

Terms of Reference
**Leading Local Consultant to review per capita financing formula and, as needed,
introduce adjustments**

1. Background information on the project

Moldova Education Reform Project (MERP) is a World Bank-financed Project.

The total cost of original credit is SDR 26.1 million (USD 40 million equivalent) and the Additional Financing in the amount of SDR 7.1 million (US\$ 10 million equivalent) is provided to the Republic of Moldova in support of Moldova Education Reform Project.

The MERP supports the Government of Moldova (GoM) reform program by financing activities that will strengthen the quality of education and lead to a more efficient education sector. Through this Project, the World Bank supports the GoM in implementing the needed reforms, which include initiatives for:

- Improve learning conditions in targeted schools;
- Strengthen the education monitoring systems;
- Promoting efficiency reforms in the education sector.

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

MERP's focus is to support interventions that would lead to improvements in the quality and efficiency of primary and general secondary education. Specifically, the AF would allow the Ministry of Education, Culture and Research (MoECR) to expand the coverage and depth of selected activities already initiated under MERP, such as teacher and school managers' training, participation in PISA, and development of an additional module to EMIS (TVET module) and roll-out of the preschool module.

The MERP has three components:

- A. "Strengthening the Quality of Education"
- B. "Improving the Efficiency of the Education Sector"
- C. "Improving the Ministry of Education, Culture and Research's capacity to monitor the reform".

One of the main priorities of the Project is to support the Ministry of Education, Culture and Research in its effort to improve the efficiency of the education sector.

Between 2007 - 2009 years, a new per student financing formula methodology was developed under the "Quality Education in the Rural Areas of Moldova" Project. Later, per student financing formula was approved by the Government Decision no 612 dated October 30, 2009, and piloted in 2 rayons starting with January 1, 2010.

In 2012, it was decided to expand the new financing methodology from 2 to 11 rayons and 2 municipalities, while in 2013 to roll it out nationwide (all 1,340 educational institutions).

During the last 8 years of implementation of financing formula mechanism, the Government of Moldova has initiated and promoted several reforms in the education system, among which is the inclusive education development program, school bussing of students and teachers, implementation of various curriculum models, etc.

To better reflect the complexity of the costs of primary and secondary schools, to stimulate teachers and managers career development, thus ensuring better quality of education, it is necessary to review and adjust the current per student financing formula mechanism implemented in Moldova since 2010.

MERP project supports the activity to review per student financing formula in order to improve and reflect, in more detail, the needs of the primary and general secondary education.

2. Objective of the assignment

The objective of the assignment aims to improve the efficiency of the system for allocating public funds to schools and use of resources within schools, while increasing education quality, by reviewing and adjusting the current per student financing formula for primary and general secondary schools.

3. Scope of Work

The consultant to be hired based on these Terms of Reference should perform the following activities:

Conduct an analysis of the legal and regulatory framework related to per student financing formula

- Analyse and examine per student financing formula methodology and Regulations of application, implemented in the system of primary and secondary education in Moldova between 2010 – 2018 (Government Decision (GD) no.612 dated 30.10.2009, GD no.535 dated 14.07.2011, GD no.728 of 10.02.2012, and GD no.868 dated 08.10.2014);
- Analyse and examine the legislation in force (Education Code, Budget Law, Law on local public authorities, Decentralization Law, Law on Local Public Finance, Quality standards for primary and general secondary schools, Standards on minimum equipping of classrooms at school subjects in general schools, etc.).

Analyse the efficiency of per student financing formula

- Analyse the efficiency of the existing per student financing formula considering state policies on ensuring access to education;
- Analyse the execution of the school budgets in formation of savings and their use by general schools.
- Analyse the allocated amounts and the use of the district component (the formation of the district component is described in the Government Decision no 868/2014, Annex 2. It refers to the amount formed to support small primary schools, the functioning of small schools that cannot be closed, the capital repairs and the purchase of fixed assets).
- Conduct 6 site visits to discuss with local authorities and the management of the local education bodies, school managers and teachers the challenges in implementation of per student financing formula. The consultant will coordinate with the MoECR the list of rayons selected for the visits and will be responsible for organization of discussions and will assume all the expenses necessary for site visits.

Coordinate the development of adjustment proposals

- Develop and submit for review the proposals for adjustment of the existing per student financing formula, based on an analysis of bottlenecks and challenges identified by the Ministry of Education, Culture and Research.
- Simulate in Excel, or another program the outcome of proposed changes and demonstrate how they will improve the efficiency of per student financing formula;
- Provide calculations and determine the additional necessities for financing according to a proposed revised formula;
- Develop key indicators that will allow the MoECR and the Ministry of Finance (MoF) to monitor and evaluate the performance of the revised formula and adjust it, if necessary;

- Develop proposals to adjust the Regulations on application of per student financing formula and legal framework in the area, if appropriate.

Provide methodological support in application of adjusted per student financing formula

- Train the MoECR and the MoF staff on the adjusted per student financing formula and its application at different levels, through a seminar organized by the MoECR; The consultant will be responsible for arranging all the necessary logistical aspects for the seminar and conduct the training;
- Train, through a series of seminars, representatives of all 35 local education bodies on the adjusted per student financing formula and its application at different levels. The consultant will coordinate with the MoECR on all logistical arrangements for the organization of 35 one-day-seminars. The consultant will cover only his transportation to the sites.

4. Qualification requirements and basis for evaluation (evaluation criteria)

(i) General experience (30 points):

- University degree in economic field;
- Practical knowledge of the normative framework which governs educational sector activity;
- Proven experience with review of regulations governing education financing;
- At least 2 years of experience in international institutions/organizations/ projects in the area of education;
- At least 2 years of experience in working with state institutions, high level officials and central/local authorities.

(ii) Adequacy for Project (50 points):

- At least 5 years of experience in the area of education, finance and management, including in development of financing formula at national/international level (preferably in new EU members countries or Commonwealth of Independent States (CIS) countries);
- Practical experience in analysis of data and preparing the basis for development and implementation of financing formula for state educational institutions;
- Knowledge and experience in assessing efficiency/cost-efficiency/cost-benefit.

(iii) Language and Experience (20 points):

- Excellent knowledge of Romanian language;
- Knowledge of Russian and English language would be an advantage;
- Experience with Microsoft Office package (Word, Excel, Power Point, etc.).

5. Duration of the assignment and estimated time input

This consultancy is expected to begin in December 2019 and be completed by December 2020. Consultant will submit deliverables to the MoECR as follows:

Deliverables	Submission Deadline	Approved by
Inception report, which will include analysis, recommendations and concluding notes on the necessity to amend legal and regulatory framework analysed	4 weeks from starting the contract	General Education Department of the Ministry of Education, Culture and Research and MERP Team

Report on the analysis of the efficiency of per student financing formula, identified challenges and their possible causes, including results of discussions held during site visits and recommendations moving forward.	9 weeks from starting the contract	General Education Department of the Ministry of Education, Culture and Research and MERP Team
Summarised report on the simulation results of per student financing formula adjustments, including calculations of simulations, calculations of the necessity of additional financing and key indicators that will allow the MoECR and MoF to monitor and evaluate the performance of the revised formula	34 weeks from starting the contract	General Education Department of the Ministry of Education, Culture and Research and MERP Team
Draft Government Decision on amendment of the existing regulatory framework and, if appropriate, other legal documents in the respective area, which will be promoted as per provisions of the Law no.100/2017.	40 weeks from starting the contract	General Education Department of the Ministry of Education, Culture and Research and MERP Team
Report of the series of seminars for representatives of all 35 local education bodies on the adjusted per student financing formula and its application at different levels.	54 weeks from starting the contract	General Education Department of the Ministry of Education, Culture and Research and MERP Team

All deliverables will be submitted in hard copy and electronically (MS Office, extension doc., A4, Times New Roman, font 12, range 1, margins 2 cm, Excel/ another program spreadsheet), and will be approved by the MoECR within 10 days from the submission or returned for further completion. Reports will be submitted in Romanian and will include a summary for translation in English, which will be submitted to the Project Team/World Bank for information purposes.

6. Institutional Arrangements

The consultant will work under the direct supervision of the General Education Department of the MoECR. At the same time, the consultant will collaborate with the Ministry of Finance and the National Consultant who will provide assistance to the review of the per capita funding formula under a separate assignment.

The MoECR will provide work space to the consultant.

The MoECR will provide the Consultant with all Project documents deemed necessary for assignment accomplishment.

7. Confidentiality statement

All data and information received from MoECR for the purpose of this assignment is to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to MoECR. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the MoECR.