

TERMS OF REFERENCE

National Individual Consultant: Public Financial Management (PFM) Specialist to enable the piloting of Pre-school Education Services funding schemes in the Republic of Moldova

Duration and timeline: 150 working days (within a 11.5 months period from December 2020 to December 2021)

1. Background

For the last decade, UNICEF has supported the Government of Moldova and partners to develop inclusive education, protection and nutrition policies for young children. Professionals working in early childhood care and education were supported to further enhance their competencies in child-friendly approaches, and communities were empowered to claim children's rights to education, health and protection. Alternatives to traditional kindergartens such as community centers were modeled, costed and institutionalized. International expertise was brought in to share experiences on innovative perspectives on the social inclusion of marginalized children. UNICEF Moldova, in partnership with PricewaterhouseCoopers Audit SRL (PwC), has also conducted a costing of Early Childhood Development (ECD) services in Moldova. With a view to further improving service quality, UNICEF currently supports the development of standard packages of educational services for all levels, including pre-school.

As a result of these interventions and other national efforts, 87.7 percent of three to six-year-old children had the chance to learn, play and get ready for school in 2019¹ compared to only 44 percent in 2000, putting Moldova at the top among countries in the CEE-CIS² region in terms of enrollment in pre-school education. However, some challenges still remain. For example, the proportion of rural residents attending pre-school is lower than that of urban residents. Indeed, the urban-rural divide continues to widen, increasing from 27 percentage points in 2010 to 41 percentage points in 2019³. It is unclear whether this is due to the fact that children from adjacent villages often attend urban kindergartens (and are thus registered in urban statistics), or there being a greater supply of kindergartens in urban areas.⁴

School readiness continued to improve from 93 percent in 2012⁵ to 97 percent in 2019⁶ as a result of the steady increase in the number of children attending pre-schools and thanks to improvements in children's learning outcomes.⁷ However, data show that Roma children are relatively poorly prepared for primary education, mostly due to the fact that very few are enrolled in pre-school education (21 percent in 2011).⁸ Indeed, once Roma children attend pre-school, they meet the requirements for enrolment in primary school, highlighting the importance of access to ECD services in ensuring improved learning outcomes for all children later in life.⁹

Poverty has a significant negative impact on pre-school enrolment and vulnerable children (such as Roma children and children with disabilities) are particularly disadvantaged. The

¹ National Bureau of Statistics, *Education in the Republic of Moldova*, electronic publication, 2018/2019

² Central and Eastern Europe, and Commonwealth of Independent States

³ National Bureau of Statistics, *Education in the Republic of Moldova*, electronic publication, 2018/2019

⁴ Government of the Republic of Moldova (2013). Op. cit.

⁵ National Centre of Public Health of the Ministry of Health of the Republic of Moldova and United Nations Children's Fund (2014). Op. cit.

⁶ Brief analysis of primary and secondary general institutions in 2019-2020 school year, National Bureau of Statistics, December 2019

⁷ National Bureau of Statistics (2015). 2014/15 Education in the Republic of Moldova. Statistical publication.

⁸ United Nations Moldova (2013). Op. cit.

⁹ United Nations Children's Fund (2015e). Participatory assessment of barriers hampering the access of Roma children and their families to services.

difference between the lowest and highest quintiles is about 30 percentage points (64 percent versus 92 percent).¹⁰ The pre-school attendance rate of Roma children is much lower than that of non-Roma children – about one-fourth. Finally, only eleven percent of the 2,169 children aged 3-6 years registered as having a disability were enrolled in pre-schools in 2019¹¹.

Despite an increase from 1,381 pre-schools to 1,486 between 2010 and 2019, growth in the number of pre-schools has not kept up with demand, with persisting shortages and urban-rural imbalances.¹² On one hand, pre-school occupancy in rural areas is below capacity, at 75 percent on average, but there are, at the same time, approximately 150 villages without pre-school institutions. Given the **importance of proximity when it comes to education institutions for this very young age group**, this is of significant concern. On the other hand, pre-schools in urban areas – particularly Chisinau – are consistently operating over capacity, indicating that there is also a shortage of pre-school institutions in urban centers¹³. Due to increase in demand and lack of capacity, overcrowded groups in pre-school affect the quality of education. For children aged 3-6 years, three-quarters of pre-schools have groups exceeding the standards, primarily in urban areas. In some cases, more than 25 or even 45 children are placed in the same classroom¹⁴ whereas the standard established by the Ministry of Education is a maximum of 15 children for those aged 0-2 years, and 20 for children aged 3-6 years.

Meanwhile, privately run institutions are also relatively few¹⁵ due to the lack of a legislative framework that can regulate their establishment or operation. The many private institutions that currently do exist are registered as nonprofit entities and are not subject to the same quality checks and educational standard requirements as public pre-schools.

The short comings and imbalances described above suggest that, alongside efforts to improve the quality of ECE and the demand for such type of services, a review of the financing and funding mechanisms underpinning ECE in Moldova is needed. Indeed, in order to expand sustainable access to pre-school education, particularly for children from vulnerable groups, it is important to establish an equitable and transparent methodology for the allocation of funds toward pre-school services nationwide. It is also important to explore the role of private providers of ECE, and to determine how such services will be financed nationally (from the central level, from local public authority revenues, from fees, etc.).

Therefore, UNICEF together with external consultants supported the Government of the Republic of Moldova, specifically the Ministry of Education, Culture and Research (MECR) and Ministry of Finance (MoF) in **designing a funding scheme and funding allocation framework for pre-schools** (covering children 3-6/7 years of age). Seven funding schemes were developed with UNICEF support and presented to the MECR and MoF.

The funding schemes were developed based on data collection and analysis process. The process included visits in several kindergartens both in the Chisinau municipality and in two districts (Soldanesti and Taraclia) to gain a better understanding of the situation on the ground, as well as consultations with a range of key stakeholders at the central level (UNICEF, government representatives, non-governmental actors, international organizations, etc.).

The development of the models was done based on simulations using actual financial information for all kindergartens in the country for the fiscal year 2017. All funding schemes were presented in workshops attended by a wide range of stakeholders and both MoF and MECR took note of these models.

¹⁰ UN Women and United Nations Children's Fund (2013). Op. cit.

¹¹ UNICEF estimates based on administrative data on children with disabilities provided by the Ministry of Health, Labour and Social Protection in 2019.

¹² Early Education Institutions in 2019, National Bureau of Statistics

¹³ United Nations Children's Fund (2016d). Op. cit.

¹⁴ United Nations Children's Fund (2016c). Op. cit.

¹⁵ Private institutions represent only 1% of total number of preschools, Early Education Institutions in 2019, National Bureau of Statistics

In Moldova, most ECE services cover children aged 2-7 years. The financing for such services comes directly from the State budget: from central authorities to “level one” local public authorities (LPAs), of which there are 896 in the country, headed by a mayor. However, contrary to primary and secondary schools, most of which are autonomous and receive their funds directly from central authorities, the budget for kindergartens is managed by mayors’ offices. Annual allocations are based on declared needs, and central authorities transfer funds with the expectation that expenditures be done as per the approved budget. However, in practice, local public authorities have full autonomy over their own budget. They may use the funds as initially mapped out or decide to divert funds from pre-school education to other purposes. Local authorities are also the entities that decide when and where to establish new early childhood education and development institutions/programmes for children under the age of three, based on their financial resources. However, opening new ECD institutions in rural areas, where populations are often small, has proved to be very difficult. Central authorities prioritize the financing of existing pre-school institutions, and local budgets are often too limited to cover the larger capital investments necessary to establish new institutions¹⁶.

At the same time, **financial allocations from central authorities to local authorities, including those intended to cover ECE, vary significantly**¹⁷. While there are some justifications for this heterogeneity – for example the annual cost of providing ECD for children in urban areas is 55 to 60 percent higher than in rural areas¹⁸ – the rationale behind the differing allocations is not sufficiently clear and transparent to local public authorities or the population as a whole.

2. Purpose of work

Support the Government of Moldova, and especially the Ministry of Education, Culture and Research, and the Ministry of Finance, in reforming the funding of pre-school education in Moldova and to increase access to and enrollment in pre-school education in targeted municipalities, specifically among the most vulnerable children such as Roma, children with disabilities, children from rural areas, children from poor families, and others. More specifically, this support will entail identifying and piloting two funding schemes for pre-schools in two municipalities.

The Public Financial Management (PFM) Specialist is expected to support the work of an Education Economist (contracted separately under ToR provided in the annex) in collecting and analyzing budget data on Early Childhood Education to support the identification of the most cost-efficient and equitable funding schemes co-developed by the MECR, the MoF and UNICEF, as preparatory work for their piloting in 2022.

The consultancy is expected to be carried out within a twelve-month period, starting from December 2020 and ending in December 2021.

3. Objectives:

Identify the most cost-effective, sustainable, efficient and equitable funding scheme for pre-school through analysis, simulations and field-testing/piloting that would support the achievement of the purpose of the assignment.

More specifically, the national consultant will be expected to:

- Collect budget data related to education and pre-school education with the Ministry of Finance, Ministry of Education, Culture and Research, and local public authorities;

¹⁶ Government of the Republic of Moldova (2014). Op. cit.

¹⁷ United Nations Children’s Fund (2016c). Op. cit.

¹⁸ United Nations Children’s Fund (2016d). Op. cit.

- Compile and present these data to support the MECR and the MoF in identifying the two most efficient and equitable formulas which should be selected by these two ministries (in close cooperation with the Education Economist);
- Support the elaboration of the proposals for the piloting /implementing the formula for financing the preschool early education (in close cooperation with the Education Economist);
- Contribute to the draft and advocate for the Governmental decision on piloting the formula in 2 districts and one municipality starting with 2022 (in close coordination with the Education Economist and the Legal Specialist).

4. Details of how the work should be delivered

The Public Finance Specialist will build on the existing work already undertaken on public finance for preschools for the piloting of the defined funding schemes for financing the early education from the models/ formulas approved and recommended for piloting. The proposed preparatory work needs to be produced in close cooperation with UNICEF, the Ministry of Education, Culture and Research and the Ministry of Finance, as well as with the Education Economist and Legal Specialist also involved in this initiative.

More specifically, the national consultant shall:

- Familiarize himself/herself with the current financial framework regarding the financing of early education institutions;
- Familiarize him/herself with all financing schemes and elaborate on those approved and recommended for piloting by MECR and MoF;
- Collect the budget data related to pre-school for the pilot rayons, including revenue, allocation and execution, as well as on the reporting process for the past two years;
- Develop a related data base regarding preschools' activity in the pilot rayons (all indicators related to the number of children, groups, personnel, budget per items);
- Compare the obtained data with the results of the Simulation Models for the funding scheme for preschools already developed in 2019 by UNICEF international consultant;
- Support the Education Economist in the development of concrete recommendations for the financing of early education institutions which will enable the piloting of the selected schemes/ formulas in two districts and one municipality;
- Provide inputs as required for the elaboration of the draft Governmental decision on piloting the formula in identified districts starting with 2022;
- Organize the trainings on Public Finance Management for LPAs and preschool education staff in the identified districts and municipality in cooperation with the Education Economist;
- Provide support to the MECR and MoF in piloting the funding schemes in identified districts and municipality.

5. Activities, deliverables, and timeline:

Activities	Deliverables*	Timeframe**
<ul style="list-style-type: none"> - Become familiar with the current financial framework regarding the financing of early education institutions; - Become familiar with the seven financing schemes elaborated by UNICEF International Consultant 	<p>Inception Report, including:</p> <ul style="list-style-type: none"> - Plan of activities - Desk review of available and related analyses - Assessment of available data - Methodology and roadmap 	<p>By end December 2020</p> <p>15 working days</p>
<ul style="list-style-type: none"> - Collect the budget data related to pre-school for the two pilot districts and one municipality, including revenue, allocation and execution, as well as on the reporting process for the past two years; - Develop a related data base regarding preschools' activity in the two pilot rayons (all indicators related to the number of children, groups, personnel, budget per items) 	<p>Deliverable 2</p> <ul style="list-style-type: none"> - Budget database compiled and presented to UNICEF, the MECR and the Education Economist 	<p>by end March 2021</p> <p>30 working days</p>
<ul style="list-style-type: none"> - Compare the obtained data with the results of the Simulation Models for the funding scheme for preschools already developed in 2019 	<p>Deliverable 3</p> <p>Comparative analysis report produced (max 10 pages)</p>	<p>by end May 2021</p> <p>20 working days</p>
<ul style="list-style-type: none"> - Develop the Draft Report and Road Map including concrete recommendations for the financing of early education institutions which will enable the piloting of the selected schemes/ formulas in two districts and one municipality 	<p>Deliverable 4</p> <ul style="list-style-type: none"> - Draft Report and Roadmap available - At least 2 meetings organized with MECR, and local authorities to validate the recommendations 	<p>by end June 2021</p> <p>15 working days</p>
<ul style="list-style-type: none"> - Present the draft report and draft road map in consultations meetings in cooperation with the Education Economist: - 1-day consultation with UNICEF and 1-day meetings with other stakeholders, both from Chisinau and from rayons (to include both LPAs and local private ECE service providers) 	<p>Deliverable 5</p> <p>At least 5 consultations meetings organized with local authorities and stakeholders</p>	<p>by end October 2021</p> <p>15 working days</p>
<ul style="list-style-type: none"> - Organize the trainings on Public Finance Management for LPAs and preschool education staff in the identified districts and municipality in cooperation with the Education Economist 	<p>Deliverable 6</p> <p>Trainings on PFM organized</p>	<p>May-November 2021</p> <p>45 working days</p>
<ul style="list-style-type: none"> - Finalize the Report and Road Map for the selected formula's piloting and institutionalization and present them to MECR and UNICEF. 	<p>Deliverable 7</p> <p>Final Report and Road Map available.</p>	<p>by end November 2021</p> <p>10 working days</p>
Total		150 working days

* All deliverables should be presented in Romanian and English languages.

** Exact deadlines will be mutually agreed upon contract signature.

6. Working arrangements and reporting requirements

The PFM Specialist will be supervised by UNICEF Social Policy Specialist. The consultant will work in close collaboration with the staff of the Ministry of Education, Culture and Research, and the Ministry of Finance, and other relevant experts in the field, UNICEF Early Childhood Development (ECD) Officer, and the Head of the General Education Directorate of the MECR.

UNICEF Social Policy Specialist and ECD Officer will provide the necessary support to achieve the objectives of the consultancy and be aware of any issues related to consultant's performance and quality of work.

All activities and deliverables undertaken by the Public Finance Management Specialist shall be discussed and planned in consultation with UNICEF, MECR and MoF and will only be executed following approval from UNICEF and these line ministries. The PFM Specialist is expected to deliver each component of the work-plan electronically (in Word format) in English and Romanian languages. At each stage, deliverables shall be sent to UNICEF Social Policy Specialist and ECD Officer by email.

7. Performance indicators for evaluation of results:

The performance of work will be evaluated based on the following indicators:

- Completion of tasks specified in ToR;
- Compliance with the established deadlines for submission of deliverables;
- Demonstration of high standards of work and professionalism in working relations with UNICEF and with national counterparts.

8. Qualifications and experience

The key qualifications required for the national consultant are as follows:

- An advanced University Degree in Economics, Finance, Business Administration, Public Administration/Policy (with a focus/specialization in economics, and/or finance), Economic governance, or other directly relevant fields with a solid knowledge of PFM instruments and proven experience (at least 5 years) with government social sector budget analysis, at national and decentralised levels;
- Experience with collecting and working with complex financial data sets;
- Good analytical and writing skills, and the ability to present the results in a simple language, making use of visual aids (maps, graphs and other visual tools);
- Experience in organizing and leading trainings in PFM at central and local levels;
- Excellent command of Romanian and English, both oral and written; knowledge of Russian is an asset;
- Strong communication (oral and written) skills;
- Previous work experience with Governmental Institutions or UN Agencies will be considered a strong asset.

9. Content of technical proposal to be submitted

- CV;
- A cover letter describing the candidate's skills and relevant experience with similar types of assignments (max. 700 words);
- Annex: Short Sample or links to related work previously conducted by the consultant.

10. Content of financial proposal to be submitted

The applicant should fill in the Financial Offer Template and specify the all-inclusive consultancy fee, in MDL, per day of work, requested for the tasks described in the Terms of Reference.

Other expenses directly related to the ToR deliverables which must be included in the financial offer as well:

- logistics linked to meetings organization, as required by the Deliverables Table;
- local transportation costs.

The final selection will be based on the principle of “best value for money” i.e. achieving desired outcome at lowest possible fee.

If not provided by the ToR, UNICEF will not reimburse costs not directly related to the assignment. This contract does not allow payment of off-hours, medical insurance, taxes, and sick leave.

UNICEF reserves the right to withhold all or a portion of payment if performance is unsatisfactory, if work/output is incomplete, not delivered or for failure to meet deadlines.

11. Evaluation criteria for selection

The candidate is expected to reflect in the submission the qualifications, knowledge and experience related to the requirements listed above. Technical evaluation will be performed through a desk review of applications, evaluation of technical proposals, and if necessary, may be supplemented by an interview.

The selection process is aimed at selecting the applicant who obtains the highest cumulative score (technical evaluation + financial offer evaluation points) following “best value for money” principle.

12. Payment schedule

The payment will be done in three tranches, according to the following schedule. All deliverables must be delivered on time and to the satisfaction of UNICEF Moldova.

Deliverable (delivered according to the timeline agreed upon with UNICEF)	Proportion of payment
Inception report (deliverable 1)	40%
Budget database compiled Draft Report and Road Map available Trainings on PFM organized (deliverables 2 - 6)	40%
Finalization of the Report and Road Map (deliverable 7)	20%

UNICEF reserves the right to withhold all or a portion of payment if performance is unsatisfactory, if work/outputs are incomplete, do not meet quality standards, or not delivered for failure to meet deadlines.

13. Definition of supervisory arrangements

The specialist will be supervised by the UNICEF Social Policy Specialist of UNICEF Moldova. Payments will be rendered upon successful completion of each task, as per the schedule outlined above.

14. Work location and official travel involved

The work will require local travel in mutually agreed locations including in Chisinau. The consultant is expected to cover costs, arrange and schedule such visits, including transportation. The UNICEF office will facilitate introductions to key informants.

Travel costs not actually incurred due to travel mission cancellation, delays, contract termination or modification are subject to deduction from final contract amount.

15. Support provided by UNICEF

UNICEF will regularly communicate with the specialist, and provide feedback, guidance and necessary support to achieve objectives of the work, as well as remain aware of any upcoming issues related to the performance and quality of work. UNICEF will provide an initial package of relevant documents and an initial list of relevant experts and counterparts to work with.

16. Ethical considerations

The Contractor will ensure that the process is in line with the United Nations Evaluation Group (UNEG) Ethical Guidelines¹⁹. The Contractor should be sensitive to beliefs, manners and customs and act with integrity and honesty while interacting with stakeholders and beneficiaries. Furthermore, the Contractor should protect the anonymity and confidentiality of individual information. All participants should be informed about the context and purpose of the Assessment, as well as about the confidentiality of the information shared. The Contractor is allowed to use documents and information provided only for the tasks related to these terms of reference.

¹⁹ UNEG Guidelines <http://www.uneval.org/document/detail/102>

Annex 1

TERMS OF REFERENCE

National Individual Consultant: Education Economist to enable the piloting of Pre-school Education Services funding schemes in the Republic of Moldova

Duration and timeline: 60 working days (within a six-month period December 2020 – December 2021)

1. Purpose of work

Finalize a funding scheme for early education and adapt the existing legislation in order to start piloting the approved funding schemes.

The Education Economist is expected to analyze Early Childhood Education in a broader socio-economic context and support the identification of the most cost-efficient and equitable funding schemes co-developed by the Ministry of Education, Culture and Research (MECR), Ministry Of Finance (MoF) and UNICEF, as preparatory work for their piloting in 2022.

The Consultant will work in cooperation with Public Financial Management (PFM) and Law Specialists (hired under separate contracts).

2. Objectives

The national consultant is expected to:

- Analyze the return on investment from a more macro socio-economic perspective for each of the 7 formulas (i.e. which formula has returns that exceed costs);
- Build the rationale and the evidence to support the MECR and the MoF in identifying the most efficient and equitable formulas which should be approved by these two ministries;
- Elaborate the proposals for the piloting the formula for financing early education (in close coordination with the Public Finance Management Specialist)
- Organize the trainings on Public Finance Management for LPAs and preschool education staff in the identified districts and municipality in cooperation with the PFM Specialist
- Contribute to the draft and advocacy for Governmental decision on piloting the formula in the two identified districts and the Chisinau Municipality starting with 2022 (in close coordination with the PFM and the Legal Specialists).

3. Details of how the work should be delivered

The Education Economist will build on the existing work already undertaken on public finance for preschools for the piloting of the selected formulas for financing the early education from the seventh models approved and recommended for piloting. The proposed preparatory work needs to

be produced in close cooperation with UNICEF, the MECR and the MoF, as well as with the PFM and the Legal Specialists also involved in this initiative.

More specifically, the consultant shall:

- Familiarize himself/herself with the current financial framework regarding the financing of early education institutions;
- Familiarize him/herself with all financing schemes and elaborate, with UNICEF support, on those approved and recommended by MoF and MECR for piloting from the perspective of equity and inclusiveness;
- Use the budget database collected and compiled by the PFM Specialist, and apply the final funding schemes approved by MECR and MoF on actual/concrete institutions to identify which are the most efficient formulas;
- Analyze the results of formula application and compare them with the situation prior the funding scheme application;
- Provide concrete recommendations for the financing of early education institutions which enable the piloting of the approved funding scheme in identified rayons and municipality;
- Will participate in the elaboration of the draft Government Decision on piloting the formula in the identified districts, starting with 2022, in cooperation with the financial and legal specialists;
- Develop the criteria for identifying the piloting rayons in cooperation with PFM Specialist;
- Organize the trainings on Public Finance Management for LPAs and preschool education staff in the identified rayons in cooperation with the PFM Specialist;
- Provide support to the Government in piloting the funding schemes in identified rayons.

4. Activities, deliverables, and timeline:

Activities	Deliverables	Timeframe*
<ul style="list-style-type: none"> - Familiarize himself/herself with the current financial framework regarding the financing of early education institutions; - Familiarize him/herself with all financing schemes developed by UNICEF International Consultant 	Inception Report , including: <ul style="list-style-type: none"> - Plan of activities - Desk review of available and related analyses - Assessment of available data - Methodology and roadmap 	6 working days
<ul style="list-style-type: none"> - Use the budget database collected and compiled by the PFM Specialist, and apply the funding scheme on actual/concrete institutions to identify which are the two most efficient formulas; - Analyze the results of formula application and compare them with the situation prior the funding scheme application. 	Deliverable 2 <ul style="list-style-type: none"> - Efficiency and comparison analysis of the 7 formulas (i.e. which formula has returns that exceed costs); - Technical contributions to design, prepare implementation 	8 working days
<ul style="list-style-type: none"> - Provide concrete recommendations for the financing of early education institutions which enable the piloting of the two selected schemes in two districts and one municipality. 	Deliverable 3 Meeting organized with MECR, and local authorities to validate the recommendations	5 working days
<ul style="list-style-type: none"> - Provide specific inputs including necessary data for the development of a proposed Road Map for the selected formula's piloting and institutionalization, and Timeline 	Deliverable 4 Specific inputs and necessary data provided to the PFM Specialist, MECR, MoF and UNICEF for the development of the Road Map and timeline for implementation of the pilot	6 working days
<ul style="list-style-type: none"> - Prepare and organize consultation meeting for the presentation of draft report and draft road map: - 1-day consultation with UNICEF and 1-day meeting with other stakeholders, both from Chisinau and from rayons (to include both LPAs and local private ECE service providers) 	Deliverable 5 Consultation meetings organized	5 working days
<ul style="list-style-type: none"> - Organize the trainings on Public Finance Management for LPAs and preschool education staff in the identified districts and municipality in cooperation with the PFM Specialist 	Deliverable 6 Trainings organized	25 days
<ul style="list-style-type: none"> - Provide specific inputs to the finalization of the Report and Road Map for the selected formula's piloting and institutionalization to the MECR and UNICEF 	Deliverable 7 Specific inputs provided.	5 working days
TOTAL		60 working days

* Exact deadlines will be mutually agreed upon contract signature.