Children living in the poorest households have lower ECDI (75%) compared to children living in the richest households (87%).

De facto: Access, equity and quality at local level

While assessing access, equity and quality has been challenging at national level, it was even harder at local level. Therefore, a special database has been constructed to provide a more detailed picture of the situation in the localities of the country.

The analysis of access at local level is hindered by migration and children who come along with commuting parents. To avoid these caveats, one can look at local occupancy rates. These give an idea where more places are needed (occupancy rate over 100%) or where there is availability (occupancy rate lower than 100%). It appears that most of the localities

(667) have an occupancy rate below 100%, which means that the available facilities have space to increase the enrolment. In fact, in 147 localities the kindergartens are half-empty, or worse. On the other hand, there are 210 localities where the available space is not enough for the current demand.

This may also lead to low quality as these Kindergartens tend to be overcrowded. Although these 210 localities make up less than a quarter of all 877 localities, they tend to be much larger than average so that they cover more than half of all preschool enrolment in the country (53,6%). Chisinau is the region with the highest average occupancy rate (113%) followed by the Autonomous Region of Gagauzia. The southern region has the lowest rate (77%) while the North and Centre regions are around the national average (83%). In absolute numbers, there are almost 31.000 places available in 626 localities. Slightly more than 6.000 extra places are needed in 191 localities. On the whole, in rural areas there is a surplus of 24.656 places. In contrast, in urban areas there is a net need of 969 places. Not surprisingly, localities with the highest development status (level 4) have the highest needs.

De facto: finance

Moldova's education budget (all levels of education jointly) has seen an annual increase of 6.6% since 2009, reaching a level of nearly 9 billion lei in 2015. But expressed as a share of the total public budget, education spending has been decreasing to 17.8% in 2015. Expressed as a share of GDP, education spending declined by 2.5 p.p since 2009 to 6.5% in 2015. Moreover, it is estimated that the negative trend shall continue in the next years, dropping to 5.3% in 2020. Yet, this would still be above the OECD average of 4.5%.

Zooming in on preschool education more in particular, there is an annual increase of 11% in absolute amounts of money to be observed in 2009-2015. However, expressed as a share of total education spending, an initial increase of the preschool budget from 19,6% in 2009 to 23.8% in 2013 was followed by a slight decrease to 22% in 2015. For the next few years this indicator is forecasted to remain stable until 2020. If we combine the figures of 22% (preschool budget as share of education budget) and 5.3% (projected education budget as share of GDP), we find that Moldova will be spending between 1.1% and 1.2% of GDP on preschool education in the coming years. Seen in an international perspective, this is a relatively high figure and this suggests that public spending as such is not the bottleneck in Moldova, but rather the way in which this money is being spent (efficiency).

Sources of funding

The public expenditures in the preschool education system are almost entirely funded from the territorial administrative (LPAs) unit's budgets which is mainly composed of transfers received from Central Government. Between 2009 and 2014 this share was on average 98.5%. The remaining 1.5% come from investments projects that are granted on an incidental basis. Out of the 98.5%, a total of 6.5% came from special sources, such as the Global Partnership for Education and the Romanian Government.

As explained above, LPAs are obliged to spend all of the earmarked money for preschool, but they are allowed to top-up if they can and wish to do so. This is a potential source of disparity among LPAs, first because some LPAs have more scope for collecting local tax

revenue than others, and second because there are differences in terms of the capacity and networks needed to obtain additional funding from the MoF, international donors and/or NGOs.

Investigating this diversity is a major challenge which could not be completed within the limits of this study. Yet, anecdotal evidence suggested strongly that some LPAs manage to invest more than what is received from the MoF while at the same time some other LPAs might be investing less than the earmarked sums. A recent UNICEF study that compared Chisinau with other areas showed significant supplementation in the latter. Finally, interviewees suggested that sometimes fees are being charged that exceed one third of the food costs, representing an insurmountable financial threshold to some families, especially in rural areas.

In general, it seems urgent that the current practice of funding be replaced by a transparent per capita funding system – the beginnings of which the Ministry of Finance has been working on - that is focused on equity and addresses children’s diverse needs throughout the country. It is critically important that the formula for the per capita funding be aligned with all relevant standards put forwards by the Ministry of Education. In more basic terms: kindergartens should receive the amount of money they need in order to comply with the standards. Without this alignment, preschool education would continue to be like a “child with two different mothers” as various interviewees have put it referring to the two ministries that govern preschool education: the Ministry of Education focusing on service quality and the Ministry of Finance focusing on resources. In addition, the formula for the per capita funding should include capital repair works and the money to start new groups so that the system can really expand, and it should take into account that unit costs are higher in sparsely populated areas where groups are smaller. The funding formula might also consider the proportion of children with disabilities or special needs.

Analysis and Recommendations

The most prominent impression that comes forward from all the interviews, site visits, data and information, is that of a nation which is dedicated to the well-being of its children. More than one per cent of the country’s annual value production is invested in preschool education; parents are very keen to enroll their children, and mayors who see a chance to raise local revenue do not hesitate to invest in a kindergarten. With an enrolment ratio of about 86.5%, Moldova has every chance to join the select club of countries with universal access, despite its low average income. However, despite the commitment and dedication to children, there is not yet a strong policy to complete the last step towards the inclusion of all children, while disparities persist, especially to the disadvantage of low income families and Roma.

Analysis of occupancy rates shows that a lack of funding cannot be the main obstacle to expansion. Considering that 20% of the total capacity in rural areas is unused, one could say that the Government of Moldova is already investing enough money in preschool to have universal enrolment, if only funds were distributed more according to need. Some interviewees have expressed concerns in this respect, referring to the cumbersome “optimization processes”, but for preschool education, Moldova could make optimal use of the vertical and horizontal coordination mechanisms that are in place. The Ministry of Education regularly meets with the 33 Raions, and the Raions in their turn have good links

with the LPAs. The kindergartens themselves are generally positive about the LPAs' support and receptiveness to signals.

However, discussions about inclusion tend to gravitate to the subject of the waiting list. Whenever the demand for places in a kindergarten exceeds the capacity, solutions are sought and usually found by referring these children to the nearest kindergarten; this can even involve cooperation across the boundaries of LPAs, e.g. in the case of commuting parents. But there is far less attention to the children most at risk: those who are not even on the waiting list.

As in other countries in the region, this is related to the dominant perception of preschool education: the kindergarten is still seen primarily as a daycare facility for parents who both work, rather than an essential child development service that all children need. In other words: while the *need* for enrolment extends to all children, the articulated *demand* tends to be limited to working parents. As a result, interviewees noted that children who are cared for by a parent or grandparent often do not apply. They do not appear on the waiting list and remain invisible for local policy makers and kindergarten staff.

Furthermore, kindergartens and LPAs face practical difficulties when planning for full inclusion. Absolute numbers of enrolled children are known, but many private kindergartens are not registered, and hence not included in the statistics while some children attend in another LPA. , second extra-territorial enrolment may over/underestimate the coverage in a particular locality. Hence local policy makers find it difficult to say with precision how many children are excluded, and national policy makers do not have an overview of the Raions and LPAs where enrolment ratios are the lowest and where action is most needed.

This is not to say that there are no attempts to reach the excluded children. Short programs in alternative settings were introduced to reach children in remote areas. However, up until today these alternative facilities make up only 5% of all preschool institutions. Yet, this strategy would still be the best way to move towards universal enrolment at affordable costs. Cost analysis throughout the CEECIS region has shown that the unit costs of short programs are consistently four to five times lower than the unit cost of full-day kindergarten, meaning that Moldova might even reach universal access at a smaller preschool budget, if only a somewhat larger share of the children are in the short programs. Slightly raising the fee for the full-day programs – considering that working parents normally have the means to pay a bit more than just a third of the price of the food – would also be a fair contribution to full inclusion.

Who takes the initiative?

Currently it is not clear who should take the initiative to reinvigorate the policy for alternative preschool modalities in remote areas. The Ministry of Education holds a mandate to govern preschool education; it has the vision and the expertise. But the discretion to start new preschool facilities has been delegated to the LPAs, so that the Ministry no longer has the concrete tool in hands to actually open up new facilities where they are so badly needed. The LPAs, conversely, have the discretion to start new preschool facilities but they often lack both the understanding of the importance of non-daycare

preschool programs and the financial means to cover start-up costs. Education departments at Raion level would have the capacity to drive the process, but just as the ministry they lack the discretion to do so.

We recommend to retain the *de jure* arrangement with regards to the decentralization, but to make it work better. The decentralization of preschool education should not imply the end of involvement of higher levels in expanding the system. Ministry and Raions can still work to convince LPAs of the need to achieve full enrolment, as long as this comes with the amount of technical and financial support that LPAs need in order to make it happen. To kickstart this process, the Ministry jointly with UNICEF and other partners, could revisit the 2014 costing report and add a fourth scenario (using the same data and methodology) based on these assumptions: (i) most of the additional capacity that must be created to reach full enrolment consist of three-hour center-based child development programs without meals; (ii) some of the current capacity is converted into such non-daycare programs, and (iii) working parents with children in the daycare programs pay more than just a third of the food. To prevent exclusion, this fee could be means-tested with a sliding scale according to income, or it could be waived entirely for certain categories of families. This exercise is likely to show that 100% enrolment requires little or no additional recurrent funding. Within this scenario, Raions could draft and submit costed plans for full enrolment to the Ministry. Obviously, the Raions would need to be coordinated closely with the LPAs because the latter will have to implement the plans. The Congress of Local Authorities for Moldova (CALM) could assist in orchestrating this process within the given legislative and governance frameworks, having similar experiences with other ministries (e.g. Regional Development and Infrastructure). Likewise, the Academy of Public Administration could provide the necessary training to civil servants at the respective levels.

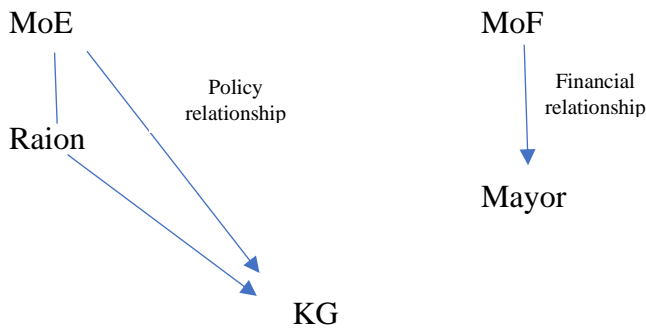
Immediate pressures: low remuneration and reliance on external funding

The research team was consistently warned that salaries of teachers and other staff in preschool education are very low, particularly at entry level; that not enough young people opt for pre-service training to become a preschool teachers; and that even the ones who do qualify as preschool teachers will not always work in a kindergarten for a longer period of time. In other words, salaries are *unsustainably low*, and given the fact that the kindergarten workforce is ageing, there may soon be shortages of personnel that impede the badly needed expansion process. This makes it even more urgent to provide more non-daycare preschool programs. Furthermore, there is a strong reliance on mixed funding sources, especially outside Chisinau. And since LPAs differ in terms of local tax revenue and capacity to attract external funding, the reliance on mixed sources creates disparities between LPAs. Again, this calls for strengthening the funding arrangement and for programmatic diversification.

“A child of two mothers”

Of specific importance to the strengthening of the funding arrangement is the fact that preschool education is still a child with two mothers. It is governed by the Ministry of Finance when it comes to funding, and by the Ministry of Education for all other aspects. Moreover, the lines from the latter pass through the Raion, while the lines from the former pass through the Mayor, as figure A illustrates.

Figure A. The dual governance arrangement for preschool education



Source: Own elaboration

Since funding is simply based on historical levels and occasional increases for new groups, there is no alignment between funding and the standards that govern the delivery of the programs. Per capita funding can be an important step towards alignment if it is based on preschool standards to ensure that all essential inputs can be financed. It should also include capital investment so that primarias and kindergartens can actively pursue a policy to aim at full enrolment. Finally it must take into account that unit costs are higher in remote and sparsely populated areas where groups are smaller and distances longer.

Another step towards more alignment would be the transfer of the responsibility for the funding of preschool education from the Ministry of Finance to the Ministry of Education. Having policy and finance in one hand is standard practice nowadays in most countries. However, at the Ministry of Education only one staff member is fulltime engaged in preschool education with some others lending a helping hand at times, while at the Raion level there is usually also just one preschool specialist who, in addition to developing and implementing policy, acts as preschool Inspector as well as coach to the kindergartens, often without sufficient knowledge of this sub-sector of education. Therefore we urgently recommend to build the necessary capacity in the educational column (the left hand side of the figure above). Some have argued for a complete bypass of the LPAs, i.e. a direct transfer of the funding to the kindergartens. This construction is seen in other countries as well, but again it would require managerial capacity building, in this case within the kindergartens.

Private kindergartens

Our last recommendation concerns the unknown number of private kindergartens that are not registered. The Ministry has no way of knowing whether basic standards of safety, hygiene and quality are met and whether the curriculum is respected in these institutions, while no one knows the number of enrolled children which hinders planning for full inclusion. This should be addressed urgently.

Introduction

Chapter 1 provides the background of this study and it briefly outlines its methodology. Chapter 2 describes the *de jure* governance of preschool education (PSE) in Moldova, or the ways in which PSE is provisioned or intended to be governed according to the stated policies, laws and rulebooks. The chapter first addresses the general decentralization policy of Moldova, then zooms-in on preschool education as a delegated function. This is followed by the current national regulation of preschool education and a look into the future based on three relevant national strategies. A section on finance concludes the chapter. Chapter 3 describes the *de facto* situation of the PSE sector, or the actual implementation and functioning of the country's policy framework. It follows this study's key framework of access, equity and quality, followed by a section on all three elements at local level and concluded by a section on finance. Chapter 4 presents and reflects on the key findings from the country visit and desk review, and provides a set of policy and programmatic options.

The annexes of this report concern, respectively, (i) the sources and indicators used for chapter 3, (ii) the list of interviewees during the country visit, and (iii) a table containing a detailed analysis of the coordination of preschool policy development and implementation based on the transcripts of the interviews and site-visits conducted for the study. The content analysis of the informant interviews was a key input for chapters 3 and 4.

1. Background and Methodology of this Study

Expanding and improving Early Childhood Education (ECE) has been a major priority for UNICEF Country Offices and Regional Office in the CEE/CIS region for several years. In Moldova, UNICEF pursues a range of activities with regard to ECE including the promotion of child-friendly pedagogies through teacher training and curriculum development, as well as programmatic diversification in order to include vulnerable children and parents and families both into existing preschools and community based centres. These strategies have been pursued in close cooperation with national and local government, national and international NGOs and international organizations including the World Bank and the Global Partnership for Education.

In 2014, the CEE/CIS Regional Office published the report of a multi-country evaluation (covering Moldova and five other countries) to assess the impact of UNICEF's many activities in the field of ECE, learning that the common trend towards decentralized governance of ECE has important disadvantages that need to be addressed if quality and inclusive ECE is to be accessible to all children. The multi-country evaluation provided the impetus for this *Analytical Review of Governance, Provision and Quality of Early Childhood Education Services at the Local Level in Countries of Central and Eastern Europe and the Commonwealth of Independent States*. This Analytical Review is partly based on field-work in four countries, each located in one of four sub-regions of CEE/CIS: Azerbaijan, Kyrgyzstan, Moldova and Serbia. Due to the complex decentralization process in Moldova, the UNICEF Country Office in Chisinau was very keen to participate in this analytical review to better understand the impact this complex process has had on the preschool system.

Summary of the Methodology

A comprehensive and detailed methodological approach to the study has been developed by the authors in dialogue with UNICEF. Here we present a summary, highlighting the scope and overarching areas of analysis for the Moldova Country Report.

The study looks at the governance of ECE through a combination of three lenses:

- Decision space or autonomy: the extent to which Local Public Authorities (LPA) has the discretion to take decisions about ECE and matters related to it (versus the extent to which this is in the hands of national and/or intermediate levels).
- Accountability: the extent to which – and ways in which – LPA can be held accountable for its local ECE policy and, vice versa, the central government can be held accountable to its policy commitments.
- Institutional capacities at national and local level: the extent to which National government and LPA and its staff have the knowledge, skills, motivation, authority and resources to act upon its own mandates and the national policy directives with regard to ECE.

The study distinguishes:

- The *de jure* situation: the ways in which the governance of ECE is supposed to be executed, according to formal documents such as policies, laws, bylaws, decrees, and such (chapter 2). This relied on an extensive desk research that revisited all the key legal and normative documents.
- The *de facto* situation: the ways in which the governance of ECE actually takes place (chapter 3). In this case the evidence was gathered during the country visit in March 2017 where relevant stakeholders were interviewed. This included National Government officials within and outside the education sector, three LPA authorities with a diverse situation (Chisinau, Orhei and Cimislia) public and private preschools, international organizations and local and international NGOs. Wherever differences occur between the formal arrangement and the actual practice, this is reason to investigate the causes of the discrepancies (chapter 4).

The analysis focuses on the implications of decentralization for access, quality and equity of preschool education.

On terminology and Commonly-used Abbreviations

UNICEF CEE/CIS uses the ISCED terminology/definitions/classification when referring to early education for children 3-6 years of age below.

Early childhood education (ECE): Refers to programmes with an intentional education component aimed at developing cognitive, physical and socio-emotional skills for participation in school and society. They are grouped into two categories:

ISCED 010, early childhood educational development - programmes designed for younger children (between the ages of 0 and 2);

ISCED 020, pre-primary education - programmes designed for children from the age of 3 to the start of primary education (ISCED level 1).

In the case of Moldova, we will speak of preschool education (PSE) rather than ECE or other terms, thereby staying close to the country's own terminology (Învățământ preșcolar).

Moldovan policy documents refer to Local Public Administrations (LPAs) rather than to Local Self Government like in Serbia, in order to distinguish first and second levels of governance. The first level (LPA I) is the local level and is usually referred to as “Primaria”. The second level (LPA II) is the subnational level (or level between local and national/central governance) or the “Raion”. The national level is the Central Public Administration (CPA).

2. The governance of PSE in Moldova: the *de jure* situation

This chapter describes the formal or *de jure* situation for preschool education in Moldova. This pertains to how the governance arrangements *should* work, not how they actually do work, although the distinction between the two cannot always be determined. Section 2.1 addresses the decentralization processes in Moldova in general (focusing on the National Decentralization strategy of 2012), while 2.2 focuses particularly on the governance of preschool education. Since preschool education is a *delegated* function rather than a decentralized one, the national law, bylaws and policies for preschool education are all the more important.² These are described in sections 2.3 on the current regulations; 2.4 highlights three relevant strategies for the future; and 2.5 examines the financing of preschool education.

2.1 Decentralization in general

The Administrative-Territorial Structure of Moldova is as follows³:

- Central Public Administration (CPA)
- 2nd tier of LPA - Raions (32 raions)
- 1st tier of LPA - Municipality level (898 primarias or communities)
- Autonomous region – Gagauzia
- Municipiu – combination of 1st and 2nd tiers of local governance
- The territory Transnistria

For a good understanding of the way in which PSE is governed in Moldova today, it is necessary to discuss recent changes in governance more in general. The most significant recent event, in this regard, was the development of the National Decentralization Strategy (NDS), which was adopted in Parliament on April 5, 2012.

The NDS was not Moldova's first step towards local autonomy. In fact, it came after many years of strategic approaches to operationalizing decentralization. The European Charter of Local Self-Government – a point of reference for many countries in the region – was ratified by the Republic of Moldova in 1997, underscoring its ambitions concerning European integration. However, the concrete steps that were taken since then have led to a

² As it will be seen, many policy decisions remain at national level but the provision and management of the services are Mayor's responsibility.

³ CALM (2015) Congress of Local Authorities from Moldova (CALM) Institutional and conceptual framework.

governance system with some areas that need to be improved, as evidenced by a situation analysis that is included in the NDS document itself.⁴

By 2012, a situational analysis by UNDP stated that “*local authorities have limited fiscal autonomy and limited fiscal potential. Budgets of lower levels depend on higher levels of government. The transfer system is inefficient, unpredictable, not transparent and provides little incentive for fiscal responsibility (e.g. the transfer is reduced if the municipality collects more local revenues). LPAs depend a lot on transfers from the state budget (70% excluding Chisinau and Balti municipalities), making them financially weak in performing their responsibilities.*” (UNDP, 2012:1). The situational analysis identified limited local capacity and excessive fragmentation as key bottlenecks and weaknesses of the primarias to undertake broader and more complex responsibilities.⁵ This affected, in many cases, their credibility since the primarias were unable to fulfill the rights to good public services (which include PSE). This also led to inequalities within the population as well as deprivation among vulnerable groups such as “*the poor, the old, the disabled, HIV-infected persons, households without parents, single parent families or households managed by children, the abandoned children, lonely parents, ethnic, linguistic and religious minorities, particularly the Roma ethnicity*” (Government of the Republic of Moldova, 2012:4). Two years earlier, a UNDP report highlighted the poor administrative capacity of local public administration authorities (UNDP, 2010).

The NDS also noted that earlier reforms were driven by political considerations, allowing frequent interference from the central level to the raions and primarias (as well as from raions to primarias), and the document emanates a strong sense of hope that the new approach to decentralization will put an end to these challenges. For preschool education, Chapter 3 of this report will assess whether or not this intent was kept *de facto*. For now, we focus on the *de jure* governance arrangement for preschool education under the NDS.

2.2 Preschool education: a delegated function

PSE is one of the functions that became the purview of the primarias, together with a variety of other functions. This was provisioned even prior to the NDS, to be precise by Law 435 of December 28th 2006, which provisions the following list of local functions, with point h) pertaining to preschool:

- a) Planning and management of urban green spaces of local interest;
- b) Collection and management of waste, including sanitation and maintenance of land for the storage thereof;

⁴ Law Nr. 68 from April 5th 2012, published July 13th 2012 in Monitorul Oficial Nr. 143-148, article 465

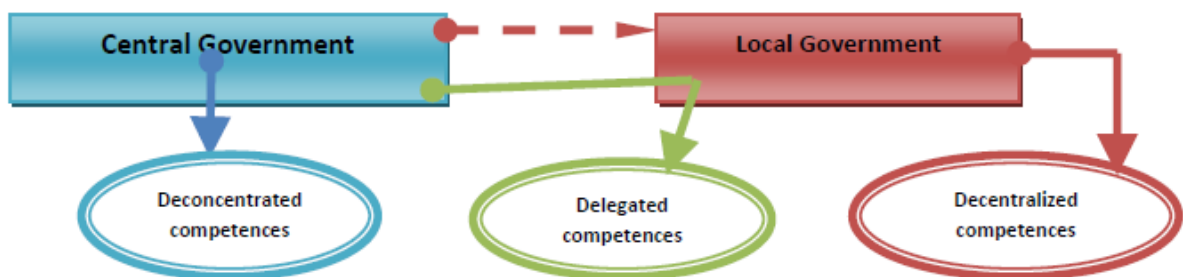
⁵ In 2012, 86% of primarias had less than 5,000 inhabitants (generally seen as the minimum for good local governance) while 25% of them were even under the legal threshold of 1,500 inhabitants.

- c) Supply of drinking water, construction and maintenance of sewerage systems and water treatment plants and rainwater used;
- d) Construction, maintenance and lighting of streets and local public roads;
- e) Local public transport;
- f) Development and maintenance of cemeteries;
- g) Management of public property and local private;
- h) Construction, management, maintenance and equipping of preschool and extracurricular activities (nurseries, kindergartens, schools of art, music);**
- i) Development and management of urban gas distribution and thermal energy networks;
- j) Cultural, sporting, recreational and youth and the planning, development and management of infrastructure needed for these types of activities;
- k) Develop agricultural markets, commercial spaces, performing any other measures necessary for the economic development of administrative-territorial unit;
- l) The establishment and management of municipal enterprises and organization of other activities for economic development of administrative-territorial unit;
- m) Granting housing and other types of facilities for socially vulnerable, as well as for other categories of the population;
- n) Organization of fire services.

The contrast between point h) and most of the other functions is striking. Nearly all other functions are related to infrastructure and functionalities that are somehow physical. Only point j), pertaining to culture, sport and recreation, has a human development focus in common with preschool education. Thus, the development of local capacity, if any, is bound to gravitate towards the more physical functions such as roads and sewage. The governance of preschool education is unique, in that all other levels of the education system continue to be administered nationally.

That said, the PSE is typically a *delegated* competence, meaning that many policy instruments and the funding remain at national level and that it is mainly the provision and management of the services that is the discretion of the mayoralities. Figure 1, copied from the NDS document, clearly shows the distinction with genuine decentralization on the one hand (with all responsibilities in the hands of the primarias) and deconcentration on the other hand (whereby services are delivered locally but fully governed centrally).

Figure 1. Deconcentration, delegation and decentralization



Source: Government of the Republic of Moldova (2012:48)

Given the fact that PSE is a delegated function in Moldova, with policy being determined largely at national level, it is important to examine the national laws, bylaws, rulebooks and policies regarding PSE, as the following sections will do.

2.3 Current national regulations that are specific to PSE

The key regulations defining PSE in Moldova are presented in the “**Education Code**” of November 23rd, 2014. Article 23, concerning the organization of early education, points out that the primary goal of PSE is child multilateral development and preparation for integration in school activities. However, as it will be exposed in the next section, the dominant perception of administrators, practitioners and parents is that PSE is a daycare service meant to enable parents to work.

The Education Code further stipulates that PSE includes two courses:

- ante preschool education for children aged 0 to 3 years;
- preschool education for children aged 3 to 6 (7) years.

This study focuses on the latter, but it should at least be noted that while PSE enrolment among children aged 3-6 is relatively high by regional standards but not yet universal (86.5% in 2016-2017)⁶, services for children aged 0-3 are gaining priority both for the Government and UNICEF (UNICEF, 2016). This is a difficult policy dilemma: merely seen from a child development perspective, children aged 0-3 are ideally cared for in the family by one and the same primary caregiver, with group play and group learning experiences introduced at age 3. In fact, the Education Code acknowledges this by stating that *ante* preschool education is (primarily) carried out in the family (article 24). But from the perspectives of women’s right and labor market needs, care facilities for children aged 0-3 are important. However, under the Convention on the Rights of the Child framework all children must be granted educational opportunities, supporting the intent of targeting over 3 years of age as a priority area for investment.

Article 23 further states that PSE can be conducted in nurseries, kindergartens, community centres for early education or other institutions providing services in accordance with state educational standards. In practice, most of PSE is provided in kindergartens rather than alternative settings such as community centers, as we shall see in chapter 3 regarding the de facto situation. PSE can also be provided in more specific settings such as institutions for orphans or children without parental care, as well as nursing institutions for children with chronic diseases and in special educational institutions particularly in prisons and medical institutions.

Article 25 of the Education Code states that enrolment in the preschool institution is organized upon request (from parents) without any contest, for all children in the concerned school district, and that the State shall bear the expenses for preschool services and care in

⁶ www.statistica.md

public institutions for all children, including children with special educational needs. Indeed, the financial contributions from parents to PSE are officially limited to one third of the food that is provided; basically, this means that participation in PSE is for free since children need to be fed anyway, also if they would not attend.

The **Regulation of Preschool Institutions**⁷ stipulates the following competences and responsibilities:

- Ensure compliance with the International Convention on the Rights of the Child;
- Organize, conduct and plan content of educational process according to early education and preschool age children (1-7 years) curriculum approved by the Ministry of Education of the Republic of Moldova;
- Ensure continuing improvement of local professional competence of teachers;
- Contribute to the organization and conduct internal certification processes through methodical aid;
- Provide funds from internal sources or uses the social media development fund for decreasing payment for food paid by parents, and for providing free teaching materials for children 5-7 years, in agreement with local government;
- Cooperate with various educational institutions in Moldova and beyond;
- Make rational use of material resources, financial and labor, and communicate with local government bodies, departments of education, prosecution and internal affairs bodies in circumstances of violations of law;
- Organize medical examinations of children, curative and preventive measures taken in cooperation with relevant bodies (polyclinics, hospitals and other medical institutions);

The current **curriculum for PSE** was officially published in 2008 by the Ministry of Education after close cooperation with a range of national and international experts, as well as UNICEF, UNESCO and the Global Partnership for Education's Fast-Track Initiative. It addresses teaching and learning for all children aged 1 year to 7 years in Moldova and its purpose is to guide teachers in designing, organizing and conducting educational activities from the perspective of a new pedagogical vision on children and education. In this sense, it marks a transition from teacher-centered pedagogies focusing on the collective to child-centered pedagogies focusing on the individual child.

The curriculum was followed by a guide for teachers, in order to support them in translating theory into daily practice, considering that every theory becomes sterile if it is not accompanied by a practice that confirms its value, whilst practice becomes improvisation unless it is supported by scientific arguments. The teacher's guide outlines the theoretical universe of early education; the contemporary pedagogical perspective on education of toddlers; the arguments adopting this perspective; the basic principles which underpin the application of this approach to child educational practices; and the learning and developmental objectives that are considered to be appropriate for the relevant age group, prior to the start of primary school. The guide also addresses:

⁷ The date of issue of this Regulation could not be identified.

- The benefits of a holistic approach, with equal attention to children’s development in the physical, health, cognitive and socioemotional dimensions;
- The need to respect the uniqueness of each child by adapting education to the needs, interests and individual pace of child development.

Alongside the Education Code and the 2006 Preschool Curriculum there are a number of more specific regulations relevant to PSE.

- Article 17 of the Law on Education of the Republic of Moldova (2014) stipulates that the last year of PSE will henceforth be compulsory, ensuring in practice that all children aged 5 are in preschool. This is an important milestone, increasing overall enrolment in preschool education.
- The Early Learning and Development Standards (ELDS), developed with UNICEF’s support, for children from birth to 7 years⁸ function as a resource – as a document that informs educators, parents and all adults who participate in supporting the growth, development and education of children upon the sound expectations they may have regarding children during early childhood. The standards reflect the intended outcomes of our interventions and guide and improve practices in line with the specific child’s holistic development during this period of life.
- In line with the ELDS pertaining to children, there are national professional standards for teachers in early education. These standards are an important reference in teachers’ own self-assessment of skills and competences. Each educator who knows these standards can reflect on her or his own pedagogical training and practice, and can identify strengths as well as areas that need improvement by means of training or mentoring.
- Health regulations for early education institutions aim to establish sanitary standards for operation and maintenance of early education institutions, regardless of the type of property and juridical organization, aimed at protecting and strengthening health, development physical and the neuropsychological character of children, and at the prevention of illness in the course of their education and care. These regulations concern various dimensions such as the location of early education institutions; arrangement and maintenance planning; equipping and maintenance of premises; natural and artificial lighting of premises; heating and ventilation; potable water and sanitation; prevention of illnesses of children; organization of food and nutrition; personal hygiene of children age school age; personnel hygiene; and medical personnel obligations.
- The National Agency for Curriculum and Assessment is tasked to contribute to the realization of state policy in education by preparing and implementing a national curriculum that is relevant and effective for all institutions in pre-school (as well as primary and secondary education) and a national system for assessing school performance oriented to international standards and to organize effective and fair administration of examinations and assessments in general education (primary and secondary).

⁸ Early Learning Development Standards, MoE, the WB, UNICEF, 2010

- **Educational (Community) Centers**, finally, are an important addition to the palette of preschool services in Moldova. Introduced by Law in 2009, these centers, are meant to create a favorable environment for the development of children aged 3- (6) 7 years, including children with special educational needs, with emphasis on children from socially underprivileged families and provide support to them. The centers tend to provide shorter programs that are less costly than full-day kindergarten, especially in areas where kindergartens are scarce or absent and difficult to create. Currently there are 66 of these centers and their general objectives are⁹:
 - ensuring the participation of children and their families in quality early learning programs;
 - providing the care process and overall development - physical, cognitive, emotional and psycho-social of child in accordance with his individual peculiarities and age, based on and the National Professional Teaching Standards;
 - promoting partnership with the family and providing support for parents / guardians of the child, including those with special educational needs children, through information and counseling services;
 - raising community awareness on the importance of early age for child development;
 - coordinating actions of all those who work with young children to provide coherence, consistency and unity educational influences;
 - preventing institutionalization of children in families at risk through supervision, family counseling, care services and educating children

The rollout of the community centers is supported by a Guide for the heads of territorial-administrative units who wish to create one in their primaria. The initiative to create a Community Center may come from various community actors - some persons or group initiative composed of stakeholders such as members of families of children or their caregivers, teachers, directors of institutions community education, social workers, NGOs, local associations parents or members of the local government. Since every community situation is specific there is no single formula. Each case will proceed through a participatory process assessing the situation of children in the community, access of children up to the age of 7 years to educational services, and the search for solutions for the realization of children's rights. It is always the local government that leads this participatory process.

2.4 Future ambitions: three relevant national strategies

This section discusses three important strategic documents: one for the education system as a whole, one on inclusive education, and one on social protection.

⁹ Information about these centers is gathered by the NBO and is used jointly with the other preschool information.

Titled “Education 2020”, the Education Development Strategy for 2014-2020 expresses plans and targets both for the education system as a whole and PSE more in particular. It sets medium-term objectives and tasks for the development of education and determines the guidelines and priority directions of development of the educational system in Republic of Moldova. The strategy is organized on three pillars: access, relevance and quality. The educational system’s main aims are to unlock the potential of each person and to form a competitive workforce.

Derived from these main aims, the strategy has the following more specific objectives:

- ensuring sustainable development of the educational system in order to form integral personalities who are active, social and creative. These are the main factors of human development and support the social and economic progress of the country;
- increasing access to quality education for all children and young people by providing a friendly and protective school environment, in consultation with students and parents;
- defining the priority directions of the development of education in Moldova and the mechanisms for achieving them;
- increasing the efficiency of public spending invested in education so that resources made available to be redirected to improve learning outcomes, including investment in teachers and the infrastructure of educational institutions;
- increasing the efficiency of the education system through the diversification of education and making use of the opportunities offered by information and communication technologies;
- making the education system compatible with European standards.

Specific to preschool education, objective 1.1 of the Education Development Strategy calls for the expansion of access to quality early education, aiming at an increase of the rate of enrolment among children of 3-6 years old from 82% in 2012 to 95% in 2020. For children of 6-7 years old there should be an increase from 92% in 2012 to 98% in 2020. Furthermore, objective 2.1 implies that early education be child-centred and ensure a successful transition to primary school. To achieve this, article 6.4.4 states that the methodical, didactic, technical and material needs of preschool institutions meet the standards by 2020 (in 2015 this was the case for only 80% of the institutions).

The Inclusive Education Development Programme in Moldova for 2011-2020 preceded the Education Development Strategy. Inspired by the "Education for All" paradigm, this Program is designed to substantiate processes to ensure appropriate conditions for all children in education institutions and to meet the educational needs of all children, youth and adults throughout their lives, regardless of their individual differences while fully respecting diversity. These objectives are to be achieved through the development of socio-educational partnerships involving all relevant actors in a unique educational framework by harmonizing intercultural relations and focusing attention on the educational needs of marginalized and excluded children. By promoting inclusive education and consequently inclusive attitudes and cultures, the Program aims at the establishment of human solidarity in an inclusive society.

The general objectives of the Inclusive Education Development Programme are:

- promotion of inclusive education as educational priority in order to avoid exclusion and marginalization of children, youth and adults;
- development of the normative and didactic-methodical framework, promoting and ensuring the implementation of inclusive education;
- forming a friendly and accessible educational environment that is able to meet the expectations and special requirements of all beneficiaries;
- creating an inclusive society and a culture of tolerance.

Since evolving skills in early childhood are acquired through interaction with the environment, parents and caregivers are critical as they are the architects of this environment¹⁰. The cross-sector Strategy for the Development of Parenting Skills and Competencies for the years 2016-2022 provides conditions for the exercise of parenting and its purpose is to ensure an adequate family environment for each child, in order for children to achieve their full potential and become responsible adults.

Major objectives:

- Establishing and ensuring the functioning of a national, integrated and consistent cross-sector system for parenting skills and competencies development.
- Developing and revising the legal and regulatory framework on parenting skills and competencies development, and their alignment with international standards for the protection of children's rights.
- Developing and strengthening of parenting skills and competencies for parents/legal guardians/caregivers of children and youth (as future parents).

Finally, the Child Protection Strategy for the years 2014-2020 is an important policy document addressing an area that is directly adjacent to the education sector; social protection can create boundary conditions for reducing and eradicating education exclusion. The Child Protection Strategy has the following strategic objectives:

- Ensuring the proper conditions for raising and educating children in the family;
- Prevention of child separation;
- Stopping the gradual institutionalization of children aged 0-3 years;
- Continued reduction in the number of children in residential care;
- Reducing the negative effects of migration on children left behind by parents;
- Preventing and combating violence, neglect and exploitation of children, promotion of non-violent practices in raising children;
- Prevention of violence, neglect and exploitation of children;
- Combating violence, neglect and exploitation of children;
- Reconciling family and work to ensure growth and harmonious development of the child;

¹⁰ The Lancet Series, 2016

- Emphasizing social significance of motherhood and fatherhood and the role of both parents in raising children; and
- Promoting support services for parents to find a job.

2.5 The financing of PSE

As already mentioned Article 25 of the Education Code states that the State shall bear the expenses for preschool services and care in public institutions for all children, including children with special educational needs. The financial contributions from parents to PSE are officially limited to one third of the food that is provided. In other words, the State is in charge of running the whole PSE system and parents contribute with part of the food expenses.

Public contribution

The understanding of the PSE public finance requires a broader analysis of the tax sharing system and transfer allocation between the central and local administrations. This scheme has been developed over time and by successive legal norms (Law on Local Public Finance 397- 2003, Law 435 Administrative Decentralization 2007 and Code on Education - 2014). A simple and straightforward way of presenting a rather complex mechanism is the following: on the one hand, LPA's collect local taxes with a very limited tax base which makes them financially vulnerable. To offset this risk, the government of the Republic collects certain taxes and allocates part of them to the LPA's (Municipality, Raion, Gagauzia¹¹) according to a formula, supplementary, a fund is created for financial support of the LPA's (excepting Gagauzia). The main goal to equalize the budgets of the LPA's (the revenue at national level from collecting taxes on personal income) through general transfers, made annually according to a formula approved by a law. The central government provides a transfer with special purposes that are earmarked for specific delegated responsibilities such as preschool education. The dimension of local revenues depends heavily on the level of socioeconomic development of the locality.

General transfers can be used independently by the LPAs, as they should have full autonomy in setting priorities and allocating resources for the various own competences. The general transfers include the amounts provided by the equalization transfer, which have as purpose to diminish the horizontal disparities generated by the differences in revenues generated by LPA's (75% from the total revenues collected for each LPA in case of villages and cities, 20% in case of capital cities of each raion, and 25% in case of raions) from collecting taxes on personal income. In contrast, special purpose transfers should be fully allocated to the special purpose. This means that at local level, LPAs are obliged to allocate to PSE, at least what they receive from the Central Government, for that function but never less than that amount. Those LPAs that consider PSE as a high priority can increase their financial commitment by raising the funds to these areas taking resources from the local budget and diminishing the resources available for other areas.

¹¹ Gagauzia is privileged in this regards and benefits from higher share of taxes.

Conversely to secondary education where central government transfers resources to the LPAs based on a special formula, in the case of PSE this is not established by any objective criteria. The MoF assigns the special transfers based on a set of criteria that combines historical budget, inflation rate and changes in salaries. Despite the fact that there is no explicit nor openly available formula, mayors do know the amount of funds their LPA is going to receive each year so they could plan accordingly at least for the operational costs. The financial needs for system expansion are not included in these transfers, for that purpose LPAs have to make a special request directly to the MoF (i.e. not through the MoE) justifying the need for opening new groups or facilities and MoF takes the final decision. The lack of a funding formula that ensures minimum standards and more efficiency is recognized as a weakness of the system. There have been some recent efforts which includes a UNICEF funded study on costing done by Price Waterhouse and a collaborative working group (MoE – MoF) that is working on a “standard package of educational services for preschool, primary, lower and upper secondary education”, which will then lead to the formula.

Parent’s contribution

Based on the wishes of parents, groups of children and the material possibilities of communities, the Government has encouraged the operation of kindergartens with flexible working hours (4, 6, 9, 10 or 12 hours per day). Parents’ contributions for food are determined by the Central Government based on the financial rules for nutrition of children and students in educational institutions (2015). The contribution varies from the minimum from 1,9 Lei per day on a 4 hours program to 7,6 Lei per day on a sanatorium where children stay 24 hours per day. In all cases, this represents the 33% of the total estimated food costs. The same norm allows educational institutions to increase resources for feeding purposes by special means (donations, sponsorships, etc.) and humanitarian aid, but does not explicitly say that this cannot be from parents.

Table 1. Food funding sources year 2015

Program	Budget resources (lei/day)	Parents contribution (lei/day)	Total (lei/day)
4 hours	3,8	1,9	5,7
6 hours	6,8	3,4	10,2
9-10,5 hours	10,7	5,35	16,05
12-24 hours	11,7	5,85	17,55
24 hours	13,8	6,9	20,7
Sanatorium	15,2	7,6	22,8

Source: MoE (2015) Financial rules for nurture of children / students in educational institutions

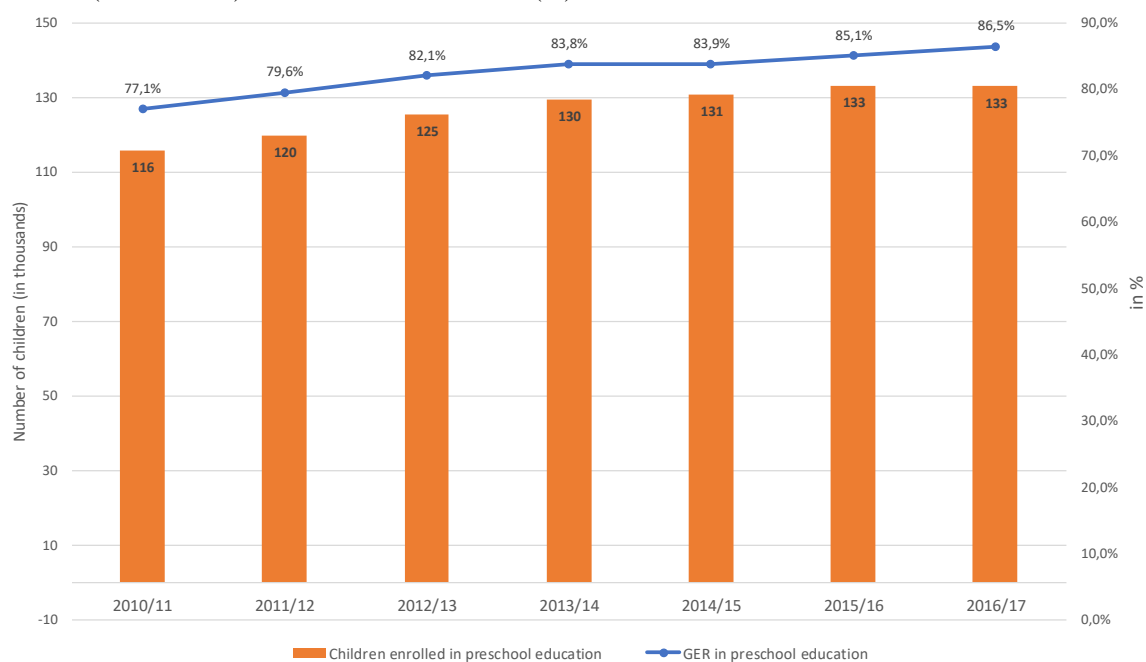
3. The *de facto* situation

After an account of the *de jure* situation, this chapter aims to describe the *de facto* situation: the *actual* state of preschool education in Moldova. In this chapter, all available sources have been used in order to develop the most complete picture that is possible (National Bureau of Statistics, 2017; Ministry of Finance, 2017; UNICEF, 2015, NCPH-UNICEF, 2014) which is complemented by the interviews and site visits conducted in March 2017. A special database with information at local level has been constructed pooling together different sources with educational, fiscal and level of development data for more than 800 localities.¹²

3.1 Access

Over the last six years the rate of enrolment in preschool education registered an average annual growth rate of 2.4%. The increase of the absolute numbers of children resulted also in an expansion of the access to preschool education. The GER in the same period went up from 77,1% to 86,5% in 2016/17 (NBS, 2017).

Graph 1. Evolution of the total number of children enrolled in preschool education (3 to 6 years old) in Moldova (in thousands) and Gross enrolment ratio (%) Period. 2007-2015.

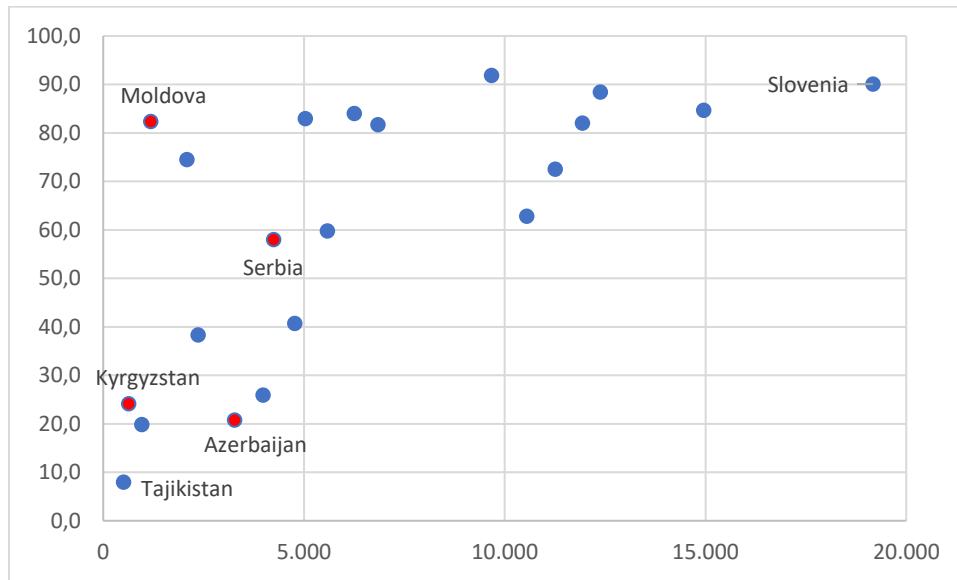


Source: NBS (2017)

¹² More detailed information in methodological annex

Yet if we compare Moldova’s preschool enrolment with that of other countries in the CEECIS¹³ region, it appears to be relatively high, especially in light of macroeconomic indicators. Graph 2 plots the Net Enrolment Ratios (NERs) in school year 2014/15 of most CEECIS countries against their per capita GDP (2014), showing that while higher NERs tend to be found in the richer countries, Moldova is an outlier with one of the highest NERs despite one of the lowest income levels.

Graph 2. Net enrolment in preschool education by per capita GDP (2014-2015)



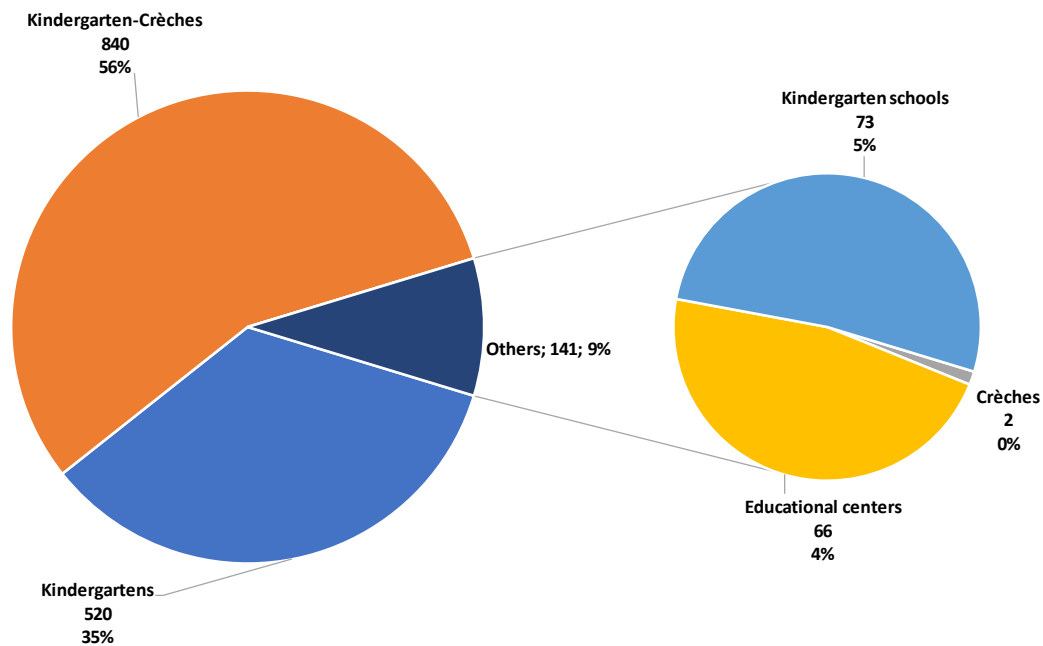
Source: TransMonEE database www.transmonee.org, accessed on 20 June 2017.

In chapter 4 we will analyze this finding further, highlighting some strengths but also challenges to the Moldovan preschool system.

As in most CEECIS countries, almost all the preschool enrolment in Moldova is in the public sector (the private sector is negligible and mainly urban) and there are 1.502 institutions in total. More than 90% of these are kindergartens, some of them with crèches (departments for children under 3 years old). In addition to that, there is a small, but growing, number of educational centers with PS services and other educational institutions which also have space to provide PS education (Graph 3). The infrastructure available is the result of the Moldovan authorities that have made considerable efforts, with the assistance of the international community mainly through the Fast Track Initiative, which have aimed to improve the access of children to early education and development. According to statistics there were 1,349 kindergartens operating in the country in 2008 and 1,149 pre-school institutions in 2000 (MoE, 2010).

¹³ CEECIS: Central and Eastern Europe and the Commonwealth of Independent States

Graph 3. Distribution of Preschool institutions in Moldova by type (in absolute numbers and % of total) in 2015



Source: Own elaboration based on NBS (2017).

The relatively small number of alternative preschools offering short rather than full-day programs may be assessed in an international perspective. Most if not all countries in the CEE/CIS region have introduced cost-effective short preschool programs in response to a decline of capacity in the kindergartens after the transition years. Moldova has taken part in this movement, but to a lesser extent. By far most of the enrolled children are still in the full-day program, and from the interviews conducted in this study it appeared that even some of the recently opened educational centers offering short programs have already been converted to kindergartens. In other words, the dominant perception in Moldova both among parents and policy makers is that only the full-day kindergarten is a genuine preschool program. On the one hand, this makes the position of Moldova in graph 2 even more impressive: the combination of high enrolment and low per capita GDP relative to other countries in the region has been achieved despite the dominance of an expensive program modality. On the other hand, these circumstances have led to a situation in which the salaries of teachers and other staff in kindergartens are very low compared to salaries in other sectors.¹⁴ In fact, remuneration is so low that it is difficult to attract young people for a career in preschool education. Combined with the fact that many people in the preschool workforce are close to retirement, this raises the question whether the current situation is sustainable, and whether closing the current enrolment gap of 15% is possible

¹⁴ This was reported with emphasis during interviews with directors of preschools and staff at teacher training institutions.

while maintaining the strong focus on the relatively expensive full-day program. These policy dilemmas will be elaborated further in chapter 4.

A large percentage of the PSIs are located in rural areas where the majority of the Moldovan population lives. The total number of places available in the whole country (173.623) is almost equal to the number of eligible children, meaning that, theoretically at least, Moldova is already financing full enrolment. However, places are not located where the needs are. In fact, the occupancy rate, calculated as the number of children enrolled divided by the number of places, shows that PSIs are overloaded in urban areas (102%) and that there are spare places in the rural ones where 20% of the capacity is not being used. On top of that there is an important number of localities (over 150) without any preschool facilities. This supply-demand mismatch is analyzed in-depth in chapter 4 of this report since it is one of the key features of the Moldovan system that needs to be addressed in the coming years.

Table 2. Number of PS institutions, places, children enrolled and occupancy rate according to rural /urban area (2015)

	PS Institutions	Places available	Children enrolled	Occupancy rate
Rural	1.248	125.732	101.076	80%
Urban	254	47.891	48.860	102%
Total	1.502	173.623	149.936	86%

Source: Own elaboration based on NBS (2017).

The calculation of enrolment rate at local or regional level is not possible for various reasons. In particular, this is because the estimation of the eligible children in each locality is problematic in a country with significant internal and external migration flows. The internal migration is mainly from rural areas to the cities, while internationally it is especially to other European countries with stronger economies, more job opportunities and better working conditions. In many cases people and couples migrate abroad leaving their children in Moldova with grandparents and/or extended family, which tends to weaken the parental involvement in preschool education.

Before concluding this section on access, two issues deserve attention: private provision and children younger than age three.

Officially, there are only three registered private kindergartens in Moldova, and these three are included in the official statistics presented above (although their influence on the indicators and trends is very limited). But judging by the billboards in the streets and statements by our informants, there are many more private kindergartens.¹⁵ They tend to

¹⁵ This feature was mentioned in various interviews. In particular, during the interview at the National Bureau of Statistics, the under registration of private kindergartens was mentioned as problem that needs to be resolved.

charge fees in the order of €250 to €400¹⁶ per month, and usually serve relatively small numbers of children.¹⁷ The Office of Statistics has approached these private kindergartens to obtain data on enrolment and other aspects, but they refuse on the grounds that they are not funded by the state. Interviewees have indicated that many – perhaps most – private kindergartens deliberately avoid registration because of the requirements they would then need to comply with, e.g. in terms of hygiene, sanitation and the obligation to use the state curriculum. Obviously, if such kindergartens operate outside of the system it is difficult to ensure safety and quality, and impossible to monitor progress to the goal of full enrolment.

With regards to the provision for children under the age of three, there is a high demand for expansion¹⁸, driven mostly by working parents in urban areas. The Ministry of Education has responded to this need by drafting an Amendment to the Code of Education aiming at changing the age range from 3-6 to 2-6 (this was not yet in force at the time of writing of this report). This report does not analyze this in detail since it focuses on preschool for ages 3-6. However, one could argue that as long as about 15% of the children of age 3-6 are not going to preschool at all, it might be too early to extend preschool duration for some of the children who are already included, especially if the policy targets children of working parents rather than vulnerable children.

3.2 Equity

This section looks at equity - the extent to which different groups in Moldova have equal access to PSE. The main objective is to evaluate, where possible, whether children from different backgrounds, gender, children with disabilities and regions have equal access to PS or not.

The main source for this analysis is the Moldova Multiple Indicator Cluster Survey carried out in 2012 (NCPH-UNICEF, 2014). The survey looks at attendance to early childhood education programs or through pre-school attendance in children under five years old¹⁹. The former includes programs for children that have organized learning components as opposed to baby-sitting and day-care, which do not typically have organized education and learning. Survey results show that 71% of all children were attending some sort of early childhood program²⁰. From the gender perspective, graph 4 indicates that gender disparity is slightly in favor of boys. In addition to that the older children are attending relatively more early childhood programs which is consistent with both the places in Kindergartens

¹⁶For reference, the average monthly gross income in Moldova is in the order of €250

¹⁷ A private international kindergarten could cost among € 5.000 per year for a 7 hours program.

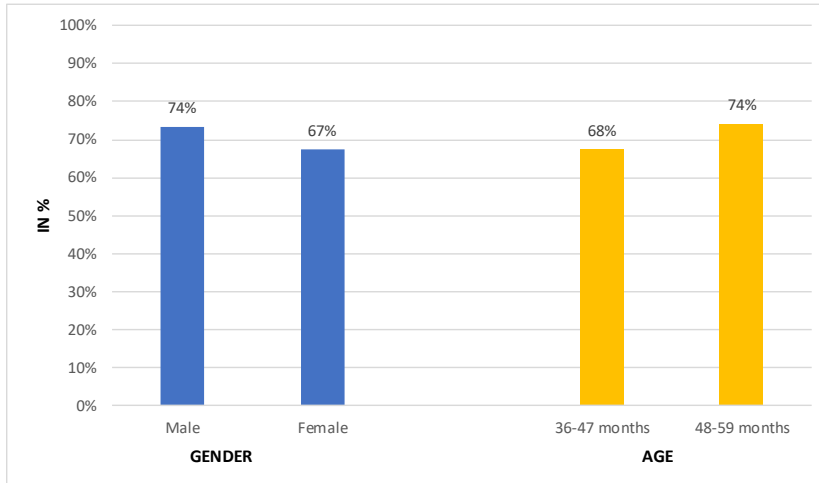
¹⁸ Demand and supply for early and pre-school education services from the perspective of women's employability, Ministry of Education, UN Women, UNICEF, 2013.

¹⁹ This leaves out children who are in the last years of preschool education where the attendance is higher. Thus, these figures may slightly underestimate preschool coverage and overestimate equity problems.

²⁰ This percentage is 10 percentage points lower than the 80% GER figure in graph 1 which includes in the numerator all children enrolled in preschool independently of age.

which are larger than in crèches and also some families are reluctant to send their children before the age of four.

Graph 4. Percentage of children 36-59 months old currently attending early childhood education by gender²¹ and age (2012) **children features**

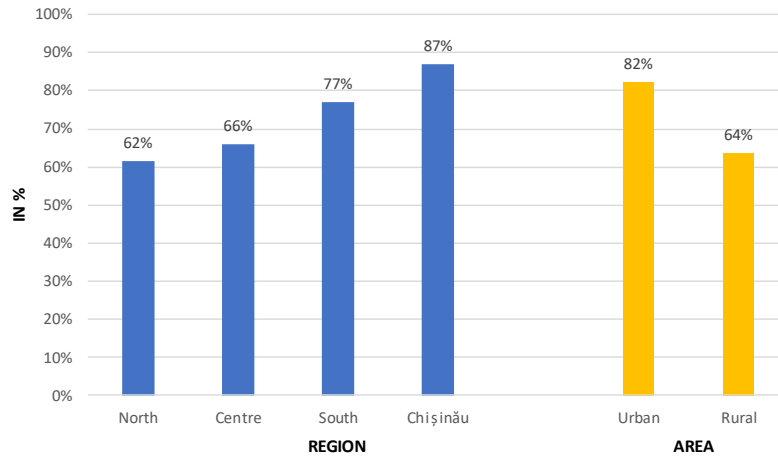


Source: Own elaboration based on NCPH-UNICEF (2014) Table CD1

Data on rural and urban attendance show lower access in rural areas (64% compared to 82%). Moreover, at regional level is evident that Chisinau has a much higher attendance rate (almost 90%) than all the other regions where the North is the region of the country with the lowest coverage (62%)

Graph 5. Percentage of children 36-59 months old currently attending early childhood education by region and area (2012)

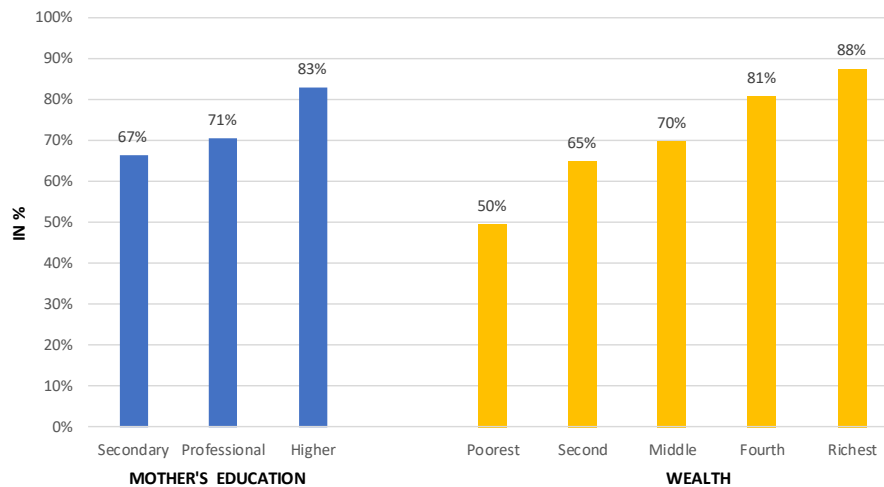
²¹ In Moldova boys represent 52% from total children population aged 0-6 years. The Gender parity index for 2016/2017 is 0,99 (NBS, 2017).



Source: Own elaboration based on NCPH-UNICEF (2014) Table CD1

Finally, differentials by socioeconomic status are rather significant: 88 percent of children living in the richest households attend such programmes, while the figure drops to 50 percent among children living in the poorest households (Graph 6). This feature is also reflected in the mother’s educational level since attendance rate is higher among the children from educated mothers.

Graph 6. Percentage of children 36-59 months old currently attending early childhood education by mother’s education level and wealth index quintiles (2012)



Source: Own elaboration based on NCPH-UNICEF (2014) Table CD1

Another relevant feature in Moldova is that the distribution of children with biological parents living abroad indicates that close to one-fifth (21%) of children aged 0-17 years

have at least one biological parent, in most cases the father, living abroad. Furthermore according to a report “Situation of Roma in Roma Populated Communities” released by the UN Joint Programme "Strengthening the National Statistical System", in 2011 only 21% of Roma children were enrolled in ECE programs. This has serious consequences for their chances in life since a third of all Roma children do not show emerging literacy at age 6, and on average only half of them are in primary and secondary school while for the non-Roma population this figure stands at 90%. At the end of their educational careers, one out of five young Roma are illiterate (UNICEF Country Program, 2013-2017).

To sum up, inequities were identified in Moldova’s preschool system. Children who are in need remain excluded from the system: the poorer ones, those living in rural areas, those from Roma background, and children with disabilities (there are 2,318 young children with disabilities (YCWD) of 3-6 years of age in the Republic of Moldova²² and based on UNICEF’s estimates, only 6% of them attend preschool).²³ This is a cause for great concern given that ECE has an important compensatory role to play in the lives of children who grow up in an environment of material and psycho-social deprivation. In addition, the economic benefits are higher for children with low socio-economic status than for those at the higher end of the spectrum. Equally important - though it has not been possible in this study to analyze it fully - is the access of children with disabilities. (UNICEF (2015) based on NBS data for 2014).

3.3 Quality

Broadly speaking defining quality of education is not easy since quality is a multi-faceted concept. It encompasses how learning is organized and managed, what the content of learning is, what level of learning is achieved, what it leads to in terms of outcomes, and what goes on in the learning environment. UNESCO (2002) uses an input-process-output framework mainly for schooling, which considers the various stakeholders in education (learners, parents, teachers, communities, government) and the various levels (classroom, school, national policy). Quality in preschool has been more recently conceptualized as a combination of structural quality (public teacher ratio, teachers’ qualification, learning material, adequate facilities, etc.) and process quality (pedagogical quality, nature of teacher-child and peer interactions). Although structural quality is important, alone is not sufficient to promote learning and development. Structural quality is easier to measure and more often monitored in national systems. However, process quality has been shown to have the most impact on child outcomes. Child outcomes are often captured and analyzed as the best available indicator for the system’s output. For purposes of this analysis, and in recognition of the limitations of defining quality in only one domain of structural quality,

²². Administrative data on CWD provided by the Ministry of Health in 2016

²³. Calculations based on administrative data on CWD provided by the Ministry of Health and number of 3-6 year old CWD attending pre-school provided by the NBS

we focus on the pupil-teacher ratio, the Early Childhood Development Index, and the recent School Readiness Tool (2016).

The size of educational groups and PTR

The rationale for examining the size of educational groups as a proxy for quality is that learning and development are suboptimal if there are too many children in a group. The aggregate figures show that the average group size is 24 children, with slightly larger groups in urban areas. It is important to highlight that in urban areas on average the preschools as a whole have twice as many children as those in rural areas, which should yield some economies of scale for the urban preschools. Thus, it is not found in any area gains associated with scale.

Table 3. Number of PS institutions, groups, children enrolled and groups and preschool size according to rural /urban area (2015).

	PS Institutions	Groups	Children enrolled	PS size	Group size
Rural	1.248	4.316	101.07	81	23
Urban	254	1.877	48.860	192	26
Total	1.502	6.193	149.936	100	24

Source: Own elaboration based on NBS (2017).

Early childhood development index

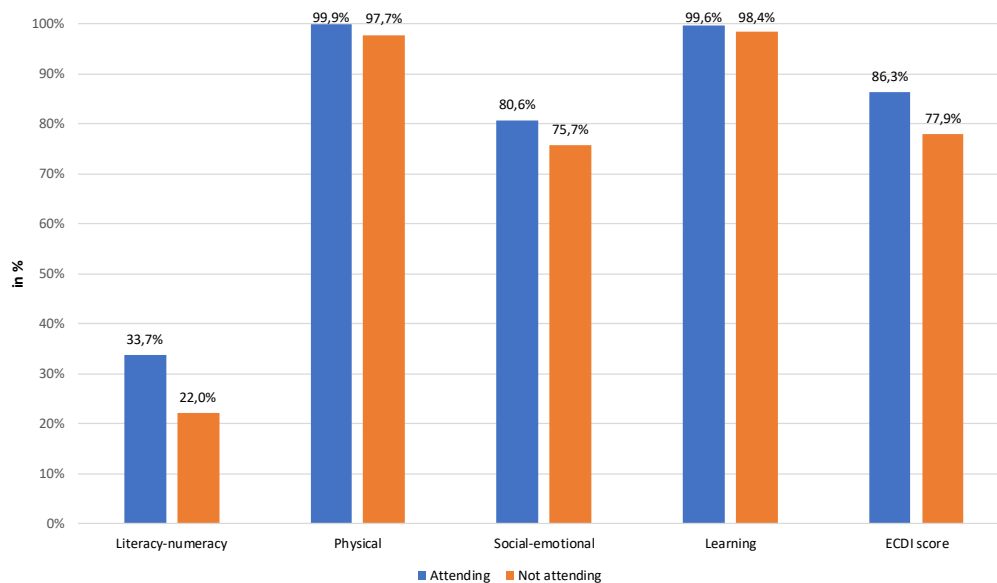
Early childhood development is defined as an orderly, predictable process along a continuous path, in which a child learns to handle more complicated levels of moving, thinking, speaking, feeling and relating to others (NCPH-UNICEF, 2014). Physical growth, literacy and numeracy skills, socio-emotional development and readiness to learn are vital domains of a child’s overall development, which is a basis for overall human development. As part of the MICS programme a 10-item module has been developed to calculate an Early Child Development Index (ECDI).²⁴ The indicator is based on some benchmarks that children would be expected to meet if they are developing as the majority of children in that age group. The primary purpose of the ECDI is to inform public policy regarding the developmental status of children in the Republic of Moldova. Each of the 10 items is used in one of the four domains to determine if children are developmentally on track in that domain. The domains in question are: i) Literacy-numeracy, ii) Physical, iii) Social-emotional, iv) Learning

²⁴ The ECDI is the only composite indicator that is currently available. It has as a limitation that it is based on parent reports to a limited number of questions (10) which means that it does not capture variation sensitively.

ECDI is then calculated as the percentage of children who are developmentally on track in at least three of these four domains. In Moldova, 84% of children aged 36-59 months are found to be developmentally on track. ECDI is virtually the same among boys (83 %) and girls (84%). ECDI is higher in the older age group (usually because of the literacy numeracy score) with a score of 89% among children aged 48-59 months compared to a score of 80% among those aged 36-47 months. Higher ECDI is seen in children who are in early childhood attend education programmes (86% compared to 78% for those who are not attending). Children living in the poorest households have lower ECDI (75 percent) compared to children living in the richest households (87%).

What is relevant in relation to quality is the extent to which those children attending early childhood programs have “better development” than those not attending. The results show that overall the ECDI score is almost 9 p.p. higher in children that attended programs where the highest differences are in two domains: literacy and numeracy and social emotional. However, these results should be considered with caution since there is no control for other factors. Thus, attending children might be outperforming the ones who do not attend because of their families’ higher socioeconomic status and not because of the preschool.

Graph 7. Percentage of children 36-59 months old who are developmentally on track in the four domains and the early child development index score according to attendance to early childhood education



Source: Own elaboration based on NCPH-UNICEF (2014) Table CD.5.

3.4 Access, equity and quality at local level

As mentioned in the introduction of this chapter, a special database with information at local level has been constructed. This data provides a more detailed picture of what is the

situation in different localities of the country. In particular it allows shedding some light on issues around access, quality and territorial equity.

In relation to access, it is known that determining enrolment rates at local level are problematic. On the one hand, due to internal and external migration the precise number of eligible children in each locality varies significantly. On the other hand, a non-negligible number of children attend preschool in a different locality from where they live (usually a neighbour locality where their parents work or grandparents live). However, local occupancy rates give an idea where more places are needed (occupancy rate over 100%) or there is availability (occupancy rate lower than 100%). Whereas occupancy rates over 100% are unequivocal signal of expansion need, occupancy rates below 100% may reflect that there are more places in the locality than the eligible children living there.

From table 3 it can be seen that in the majority of localities (667) the occupancy rate is below 100%, which means that the available facilities have space to increase the enrolment. On the other hand, there are 210 localities where the available space is not enough for the current demand. That fact that in these localities the number of children enrolled exceeds the number of places suggests that the quality could be below the standards considering that the Kindergartens are overpopulated. Although these 210 localities make up less than a quarter of all 877 localities, they tend to be much larger than average and so they cover more than half of all preschool enrolment in the country (53,6%).

Table 4. Number of localities per occupancy rate intervals and area (2015)

	Rural		Urban		Total		Enrolment	
	Localities	% of total	Localities	% of total	Localities	% of total	Children	% of total
Lower than 25%	18	2,2%	2	3,3%	20	2,3%	658	0,4%
Between 25% and 50%	117	14,3%	10	16,7%	127	14,5%	8.289	5,5%
Between 50% and 75%	194	23,7%	8	13,3%	202	23,0%	20.664	13,8%
Between 75% and 100%	297	36,4%	21	35,0%	318	36,3%	39.977	26,7%
Higher than 100%	191	23,4%	19	31,7%	210	23,9%	80.348	53,6%
Total	817	100,0%	60	100,0%	877	100,0%	149.936	100,0%

Source: Own elaboration based on NBS (2017).

The average occupancy rate per locality (Table 5) shows that in the localities where the number of children exceeds the number of places, the children are exceeding the capacity in 25%. On the other end, in 147 localities the occupancy rate is lower than 50% which

means that there is potential to double the number of children enrolled (in case they lived nearby).

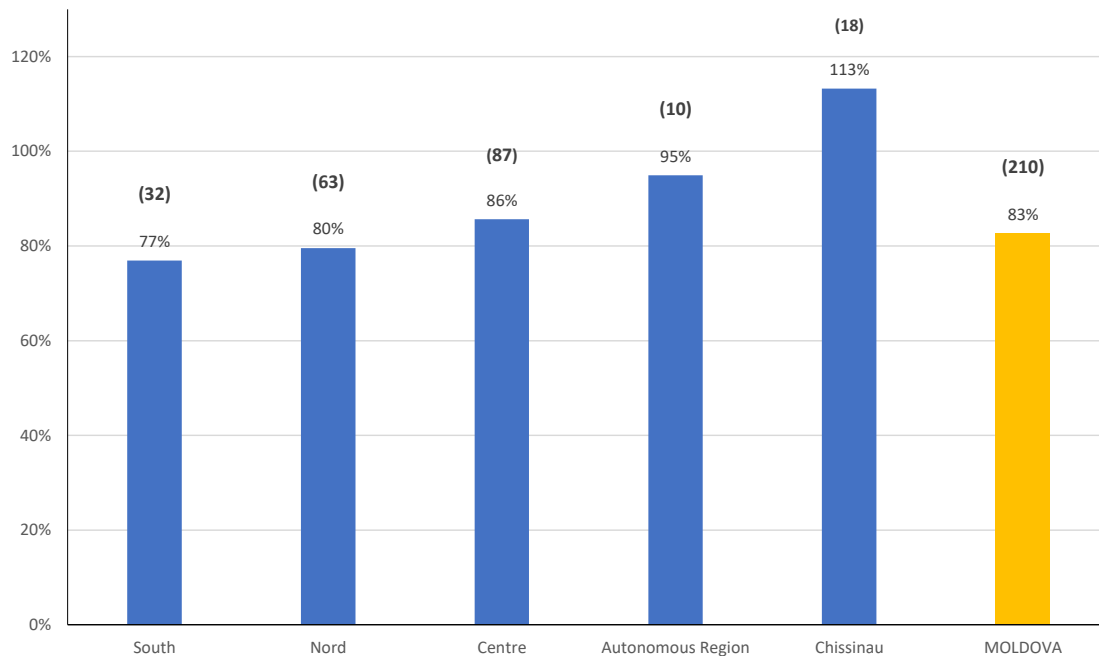
Table 5. Average occupancy rate per occupancy rate interval and area

	Average Occupancy rate			Enrolment	
	Rural	Urban	Total	Children	% of total
Lower than 25%	19,5%	20,7%	19,6%	658	0,4%
Between 25% and 50%	39,5%	39,7%	39,5%	8.289	5,5%
Between 50% and 75%	63,0%	60,9%	62,9%	20.664	13,8%
Between 75% and 100%	88,8%	90,2%	88,9%	39.977	26,7%
Higher than 100%	124,9%	120,9%	124,6%	80.348	53,6%
Total	82,5%	85,3%	82,7%	149.936	100,0%

Source: Own elaboration based on NBS (2017).

At regional level, it can be said that Chisinau is the region with the highest average occupancy rate (113%) followed by the Autonomous Region of Gagauzia,²⁵ the southern region registers the lowest (77%) and the North and Centre regions are around the national average (83%).

Graph 8. Average occupancy rate per region (2015)



Note: Figure in brackets are the number of localities with occupancy rate above 100%.

²⁵ The Autonomous Territorial Unit of Gagauzia (Gagauz Yeri)

Source: Own elaboration based on NBS (2017).

The analysis of the mismatches of demand and supply for preschool education is completed looking at absolute figures. From table 6, it can be seen that in rural areas there are almost 31.000 places available in 626 localities and slightly more than 6.000 places needed in 191 localities. On the whole, in rural areas there is a surplus of 24.656 places. In contrast, in urban areas there is a net need of 969 places as a result of 2.266 places available in 41 localities and 3.235 places needed in 19 localities. Thus, it seems that the migration has caused places availability in some places and areas and surplus in others.

Table 6. Number of localities and places needed /available according to urban/rural areas and occupancy rate level.

	Rural		Urban		Total	
	Localities	Places available (+) or needed (-)	Localities	Places available (+) or needed (-)	Localities	Places available (+) or needed (-)
Localities with places available (OR<100%)	626	30.828	41	2.266	667	33.094
Localities needing places (OR>100%)	191	-6.172	19	-3.235	210	-9.407
Total	817	24.656	60	-969	877	23.687

Source: Own elaboration based on NBS (2017).

Table 7 pertains to the same mismatch between demand and supply, but breaks this down by region, showing that the need for more places is strongly concentrated in Chisinau, Nord and Centre.

Table 7. Number of localities and places needed /available according to region

	Localities with places available		Localities needing places		Total	
	Localities	Number of places available (+) or needed (-)	Localities	Number of places available (+) or needed (-)	Localities	Number of places available (+) or needed (-)
Chisinau	4	308	18	-2.532	22	-2.224
Nord	242	13.076	63	-2.452	305	10.624
Centre	253	12.771	87	-2.975	340	9.796
South	150	6.338	32	-787	182	5.551
Autonomous region	18	601	10	-661	28	-60
Total	667	33.094	210	-9.407	877	23.687

Source: Own elaboration based on NBS (2017).

Table 8, finally, shows the mismatch of demand and supply broken down by the level of development of the localities. This concerns only the rural localities. It can be seen from this figure that there is a limited difference between levels 1, 2 and 3 (in fact, there is a somewhat lesser need in localities at level 3) but at level 4 there is a significantly higher need of more than twice the need at level 3.

Table 8. Level of development (only rural localities considered)

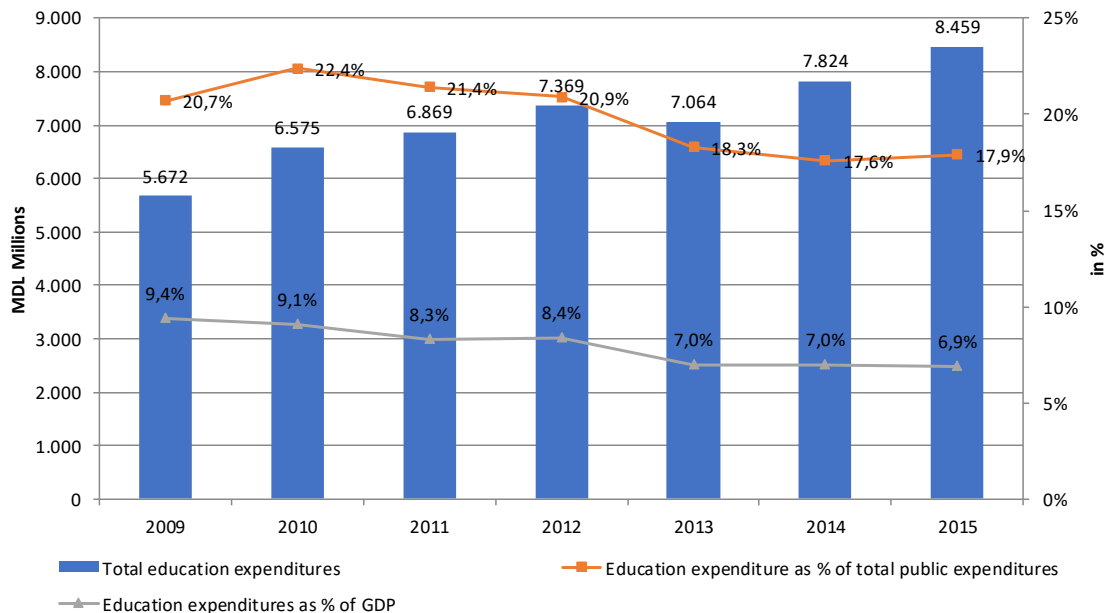
	Localities with OR available			Localities needing places			Total		
	Localities	Occupancy rate	Places available (+)	Localities	Occupancy rate	Places needed (-)	Localities	Occupancy rate	Places available (+) or needed (-)
Level 1	148	70%	7.082	46	123%	-1.336	194	83%	5.746
Level 2	148	69%	6.905	52	128%	-1.379	200	85%	5.526
Level 3	162	69%	8.540	37	126%	-1.083	199	79%	7.457
Level 4	155	69%	7.962	50	123%	-2.277	205	82%	5.685
Total	613	69%	30.489	185	125%	-6.075	798	82%	24.414

Source: Own elaboration based on NBS (2017) and IDAM.

3.5 Finance

Moldova's public commitment to education is relatively high but decreasing over time. Expressed in absolute amounts of money, public spending on education (all levels of education jointly) registered an annual increase of 6.6% reaching nearly 9 billion lei between 2009 and 2015. But expressed as a share of the total public budget, education spending has been decreasing to 17.8% in 2015. UNICEF (2015) has forecasted a positive trend in the expenditure figures over time but a declining share of education on total expenditures (15.8% by 2020). It is also possible to express education spending as a share of GDP; this saw a decline of 2.5 p.p since 2009 to 6.5% in 2015. Moreover, it is estimated that the negative trend shall continue in the next years, with an annual decrease of 5.7% dropping to 5.3% in 2020. This would bring Moldova down to close to the OECD average of 4.5%.

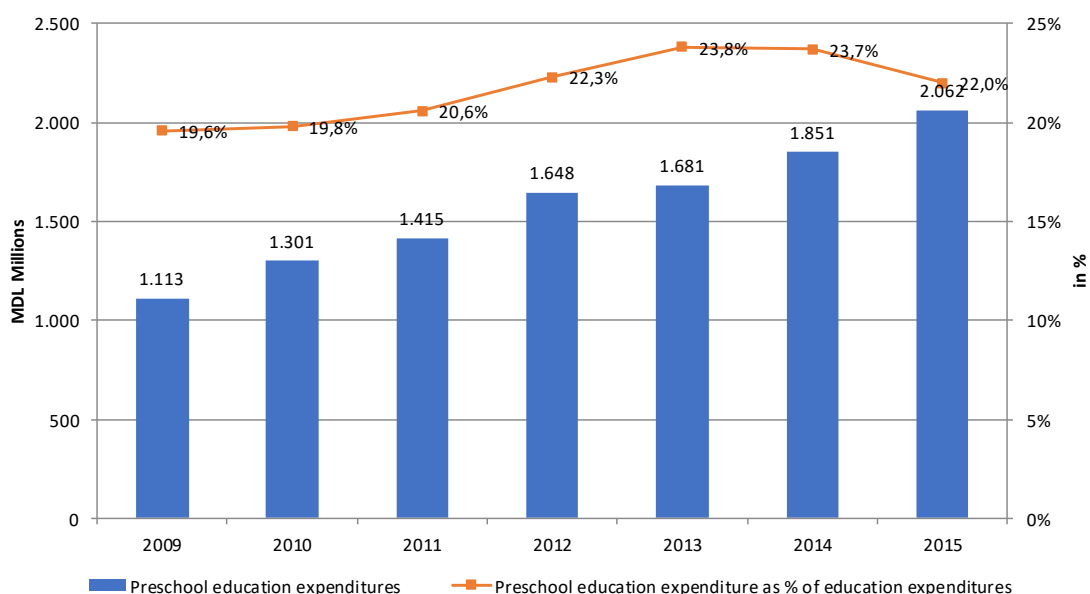
Graph 9. Evolution of public expenditures on education and their share in total public expenditures and GDP 2009-2015 (in millions of lei and %)



Source: Own elaboration based on UNICEF (2015).

Zooming in on public spending on preschool education more in particular, there is an annual increase of 11% in absolute amounts of money to be observed in 2009-2015 (blue bars in graph 10). However, expressed as a share of total education spending, an initial increase of the preschool budget from 19,6% in 2009 to 23,8% in 2013 was followed by a decrease to 22% in 2015 (red line in graph 10). For the next few years this indicator is forecasted to remain stable until 2020.

Graph 10. Evolution of public expenditures on preschool education and their share in total public expenditures on education 2009-2015 (in millions of lei and %)



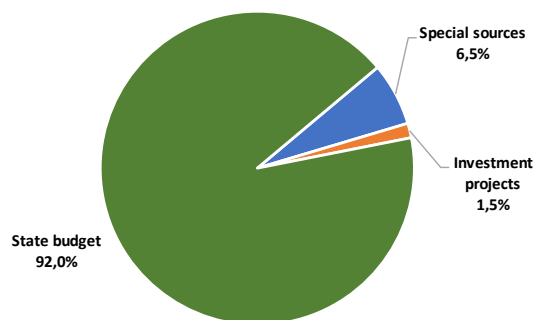
Source: Own elaboration based on UNICEEF (2015)

If we combine the figures of 22% (preschool budget as share of education budget) and 5.3% (projected education budget as share of GDP), we find that Moldova will be spending between 1.1% and 1.2% of GDP on preschool education in the coming years. Seen in an international perspective, this is a relatively high figure. For reference, countries such as France, Italy and Belgium (where there is universal access to kindergarten from age 3 or even lower) spend about 0.7% of GDP on preschool education. Although it would be wrong to simply assume that the context in Moldova is comparable to that in the aforementioned countries, this significant difference does suggest that public spending as such is not the bottleneck in Moldova, but rather the way in which this money is being spent (efficiency).

Sources of funding

The public expenditures in the preschool education system are almost entirely funded from the territorial administrative (LPAs) unit's budgets which is mainly composed by transfers received from Central Government. Specifically, between 2009 and 2014 the local budget financed on average 98.5% (minimum 96.6%, maximum 100% in the period analysed) of the total public expenditures in the preschool education system. At the same time, the central budgets financed on average 1.5%. In the same period, on average 92% (minimum 88.4% maximum 93.4%) of the public expenditures in the preschool education were financed from the core component of the budget, 6.5% from special means and 1.5% from investments projects that are granted on an incidental basis. Considering that the territorial budgets themselves come from the central level, and that the component for preschool education is earmarked (as we elaborate below), one could say that preschool education in Moldova is almost entirely financed centrally but funded locally.

Graph 11. Main finance sources of public preschool education 2009-2014 (%)



Among the main special sources can be mentioned Education for All - Fast Track Initiative/ Global Partnership for Education which allocated US\$ 13,2 million (2006-2014) and Romanian Government, € 20 million.²⁶

As explained above, in Moldova the Ministry of Finance (MoF) transfers earmarked funds to preschool education at the LPA level. Earmarking means that local governments are obliged to allocate at least those funds to preschool education with no explicit ex ante allocation within different categories (e-g teacher salaries, teaching material, food, etc) and have no right to use it for other purposes. However, if they consider that more money is needed than just the earmarked component of the transfers, the community may allocate additional resources from the general primaria budget. Thus, the actual allocation of funds at local level is a potential source of disparity among LPAs, first because some LPAs have more scope for collecting local tax revenue than others, and second because there are differences in terms of the capacity and networks needed to obtain additional funding from either the MoF or international donors or NGOs²⁷. As part of this study, particular efforts to gather data were made to investigate this diversity. The hypothesis was that there are different levels of budget commitment towards preschools at the local level. During the country visits, various interviewees mentioned that some LPAs invest more than what is received from the MoF using some local fundraising and at the same time it was mentioned that some LPAs might be investing less than what is being received (and what they are obliged to invest). It would be helpful to undertake a specific research project looking at actual funding at LPA level, capturing both own resources and earmarked funds received, and analyse whether different financial commitments are related to better system performance (access, children development, etc) and identify cost-effective performers from which other LPAs could learn. Due to the dimension of the task, this was not possible as part of this effort. However, a recent UNICEF funded project gathered data in Chisinau and other areas through a specific questionnaire which illustrates the participation of different funding sources in a reduced number of LPAs (graph 12).

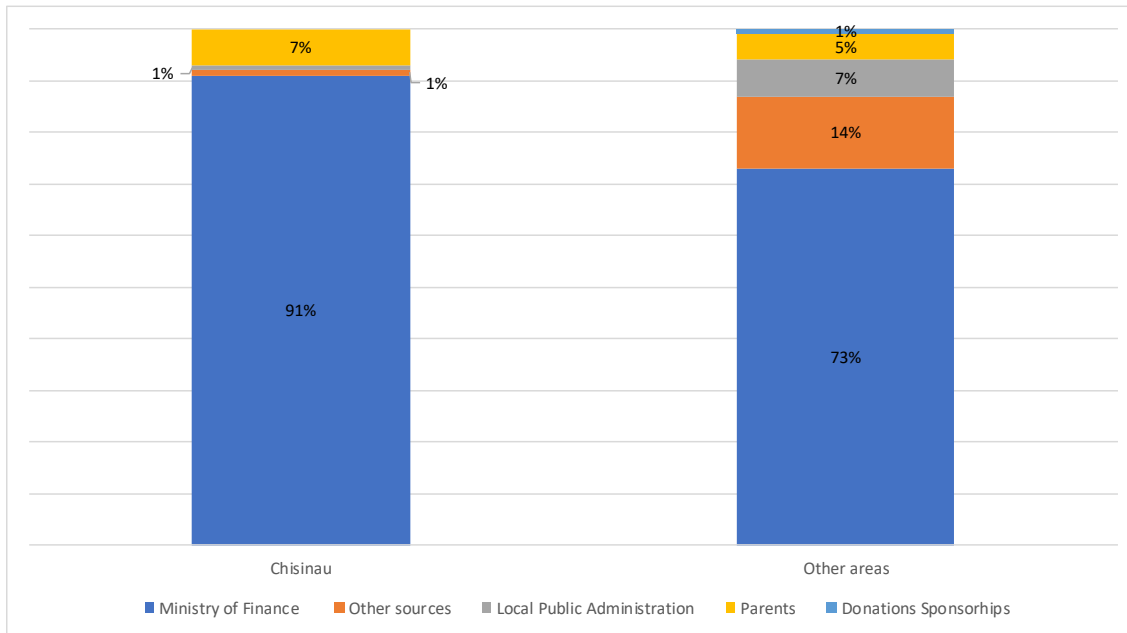
In both cases the main financing source is the State budget fund allocated from the MoF which represents 91% in Chisinau and 73% in the other areas revised. The difference recorded in other areas is compensated by the funds allocated by the LPAs which records a much higher share than in Chisinau (i.e. 7% compared to 1%). Moreover, in the other areas a 14% of the funding comes from other sources, mainly international: Government of Romania, Global Partnership for Education, and the Moldova Social Investment Fund. Finally, this analysis also shows that parent's contribution cover 7% in the case of Chisinau and 5% in the case of the other areas. About 90% of what is collected from parents is

²⁶ <http://www.moldpres.md/en/news/2015/11/18/15007919>

²⁷ Such disparities were often mentioned during the field work. Illustrative examples are a community that could invest in its kindergarten thanks to the proximity of the village to a main road which enabled them to sell land to companies against favourable prices, and a deputy Mayor with who has developed a strong and large international network during previous jobs.

distributed for meals as provided by the legal requirements. Smaller shares go for menu supplement and education services such as extracurricular activities.

Graph 12. Structure of financial sources of preschool education 2014-2015 in % Chisinau and other areas.



Source: UNICEF (2015)

Graph 12, and more in particular the second column (other areas), conceals differences between primarias with regards to contributions to preschool education from their own resources. From the interviews, it became clear that there are not only primarias who make such contributions (which is allowed) but also primarias who, conversely, invest less than the earmarked transfers in preschool (which would not be allowed). This could not be explored in detail in this study; further research would be needed. This research could extend to illegal contributions that are said to be asked from parents in some cases; these would exceed the legally allowed contribution of one third of the costs of food and reportedly constitute an insurmountable financial threshold to some families, especially in rural areas.

In general, it seems urgent that the current method of funding (which is merely based on prolongation of historical funding levels with some space for creating new groups of children, or classrooms, upon request) be replaced by a per capita funding system – the beginnings of which the Ministry of Finance has been working on - that is focused on equity and addresses children’s diverse and differing needs throughout the country. It is critically important that the formula for the per capita funding be aligned with all relevant standards put forwards by the Ministry of Education. In more basic terms: kindergartens

should receive the amount of money they need in order to comply with the standards. Without this alignment, preschool education would continue to be like a “child with two different mothers” as various interviewees have put it referring to the two ministries that govern preschool education: the Ministry of Education focusing on service quality and the Ministry of Finance focusing on resources. In addition, the formula for the per capita funding should include capital repair works and the money to start new groups so that the system can really expand, and it should take into account that unit costs are unavoidably higher in sparsely populated areas where groups are smaller. The funding formula might also consider the proportion of attendance by children with disabilities or special needs.

Concluding this section, the executed budget per child and locality is analysed, based on BOOST public expenditure database²⁸. From table 9 it can be seen that on average the actual expenditures per child is slightly more than Moldovan Lei 14.000. There is no difference between rural and urban areas. Considering that the average group size is similar but the preschools are bigger in urban areas, the expenditures per group are also similar but the average amount spent per preschool is higher in urban areas.

Table 9. Average executed budget per child, group and preschool per type of area (2015, 2016).

	Average number of children per:		Average executed preschool budget per:		
	Preschool	Group	Child	Preschool	Group
Rural	76	22	14.051	1.036.962	309.987
Urban	122	23	13.977	1.673.286	329.441
Total	79	22	14.046	1.075.096	311.153

Source: Own elaboration based on NBS and BOOST Database

Table 10 is based on the same data-set as table 9, but with a break-down by region. Again, differences are limited with slightly higher spending per child in Chisinau, possibly due to higher prices. Spending per preschool is very high in Chisinau but as mentioned this can be attributed to the larger number of groups per kindergarten.

Table 10. Average executed budget per child, group and preschool per region (2015, 2016).

	Average number of children per:		Average executed preschool budget per:		
	Preschool	Group	Child	Preschool	Group
Chisinau	222	27	15.411	3.260.738	430.098
Nord	78	22	14.515	1.113.085	317.953
Centre	73	23	13.131	932.591	295.525
South	69	21	14.886	981.168	313.762

²⁸In order to do this analysis, BOOST Database for year 2015 was matched with the NBS educational data for year 2016 at locality level. Considering that public expenditure data are from one year earlier than the educational data, the expenditures per child might be slightly underestimated but this does not invalidate the exercise.

Autonomous region	114	24	13.903	1.628.172	336.661
Total	79	22	14.046	1.075.096	311.153

Source: Own elaboration based on NBS and BOOST Database

Table 11 shows that spending per group is relatively equal even between localities with a surplus of places versus localities with a shortage of places. Concentrated in urban areas, the latter may invest more but given the fact that they also receive more children the difference is limited.

Table 11. Average executed budget per child, group and preschool per type of area (2015, 2016).

	Average number of children per:		Average executed preschool budget per:		
	Preschool	Group	Child	Preschool	Group
Localities with places available (OR<100%)	66	22	14.259	917.901	304.212
Localities needing places (OR>100%)	120	25	13.371	1.573.652	333.167
Total	79	22	14.046	1.075.096	311.153

Source: Own elaboration based on NBS and BOOST Database

Finally, table 12 shows that level of development does not strongly influence spending per child, per preschool or per group. More in general we can conclude that disparities between localities (caused by differences in economic context, local capacity and networks) express themselves in equity gaps between urban and rural areas and by family income, as the MICS survey has shown. Rural areas with many poor families lag behind and this may require special policies and a new impulse for programmatic diversification.

Table 12. Average executed budget per child, group and preschool per rural locality level of development (2015, 2016).

	Average number of children per:		Average executed preschool budget per:		
	Preschool	Group	Child	Preschool	Group
Level 1	78	23	13.894	1.062.734	313.292
Level 2	76	22	14.225	1.034.105	311.528
Level 3	69	22	14.100	958.260	304.790
Level 4	80	22	14.086	1.095.819	312.320
Total	76	22	14.051	1.036.962	309.987

Source: Own elaboration based on NBS and BOOST Database

4. Analysis and Recommendations

This chapter reflects on the data and information provided in the previous chapters, building also on Annex 3 which provides a detailed account of the findings of the research team about the influence of decentralization on the development and implementation of preschool policies. These findings stem directly from the interviews and site visits, of which Annex 2 provides an overview.

Dedication to children

The most prominent impression that comes forward from all the interviews, site visits, data and information, is that of a nation which is dedicated to the well-being of its children. This dedication pervades the Moldovan society as well as its leaders and policy makers. There is a wealth of illustrations of this fact. Among some of them, more than one per cent of the country's annual value production is invested in preschool education; parents are very keen to enroll their children; mayors who see a chance to raise local revenue do not hesitate to invest in a kindergarten; and donors are successfully approached to provide assistance. With an enrolment ratio of about 86.5%, Moldova has every chance to join the select club of countries with universal access, despite its low average income.

Towards full inclusion

Despite the commitment and dedication to children, there is not yet a strong policy to complete the last step towards the inclusion of all children. And although disparities in terms of maternal education are moderate compared to other countries, there is a gap between attendance in urban areas (82%) and in rural areas (64%). Of great concern is also that children in the lowest income quintile (50%) stay far behind those in the highest quintile (88%), since we know from a wealth of studies that children in vulnerable contexts benefit most from preschool, and that these children themselves as well as society as a whole benefit most of their inclusion. Finally, the underrepresentation of Roma children warrants attention.

Analysis of occupancy rates shows that a lack of funding cannot be the main obstacle to expansion. On the one hand there are more than 360 LPAs that cannot admit more children (210 LPAs because of overcrowded kindergartens and more than 150 LPAs because of the absence of facilities) but on the other hand 349 LPAs have less than 75% places occupied. Considering that 20% of the total capacity in rural areas is unused, one could say that the Government of Moldova is already investing enough money in preschool to have universal enrolment, if only funds were distributed more according to need.

Some interviewees have expressed concerns in this respect, referring to the cumbersome "optimization processes" that have taken place in primary and secondary education. The

problems that came forward in these processes are said to be caused by the fact that these operations were designed and implemented in a very top-down kind of manner. To prevent this from happening in preschool education as well, the operationalization of vertical and horizontal coordination mechanisms that are in place are needed. The Ministry of Education regularly meets with the 33 Raions, and the Raions in their turn have good links with the LPAs while the kindergartens themselves are generally positive about the LPAs' support and receptiveness to signals. However, discussions about inclusion tend to gravitate to the subject of the waiting list. Whenever the demand for places in a kindergarten exceeds the capacity, solutions are sought and usually found by referring these children to the nearest kindergarten; this can even involve cooperation across the boundaries of LPAs, e.g. in the case of commuting parents.

A broader scope: child development, not just daycare

Although authorities and kindergartens are dedicated to – and usually successful in – making sure that every child that is reported by its parents finds a place, the real problem lies before the waiting list: it concerns the children who do not apply for enrolment in the first place. As in many other countries in the region, preschool education – more in particular the crèche and the kindergarten – are still seen primarily as a daycare facility for parents who both work, rather than an essential child development service that all children need. In other words: while the *need* for enrolment extends to all children, the articulated *demand* tends to be limited to working parents. As a result, interviewees noted that children who are cared for by a parent or grandparent often do not apply. They do not appear on the waiting list and remain invisible for local policy makers and kindergarten staff.

In fact, kindergartens and LPAs have difficulties to plan for full inclusion. Absolute numbers of a big proportion of the enrolled children are known, but there are two problems. First, many private kindergartens are not registered, and hence not included in the statistics, second extra-territorial enrolment may over/underestimate the coverage in a particular locality. Although the total number of children in the relevant age cohort is published at some point in time, migration dynamics leave these figures rapidly outdated. Hence local policy makers find difficult to say with precision how many children are excluded, and national policy makers do not have an overview of the Raions and LPAs where enrolment ratios are the lowest and where action is most needed. Moldova is not unique in this respect.

This is not to say that the country is not trying hard to reach the excluded children. Short programs in alternative settings such as educational centers were introduced to reach children in remote areas. However, up until today these alternative facilities make up only 5% of all preschool institutions, and expressed in numbers of children it is probably even less. Yet, this strategy would still be the best way to move towards universal enrolment at affordable costs. Cost analysis throughout the CEECIS region has shown that the unit costs

of short programs are consistently four to five times lower than the unit cost of full-day kindergarten, meaning that Moldova might even reach universal access at a smaller preschool budget, if only a somewhat larger share of the children are in the short programs. Slightly raising the fee for the full-day programs – considering that working parents normally have the means to pay a bit more than just a third of the price of the food – would also be a fair contribution to a situation of coverage for all.

Who takes the initiative?

With respect to governance, impetus seems to be the key word here: currently it is not clear who should take the initiative to reinvigorate the policy for alternative preschool modalities in remote areas. Is it the Ministry of Education? Certainly, the ministry holds a mandate to lead preschool education as well as the agency that has the vision and the expertise. But the discretion to start new preschool facilities has been delegated to the LPAs, so that the Ministry no longer has the concrete tool in hands to actually open up new facilities where they are so badly needed. The LPAs, conversely, have the discretion to start new preschool facilities but they often lack both the understanding of the importance of non-daycare preschool programs and the financial means to cover start-up costs. Education departments at Raion level would have the capacity to drive the process, but just as the ministry they lack the discretion to do so.

Our recommendation is, in essence, to retain the de jure arrangement with regards to the decentralization, but to make it work better. There are strategies and opportunities to do this, which we outline below. Decentralization of the preschool function should not mean the end of involvement of higher levels in increasing capacity. Ministry and Raions can still work to convince LPAs of the need to achieve full enrolment, as long as this comes with the amount of technical and financial support that LPAs need in order to make it happen.

Two steps can kickstart this process. First, and for the bigger picture, the Ministry jointly with UNICEF and relevant partners, could generate a fourth scenario based on a prior costing exercise (UNICEF, 2015). This fourth scenario would assume (i) that most of the additional capacity that must be created to reach full enrolment consist of three-hour center-based child development programs without meals; (ii) that some of the current capacity is converted into such non-daycare programs, and (iii) that working parents with children in the daycare programs pay more than just a third of the food.²⁹ For example, as in other countries in the region, parents might pay all of the food since it is not clear why food is subsidized for enrolled children and not for excluded children. Another option is to introduce a fee in the order of 15% to 25% of the cost price of the entire program, which

²⁹ For example, as in other countries in the region, parents might pay all of the food since it is not clear why food is subsidized for enrolled children and not for excluded children. Another option is to introduce a fee in the order of 15% to 25% of the cost price of the entire program, which is far from unusual in international perspective. To prevent exclusion, this fee could be means-tested with a sliding scale according to income, or it could be waived entirely for certain categories of families.

is far from unusual in international perspective. To prevent exclusion, this fee could be means-tested with a sliding scale according to income, or it could be waived entirely for certain categories of families. This exercise – which could simply be based on the same data and methodology of the 2014 costing report – is likely to show that under such assumptions, 100% enrolment requires little or no additional recurrent funding.

The second step would be that Raions, informed and sensitized with regards to the fourth scenario, would draft and submit costed plans for full enrolment to the Ministry. Obviously, the Raions would need to be coordinated closely with the LPAs because the latter will have to implement the plans. The Congress of Local Authorities for Moldova (CALM) could assist in orchestrating this process within the given legislative and governance frameworks, having similar experiences with other ministries (e.g. Regional Development and Infrastructure). Likewise, the Academy of Public Administration could provide the necessary training to civil servants at the respective levels.

Immediate pressures: low remuneration and reliance on external funding

There are two reasons why a sound financial plan for universal preschool is particularly urgent. First, the research team was consistently warned that salaries of teachers and other staff in preschool education are very low, particularly at entry level;³⁰ that not enough young people opt for pre-service training to become a preschool teachers, and that even the ones who do qualify as preschool teachers will not always work in a kindergarten for a longer period of time. In other words, salaries are *unsustainably low*, and given the fact that the kindergarten workforce is ageing, there may soon be shortages of personnel that impede the badly needed expansion process. One could argue, therefore, that the need to raise salaries makes it even more urgent to provide more non-daycare preschool programs. Second, there is a strong reliance on mixed funding sources, especially outside Chisinau. While preschool education within the country's capital is funded for 98% by the government (91%) and parents (7%), the LPAs are contributing 7% and donors and other sources 15%. Since LPAs differ in terms of local tax revenue and capacity to attract external funding, this reliance on mix sources creates disparities between LPAs, while even the more successful LPAs face a degree of uncertainty. Again, this calls for strengthening the funding arrangement for preschool, and for making this affordable through programmatic diversification.

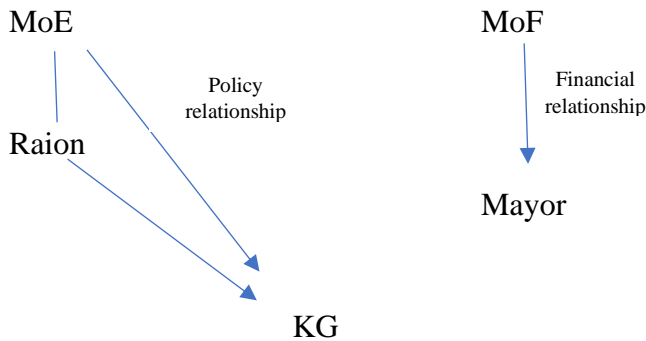
“A child of two mothers”

Of specific importance to the strengthening of the funding arrangement is the fact that preschool education is still, as chapter 3 already noted, a child with two mothers. It is governed by the Ministry of Finance when it comes to funding, and by the Ministry of

³⁰ Salaries depend strongly on qualifications and years of service. So even if one would consider salaries to be acceptable to senior teachers, they are very poor for young people entering the profession.

Education for all the many other aspects. Moreover, the lines from the latter pass through the Raion, while the lines from the former pass through the Mayor, as figure 2 illustrates.

Figure 2. The dual governance arrangement for preschool education



Source: Own elaboration

Since funding is simply based on historical levels and occasional increases for new groups, there is no alignment between funding and the standards that govern the delivery of the programs. In fact, Heads of KGs are not necessarily informed about the funding that the Mayor receives from the Ministry of Finance.

The alignment can be strengthened by a per capita funding system that (i) is based on preschool standards to ensure that all essential inputs can be financed, (ii) includes capital investment so that primaries and kindergartens can actively pursue a policy to aim at full enrolment, and (iii) takes into account that unit costs are unavoidably higher in remote and sparsely populated areas where groups are smaller and distances longer.

Another step towards more alignment would be, of course, the transfer of the responsibility for the funding of preschool education from the Ministry of Finance to the Ministry of Education. Having policy and finance in one hand is standard practice nowadays in most countries, but in Moldova this hinges on the capacity in the education column. At the Ministry of Education only one staff member is fulltime engaged in preschool education with some others lending a helping hand at times, while at the Raion level there is usually also just one preschool specialist who, in addition to developing and implementing policy, acts as preschool Inspector as well as coach to the kindergartens, often without sufficient knowledge of this sub-sector of education. Obviously, our recommendation is to urgently build the necessary capacity in the educational column (the left hand side of figure 2), thus creating the conditions for the transfer of financial responsibilities from Ministry of Finance to Ministry of Education. Some have argued for a complete bypass of the LPAs, i.e. a direct transfer of the funding to the kindergartens. This construction is seen in other countries as well, but again it would require managerial capacity building, this time, within the kindergartens proper.

Private kindergartens

Our last recommendation is one that was already made in chapter 3. There is an unknown number of private kindergartens that are operating outside of the mainstream system. The Ministry has no way of knowing whether basic standards of safety, hygiene and quality are met and whether the curriculum is respected in these institutions, while no one knows the number of enrolled children which hinders planning for full inclusion. This should be addressed urgently.

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Annex 1. Sources and Indicators used for chapter 3

Various parts of the ‘de facto’ situation at local level was elaborated based on a special database which combines different data sources and years. Each source includes data about different relevant variables and localities:

- **National Bureau of Statistics (NBS) for educational data** (referred to year 2016) at local level (877 localities rural and urban):
 - Number of preschools
 - Number of groups
 - Places for children
 - Number of children enrolled
- **Ministry of Finance (MoF) Financial data** (referred to the year 2015) <http://mf.gov.md/actdoc/BOOST/analiza201> (**858 localities rural and urban**)
 - Public expenditures for preschool education adjusted budget
 - Public expenditures for preschool education executed budget (what was actually executed)
- **Level of development of rural localities (2014)** <http://mec.gov.md/ro/content/indicatori-social-economici-pe-localitati> (**801 localities only rural**)
 - Based on the small deprivation index (IDAM) ranking, the localities were grouped in four categories of development. The localities with
 - Level of development 1: The first 200 localities of the ranking and least deprived
 - Level of development 2:
 - Level of development 3
 - Level of development 4: The last 200 localities of the ranking and most deprived.

Annex 2. List of interviewees

List of people and institutions interviewed from the 20th to 24th March 2017

Day - time	Institution	Name
Mon – 09.30	UNICEF	Margarita Tileva, Deputy Representative Larisa Virtosu, ECD Officer
Mon – 11.00	Ministry of Education	Vranceanu Maria, ECE Specialist, Financing division
Mon – 16.00	UNDP	Valeria Ieseanu valeria.ieseanu@undp.org
Tue – 09.30	National Bureau of Statistics	Vasiliev Maria
Tue – 11.00	Ministry of Labor, Social Protection and Family	Gheorghe Trofin Family policy and social assistance for children,
Tue – 14.00	Ministry of Finances	Division of Local Public authorities finances, division on financing educational sector, social protection sector
Tue – 16.00	Congress of local authorities from Moldova CALM	Viorel Rusu
Wed – 09.00	Pas cu Pas	NGO sector
Wed – 10.30	CNETIF	NGO sector
Wed – 14.00	City hall Chisinau	Directorate General of Education, Youth and Sports
Wed – 15.00	Public KG Botanica sector	Director
Thu – 9.00	Cimislia	Head of the Department of Education, raion level
Thu – 11.00	Cimislia	Heads of KGs from whole raion
Thu – 12.30	Mayor of Cimislia	Gheorghe Raileanu,
Thu – 14.30	Head of KG in Cimislia	Rita
Thu – 16.00	Mayor of Ekaterinovka and KG Director	Nadezhda Kotlova,
Thursday	Orhei	
	Raion Department of Education, Youth and Sports Office	Tamara Bosnarov, Policy maker and preschool inspector Nelli Stan, Deputy-Head Tatiana Botnaru
	Raion Administrative Council	Vlad Zghibarta, Deputy-Chair
	Raion Finance Department	Head of Finance (name of this lady to be identified) Galina Colun, Head, Finance Department,
	Mayoralty	Vice-Mayor Valerian Cristea Svetlana Postolache, Specialist for Social Issues
	Kindergarten in Orhei Town	Director of Kindergarten (name) Stirbu Emilia, Director

	Kindergarten in Mitoc Village	Mayor and Director of Kindergarten (Alexei Cojocari)
Fri – 09.00	Teacher's Training college	A. Mateevici”
Fri – 10.00	Moldova University	
Fri – 10.30	Institute of Education Sciences	Clichici Veronica
Fri – 14.00	CIDDC, CNPAC	Cezar GAVRILIUC, Daniela Simboteanu
Fri – 16.00	UNICEF	Margarita Tileva, Deputy representative, Larisa Virtosu, ECD Officer, Deolinda Martins, Social Policy Specialist

5. Annex 3. Quantitative Data Analysis of Preschool Governance

This Annex contains a summary of a qualitative data analysis based on the interviews and site-visits that were conducted for this study. The transcripts of all interviews and visits were analyzed in detail, searching for correspondences in the following four columns:

- Autonomy
- Institutional capacity
- Accountability
- Implementation of policies and programs

This was done for the following dimensions:

- Policy and strategy planning
- Implementation roles
- Vertical coordination
- Horizontal coordination
- Financing
- Quality
- Research and innovation

The following levels were identified, though it should be noted that this is indicative and that outcomes will be treated with great care in the final analysis covering all four countries in this study (Moldova, Serbia, Azerbaijan and Kyrgyzstan):

- Low: No manifestation of construct among informant sample
- Moderate-low: At least one local-level informant mentioned manifestations of the construct
- Moderate: Two or more local-level informants mentioned manifestations of the construct among
- Moderate-high: There is general consensus of construct, but variable consistency across informants with regards to the nature of that manifestation
- High: There is general consensus of construct, and overall consistency across informants with regards to the nature of that manifestation

	Autonomy	Institutional Capacity	Accountability	Policy and Program Implications
Policy and Strategic Planning	<ul style="list-style-type: none"> - The fiscal, competences and territory blocks (which constitute the pillars of decentralization in Moldova) drive financial, institutional and governance processes. The large number of LPAs, many under the legally-allowed population number, has implications for local tax revenue raising and administrative capacities. - Law on Administrative Decentralization assigns preprimary education to city, village, municipal level and are funded through special transfer budget. - Participation of KG in Chisnau in policy reform process. Raion leadership also manifested being consulted (eg. Standards equipping PSIs). - Less participation was noted at the level of Universities involved in teacher training - NGOs part of MOE boards manifested being able to inform some policies 	<ul style="list-style-type: none"> - The Academy of Public Administration emerged as an entity to train civil servants. - The Raion level and KGs have the ability to keep track of children in catchment areas, which is key to policy planning and forecasting 	<ul style="list-style-type: none"> - Preschool directorate at the Raion level is responsible for mapping or “forecasting” target populations, a well as keep enrollment records for strategic planning purposes - The leadership of the KGs work with the mayoralties on the Institutional Development Plan. The authorities submit these plans to the Dept. of Education at the raional level and the raion consolidates this data and approves the consolidated plan in the Raional Council. Afterwards they submit this to the Ministry of Education. 	<ul style="list-style-type: none"> - There was moderate evidence of local-level autonomy for policy and strategic planning. The most salient local-level autonomy and participation was reported at the City of Chisnau level, more research is needed to assess autonomy in more remote localities. Congress of Local Authorities for Moldova has an agreement with different Ministries (Regional Development, Infrastructure) to participate to policy in discussions. This could be a partnership model for the education sector. - There was moderate evidence institutional capacity for policy and strategic planning. Raion-level capacities for planning and forecasting are centered on population mapping. The Academy of Public Administration was mentioned, and could be explored as a potential entity for building local capacities particularly for strategic planning. - Evidence of accountability for policy and strategic planning at the local level is moderately high. A vertical process involving KGs and their participation on mayoral Institutional Plans was mentioned as a possible participatory mechanism for local-level planning. The role of the Raion on forecasting demonstrates a significant mechanism for strategic planning that resides at a decentralized level.

Implementation Roles	<ul style="list-style-type: none"> - National Program on the Development of Pre-School Institutions: coordinators of KG meets with heads of KG for rollout - Raion-level regulation of preschool operations is limited. Mayoral responsibilities are largely financial and operational. -The primaria organizes cultural events for parents and children and would like to have more collaboration with the raion. 	<ul style="list-style-type: none"> - Issues of institutional capacity at the level of implementation are explored separately depending the different functions. 	<ul style="list-style-type: none"> - The mayors, who administer the education institutions, hire directors of KGs. These assignments should be conducted in the basis of competencies and outcomes of competitions. The level to which this legislative provision is fulfilled is varied. A mayor noted Primaria participates in the selection committee for Heads of KGs, which only have 5-year contracts and must pass a competition every 5 years. Oversight for competition process needs to be explored further. 	<ul style="list-style-type: none"> - There was moderately high evidence of local-level autonomy for service implementation. Coordinators of KGs through mechanisms like the National Program on the Development of Preschool Institutions can exert local-level influence. Mayoral functions were largely of financial and managerial oversight. - Evidence of accountability for policy and strategic planning at the local level is moderately low. There was inconsistency on the reporting of mechanisms for the oversight of KG director selection.
Vertical Coordination	<ul style="list-style-type: none"> - Managers of institutions communicate with Raion-level education department to solve most operational issues. Depending on the issue and relevance, some processes may reach the Ministry (e.g. discussions on teacher supply). The assertion of efficiency of vertical coordination was mentioned by central-level informants. - KG heads were described to be work directly under the mayors 	<ul style="list-style-type: none"> - Networks of mayors used as entry point for communicating local-level needs to central-level bodies 	<ul style="list-style-type: none"> - MoE convenes meetings with all 33 raions regularly, however reports on participation and periodicity of meetings varied - The Department of Education in the MoE communicate with Education Units at the raion level who then communicate with Mayors and KG directors - The Raion level acts as a coordinator. There is a KG coordinator who plays important local-level liaising functions. 	<ul style="list-style-type: none"> - There was moderately-high evidence of local-level autonomy of vertical coordination. There was general consensus on the ability of KG directors to communicate with the Raion, who could in turn communicate with the Ministry of Education. - There was moderate institutional capacity to exert vertical coordination. One key mechanisms mentioned was the network of mayors, which represents an institutionalized mechanism for local-level coordination. - Evidence of accountability for vertical coordination was moderate. Although there was general consensus on the provision of regular meetings, reports of their periodicity and levels of participation varied. A significant node of local-level accountability was the Education Units within the raion level.

<p style="text-align: center;">Horizontal Coordination</p>	<p>- Central level informants noted working groups exist to coordinate policies for children – with illustrations of multisectoral initiatives. These ways of coordination are manifested primarily at the raion level.</p>	<p>- No evidence mentioned</p>	<p>- Meetings between Raions and education-related bodies (Pro-Didactica, Step by Step and scientific institute of education) take place to promote communication.</p> <p>- Meetings between the Ministry of Education and other sectors were reported to take place when needed (e.g. school food safety meetings that gathered Raion and central-level bodies).</p> <p>- Inter-sectoral working-groups established when formulating legislation on a case-by-case basis.</p> <p>- Manifestations of inter-sectoral efforts exist at the local (village) level, albeit no evidence of permanent coordinating bodies were found. One example is the Commission for Children, activated to address cases of child maltreatment/abuse (police, local authorities, health sector).</p>	<p>- There was moderate low evidence of local-level autonomy for horizontal-level coordination, which appeared to manifest primarily at the raion level through “working groups”. These seem to be more ad hoc than institutionalized.</p> <p>- We did not gather evidence on institutional capacity for horizontal coordination.</p> <p>- Evidence of accountability for horizontal coordination was moderate at the central level, where there was evidence for coordination on a needs-basis. Locally, the Commission for Children was one mechanism for coordinating services at the local level, but there was no evidence for permanent coordinating bodies.</p>
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<p style="text-align: center;">Financing</p>	<ul style="list-style-type: none"> - GEP, World Bank, UNICEF, Romanian government (Moldova Social Fund) funding have contributed to rise in enrollment. - CCs are funded by local authorities, and majors may decide to open a CC to provide services for a few hours. CCs operate under the Ministry of Social Protection, though are reported to align with Education sector guidelines. - Mayors currently manage preschool financing, though different descriptions of financial management were described: (1) Mayors submit a request to the Raion, which is then aggregated and presented to the Ministry of Finance for request. (2) Funding goes from central authorities to LPI and then preschools. Raions disburse funds but do not make decisions with regards to financing. - Bargaining power for mayors with regards to spending was reported to be low - Funding for areas with small number of children is challenging to acquire - Villages without PSIs access services in neighboring villages - Financing for KGs was also reported to come from primarias - Funds for recurrent costs was reportedly low (repairs, maintenance costs) - With regards to teacher training, scholarship mechanisms are important. 	<ul style="list-style-type: none"> - Financial decisions determined at the Ministry of Finance level. Requests for new centers are reviewed and approved at the Ministerial letter -Local-level financial management capacities require more support - Institutional capacities for management in Primarias reportedly are generally high. When working in conjunction with KGs, this transfer of institutional capacities has implications. 	<ul style="list-style-type: none"> - Funds assigned for preschool education are relatively small, and actual transfer of funds is not based on per-capita needs. - Some informants noted mayors have the discretion to supplement or use funds for other purposes, while others noted transferred funds were earmarked. -No specific mechanisms for accountable spending were mentioned, although the LPA/primaria was noted as having managerial power over the budget by working with heads of KGs. However, the level of engagement varies. Mayors and councils are mainly responsible for budget oversight. The Raion level does not have that function. - The LPA disbursed funds to the KGs - No presence of parent and teacher associations reported, to oversee funds and drive more investment in preschools. Parents are only allowed to provide funds for food. - Criteria for the disbursement of funds for the Romanian grant was unclear. 	
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Quality	<ul style="list-style-type: none"> - Inclusion: Ministry of Education noted as lead in policy formulation and implementation. - Teaching materials and pedagogy: defined at a central level - Child assessments: ELDs, from international framework. No local-level child assessment reported - In-service training: Mayors are able to propose thematic seminars. Teachers fund their attendance. Primarias reportedly also support training seminars (though infrequently) - Access: if several KGs have few children enrolled, the major can create “educational complexes” by merging functions (e.g head of KGs) and combining child groups. No streamlined policies for increasing urban access to preschool. 	<ul style="list-style-type: none"> - In-service training: trainings per year were reportedly required. - Inspection and oversight: Inspectors reportedly have differing levels of specialized early childhood education knowledge. 	<ul style="list-style-type: none"> - Inspection and oversight: Inspectors reported at the Raion level. In Chisnau, this occurs at the level of the City’s department of education. Department of education should visit KGs periodically. No evidence of coaching, and outcomes of inspection/oversight. - Teacher-student ratio: high variability, no operational standards in this regard noted - Staffing: LPA-1 was noted to lead competitions for head of KG hires - Inclusion: national plan for Roma inclusion (which covers education) but assessment of its implementation its required. According to the code of education, the state could support special initiatives, but only if the demand is articulated. - Special needs: enrollment of children with special needs low. One center reportedly with special services for children with special needs. - Private provision: private service providers are not required register. - Equity: social protection strategies can be used to identify beneficiaries and encourage participation - Teacher salary: rates according to teacher qualification, established nationally, relatively lower for preschool teachers 	<ul style="list-style-type: none"> - Teaching materials, pedagogical guidelines, and child assessment were reported to be defined primarily at the central level. - Mayors at the local level can contribute to in-service processes as well as restructuring of centers to adjust class sized. Therefore mayors potentially influence structural quality. More ECE-specialized support at the level of local inspectorates is needed. - No formal mechanisms to ensure implementation of policies to promote inclusive ECE
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<p style="text-align: center;">Research and Innovation</p>	<p>- Research capacities at local level and particularly for small localities and innovations needed in remote locations are needed.</p>	<p>- Materials: NGOs reportedly introduces materials with uptake for teacher training. Partnerships with MoE are important. - Innovation: partnerships between mayors, the raion and institutions are needed to bolster capacities</p>	<p>- Monthly coordination meetings (Raion level) noted as important venues for exchange of experiences, methodologies and innovation</p>	
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