

TORINO PROCESS 2018–2020

REPUBLIC OF MOLDOVA

NATIONAL REPORT

Disclaimer

Republic of Moldova - national Torino Process report (NRF)

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PART 1. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1.1 Introduction

The Torino Process Moldova Report is an evidence-based analysis of human capital development issues and VET policy responses to the issues. The Torino Process was launched by the ETF for the first time in 2010.

The Republic of Moldova (hereafter Moldova) is at the fifth round of implementation, participating in the Torino Process since 2010. In 2016, the country assumed full responsibility for this process and developed a report applying a self-assessment methodology. In 2019, it continued with the same work approach, assuming a high level of ownership aiming to improve the scope and usefulness of the Turin Process.

The present report was drafted on the basis of the information provided by the members of the working group established by the Ministry of Education, Culture and Research. It includes representatives of more than 20 entities which include ministries and subordinate public authorities, as follows: Ministry of Health, Labour, and Social Protection; Ministry of Economy and Infrastructure; Ministry of Finance; Ministry of Agriculture, Rural Development and Environment; National Bureau of Statistics; Organization for Small and Medium Enterprises Development; National Agency for Quality Assurance in Education and Research; National Agency for Employment; Bureau of Migration and Asylum; Chamber of Commerce and Industry; National Institute of Economic Research; IT Sectorial Skills Committee as well as development partners such as Kulturkontakt, Austria in Moldova; Liechtenstein Development Service; the Swiss Cooperation Office; Austrian Development Agency; Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) (see complete list in annex) and others (see complete list in annex).

During the drafting process, the authors were guided by conceptual and methodological support provided by the European Training Foundation (ETF), using materials obtained during the workshop organized by the ETF in February 2019.

This country report highlights the development dynamics of the legal framework in areas related to vocational education and training (VET), providing a critical reflection on progress with policy implementation since 2016, date of the accomplishment of the previous Torino Process round.

The report was guided by the following core questions:

- Country and VET overview,
- Economic and Labour Market Environment,
- Social Environment and Individual Demand for VET,
- Internal Efficiency and Operation of VET,
- Governance and Financing of VET.

The report is to draw on qualitative and quantitative data to determine the human capital development issues and VET policy (existent or non existent) to address the problems through change and system wide improvement. Finally, the report is presented along and followed by the overall analytical concluding remarks and recommendations, the specific contributions of this report, and suggestions for further policy development. The report aims to facilitate the exchange of knowledge and to stimulate discussion for further enhancement of VET policy implementation mechanisms and improving the quality. Moreover, it is to be useful for international benchmarking and experience sharing between countries.

1.2 Main findings

Overview of VET

Moldova has been implementing VET reform aimed at supporting the socioeconomic development of the country. VET Strategy 2013/20 represents the main policy document that outlines the reform process and sets medium and long-term objectives aiming at strengthening the sector, aligning it to the national context and meeting European integration aspirations. The specific objectives of the VET Strategy include:

- the restructuring and optimization of the VET system,
- adjusting VET delivery to the labour market needs based on competences,
- enhancing the quality of VET through new curricula and quality assurance and National Qualification Framework developments,
- enhancing the quality of the teaching staff with student-centred lifelong learning approaches,
- improving the efficiency of VET funding resources,
- increasing VET attractiveness.

The implementation of the VET Strategy 2013-2020 and its Action Plan has entered its final phase. During the period between 2016 and 2019, active work has been undertaken on the further accomplishment of the strategy's objectives, to improve the quality and effectiveness of the VET sector. In the reported period, there were developed legislative and normative acts aiming to enforce the development of the VET system. Some examples count the enactment of:

- the Law no. 244/2017 on sector skills committees;
- the Government Decision no. 193/2017 on the approval of the Regulation on the continuous training of adults;
- the Government Decision no. 1199/2018 on the National Register of Qualifications;
- the Government Decision no. 1016/2017 on the approval of the National Qualifications Framework of the Republic of Moldova;
- the Government Decision no. 201/2018 on the organization and functioning of the National Agency for Quality Assurance in Education and Research;
- the Government Decision no. 70/2018 on the approval of the Regulation on the organization of VET programmes for dual VET;
- the Government Decision no. 1234/2018 on remuneration conditions of the staff of the educational institutions operating under a financial-economic self-management regime;
- the Regulation on the organization of admission/ enrollment in VET institutions at secondary VET programmes and the Regulation on the organization of admission to post-secondary and post-secondary non-tertiary VET programmes, approved by OMECR no. 894/2018¹ ;
- the Framework Regulation on validation of non-formal and informal education, approved by OMECR no. 65/2019;
- the Regulations on the organization of the qualification examination approved by OMECR no. 1127/2018;
- Technical Concept of the National Register of Qualifications of the Republic of Moldova, approved by OMECR no. 782/2018;
- Methodology for the development of qualifications, approved by OMECR no. 217/2018.

Targeting to strengthen professional skills of VET students through WBL and dual VET there were approved the Regulation on organization of dual VET (2018) and Frame Curriculum for dual secondary VET (2018).

In 2019, the reform in the agricultural sector was launched and the Action Plan² enforced by the Government Decision no. 1283/2018 sets objectives aiming at:

¹ It is approved each year.

² <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=379129>

- reorganization of the research and innovation, VET education and rural extension, accelerating and improving knowledge transfer to the real environment and contribute to economic development,
- connecting the research, education and rural extension activities to agricultural sector requirements,
- enhancing the intellectual potential,
- restructuring of the infrastructure and technical-material basis,
- aligning curricula with the NQF,
- capitalize the public spending for research, education and rural extension system,
- enhance the attractiveness of the agricultural sector.

The conceived reform in the agricultural sector represent a solid ground for setting new directions for the development of the system including VET sector in the field of agriculture.

In the reported period, despite many challenges the advancements in the development and approval of legislative and normative acts witnessed some changes and progress in concrete actions on the implementation of the legal documents and VET reform.

Since the preceding round of the Torino Process, there were no major changes in the distribution of functions and responsibilities for VET governance.

The Governance of VET system is centralized. The Ministry of Education, Culture and Research is the key actor responsible for VET administration and policy development. It acts through its bodies which include VET Department, NQF Department, LLL Department, Republican VET Centre and National Agency for Quality Assurance in Education and Research.

VET institutions in the agro-food sector and in healthcare professions have a double subordination to MECR and to their line ministries (Ministry of Agriculture, Rural Development and Environment (MARDE) and Ministry of Health, Labour and Social Protection (MHLSP)).

Republican VET Centre³ and Methodical Training Center⁴ (MT Centre) are supposed to provide a solid technical support to VET system, MECR and MARDE, including the promotion of VET policies, development of the normative framework, elaboration of curricula, development of methodologies, carrying out training in career guidance and counseling, coordination of the continuous training of the teaching and managerial staff, etc. However, these entities face difficulties to fulfill their attributions due to the lack of financial and human capacities and both entities are understaffed because of the low wages.

In 2017, there was an important change in the public administration based on the Public Administration Reform Strategy (2016-2018). This concluded in a reduction of the number of ministries from 16 to 9. Thus, the Ministry of Culture took over the fields of activity of the Ministry of Education, the Ministry of Youth and Sport and the research field of the Academy of Sciences of Moldova, with the name changed to the Ministry of Education, Culture and Research. The Ministry of Labor, Social Protection and Family took over the fields of activity of the Ministry of Health, with the change of the name in the Ministry of Health, Labor and Social Protection.

The reform aimed at making the public service more efficient and optimization the administrative costs. The staff number was reduced by almost 44% but the wages and responsibilities were increased. Here it has to be mentioned that the reduced number of personnel represent a challenge to fulfil efficiently their role, particularly under increased responsibilities and in the process of reform. For example, VET Department with five people (MECR) is in charge for policy development as well as for monitoring the implementation of national strategies, normative policy framework and coordination of the activities of VET institutions. The number of staff in the Service of Science, Education (VET in the field of agri-food sector) and Rural Extension (MARDE) was reduced from 6 people to 2 being decreed more

³ Under MECR

⁴ Under MARDE

responsibilities by taking over the rural extension and science and innovation divisions. The number of staff (5) in the Department of Occupational and Migration Policies (MHLSP) remained unchanged, yet, due to the fact that other two Departments were dissolved the tasks assigned to the same Department doubled.

Among the key stakeholders with a **consultative role in VET governance** and policy making are the Chamber of Commerce and Industry (CCI), Sector Skills Committees (SSCs), Employer's Organizations, Trade Unions, Council of VET students, donors (LED, ADA, GIZ, SDC and others) and bilateral development agencies. International stakeholders (ETF, USAID, UNDP, WB, ILO, and others) provide technical support for capacity building and VET reform implementation.

The role of civil society and other stakeholders is essential to approach labour market demand and VET offer, facilitate the transition to the labour market and strengthen the link between private sector and VET system. The OSMED is active in policy implementation, with training projects focused on developing entrepreneurial skills. The role of SSCs is important in correlation between VET offer and requirements of the labor market. SSCs were provided legal personality through the approval of the Law *on sectoral committees*. However, SSCs are not yet in a position to play all their roles efficiently. The existing six SSCs have a limited role due to the lack of capacities.

Establishing a constant and effective **dialogue between the main actors** is crucial in the development of the VET sector, and to determine the changes on the labor market. Some progress was registered with the approval of the concept of the *Social dialogue platform in VET* and with the set-up of the National Coordination Council for VET (VET NCC) by the Government. The mission of the Council⁵ presumed to ensure the synergy between VET, labour market and national economy. However, the composition of the Council and its role have to be revised, as it is not functional upon the circumstances that the public administration was restructured and many entities do not exist anymore. Thus, the collaboration between VET stakeholders lacks coordination, systematic and systemic approach to facilitate the relationship between the key stakeholders.

Overall, social dialogue on VET and cooperation between key VET stakeholders is present in the country. However, it is consultative, being characterized by a limited involvement of social partners and of the private sector in shaping the development of policies and system.

In Moldova, there are three main types of **VET providers**: centres of excellence, colleges and vocational schools. VET system provides programmes for qualifications in accordance with the NQF, such as qualified workers, foremen, technicians and other categories of specialists⁶. This also includes dual training, which is organized in VET schools and in companies. Some other institutions, including universities are authorised to provide VET programmes for IVET or CVET.

In the last 2 years, the number of VET students gradually decreased by almost 5 % each year, while the number of VET institutions increased from 86 to 89. There were established two private Centers of Excellence and one private College, and one state vocational school ceased the activity.

The decrease in the number of students was due to the negative demographic trends and a downward trend in the number of gymnasium graduates (potential applicants to VET) and less likely because of the lack of attractiveness of the system. In the last four years due to a generally ageing population and significant youth migration, the number of students is decreasing at all levels year by year.

⁵ The Council consists of permanent members, representatives of the Ministry of Economy, MECR, MHLSP, the board of VET directors, Trade Union, National Confederation of Employers, CCI, Organization for Development of Small and Medium Enterprises Sector (ODSMES), a representative of civil society and alternate members – Ministry of Finance, MARDE, SSCs and other members.

⁶ <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=372759>

In the same period, the **centres of excellence** were provided significant technical and financial support in strengthening their human resource capacities, renovations of the buildings and procurement of relevant equipment.

To note that, according to the provisions of the Framework Regulation of the CEx⁷, they are expected to be innovative, to integrate initial and continuous VET programmes; to be the pivot for didactic, curricular and methodological assurance; to coordinate and guide the work of other VET institutions in the sector; to provide continuous training to teachers and managers of vocational schools and colleges; to certify professional competences, acquired in formal, informal and non-formal environment; to be the social liaison to ensure social dialogue with important players on the labour market, to promote the image of the economic sector and professional education in this field, etc. However, at present, the Centers of excellence are not capable to exercise their role accordingly to their official statute, due to the lack of human capacities and financial scarcity.

Up to now, none of them provides the certification of professional competences acquired in informal and non-formal environment, and very few offer CVET and professional training courses.

Continuing professional development is an ongoing process of acquiring and enhancing professional skills. Some public educational institutions and private ones, OSMED and some companies provide short courses for continuing VET. Here it is important to notice that despite the fact that numerous young people and adults benefit of continuous professional training, there is no coordination between the providers and no mechanism to measure and evaluate the impact of the trainings.

Additionally, many people, including returning migrants, acquire valuable professional skills in informal environment, performing a certain job.

Concerning the **Recognition of Prior Learning (RPL)**, it is needed to note that there is not a system on RPL in place yet and recently, in January 2019, MECR approved the Regulation on validation of non-formal and informal education. According to the Regulation VET institution are to provide the validation of prior learning. Four VET institutions were approved by MERC to pilot the mechanism on RPL in the period between 1 March and 1 October 2019.

However, a functioning and sustainable mechanism for recognition and validation of prior learning and qualifications is still to be developed and established.

Equal opportunity for everyone to access VET are the key principle of the actual policies and strategies. Accessibility of VET is part of the VET strategy 2013-2020. Persons with disabilities have access to education at all levels (initial and continuous VET) on equal conditions with other citizens. Regulations on VET admission reserve 20 % (secondary VET) and 15% (post-secondary VET) of the total number of places (per each specialty/trade) provided in the admission plan with budget funding for children with disabilities, orphans, children with parents with severe disabilities, children from families with four or more children, Roma children and other children from disadvantaged groups. Many VET students are provided accommodation. Almost all students in secondary VET get stipends and all students receive free lunch and those enrolled in dual VET are paid monthly apprenticeship allowance. All these benefit enable young people to access and complete VET.

In the last two years, some concrete measures have been taken to make the VET system accessible to everyone. In order to implement the legal provisions regarding **inclusion**, there was elaborated and approved by the MECR the *Methodological Guidelines on Inclusive Education in VET*, which is undergoing experimentation in nine VET institutions in the period between October 2018 and June 2020. In the same period, the *Good Practice Guide on Career Guidance and Counseling for Students and Youth with Special Educational Requirements* was developed with the support of Kutur Kontakt Austria. Overall, inclusive education is now firmly anchored in the strategies and the national legislation of the Republic of Moldova.

Notwithstanding, even though the inclusion is underpinned by legislation, further measures are required to implement legal provisions. VET providers face a shortage of trained personnel to work with children with special educational needs and the infrastructure of the institutions is not designed to provide

⁷ Framework Regulation on the Organization and Functioning of the Centre of Excellence approved by MECR Order no. 1158 of 4 Dec. 2015.

appropriate access to people with disabilities. On account of the architectural barriers, deficiency of adequate equipment, lack of assistant teachers and trained personnel and absence of appropriate career guidance the school environments do not favor their maximum academic and social development. Thus, financial support and human resources capacity building is needed.

Quality assurance in VET is a topic of ongoing importance. At national level quality management is ensured at all levels of education by MECR and NAQAER, and at the institutional level by the respective quality assurance structures in education. With the reorganization of the Ministry, the Accreditation Body was reconsidered, absorbing the responsibility for research activity. This structure also absorbed the National School Inspectorate and the National Council for Accreditation and Attestation.

Every five years VET institutions and training programmes (initial and continuous) offered by them are to be subjected to external quality assessment carried out by NAQAER. Until recently the VET system did not benefit from quality assurance tools. Relative progress has been achieved in this field. In 2017 the Manual on Internal Quality Assurance in the VET System of the Republic of Moldova was developed. Quality assessment refers to institutional capacity, educational efficiency, including academic achievement/ learning outcomes, the quality of initial and continuous training programmes, institutional quality management, the consistency between the internal assessment and the real situation.

In 2017, NAQAER launched the procedure of external quality evaluation for accreditation of educational institutions, private and public ones. Until now, only some universities were accredited, and the accreditation procedure of VET institution commenced in 2019.

The Qualification system registered good progress in the reported period. In 2017 upon the reorganization of the Ministry of Education, there was created the Department of National Qualification Framework and soon after the National Qualifications Framework of the Republic of Moldova was approved by Government Decision no. 1016/2017.

According to the Education Code, professional qualifications are awarded in line with the NQF. The NQF aims to establish an integrated, open and flexible national qualification system covering all levels and forms of professional education, including lifelong learning, oriented to meet the needs of the labour market, align to the country's economic development and align with European policies. The development of national qualification standards is coordinated by MECR in collaboration with line ministries, SSCs, VET institutions, employers' representatives and it is approved by the Government.

The NQF of Moldova has eight levels, following the model of the EQF. Secondary, postsecondary and post-secondary non-tertiary VET cover levels 3, 4 and 5 of NQF. Structure description of qualification levels in the final chapter of study/learning outcomes is analogous to that of EQF.

The qualifications in VET are to be developed based on OS for each level of TVET, in line with EQF and needs for skills in the labour market. At present, there are only 36 approved OS (just 3 OS developed in the reported period) for level 3 and 86 qualification standards (out of 200). In 2018, the National Register of Qualifications was approved by Government Decision no. 1199/2018, yet, the register is not functioning. In the absence of OS most of the Qualification Standards were not developed based on OS as stipulated in the Methodology for the development of qualifications. Hence, the compliance of the contents of Qualifications and Curricula with the labour market needs is questioned. In this context, there is an urgent need of new OS and Qualification Standards to be developed as well as a revision of the existent ones including the revision and modification of the Curricula to make the VET offer relevant to the labour market needs.

Anticipating, planning and monitoring skills evolution is essential for VET development. The Department of Occupational policies and migration regulations within the MHLSP is the main actor for the development of labour market policies and anticipating and matching skill demand and supply. Annually the MHLSP carries a mid-term forecast for the labour market and proposes enrolment plans. In addition, the National Employment Agency (NEA), subordinated to the MHLSP, is also responsible for some activities related to the analysis and needs forecast of the labour market. The NEA annually elaborates a short-term labour market forecasts. The survey data and the monthly vacancies' information are used for planning the training courses for the unemployed.

However, the existing tools and surveys do not provide the entire picture of the labour market situation due to various reasons. They cover only a small segment of the employed population as the self-employed and those in family business remain beyond statistical researches. Regarding unemployed persons, just a small number of them register at the employment agencies and cannot be evaluated properly and some of those registered may periodically have occasional/temporary jobs. Another challenge is the degree of informality, which is quite high in many sectors of the economy, particularly in the agriculture⁸. Apart from these, due to limited financial and human resources, the role of other entities such as the Ministry of Economy and Infrastructure, SSCs, business agencies in anticipating and matching the skills is very low or absent.

Given the stringent need to further advance with the anticipating skills needs and matching demand and supply of skills, in 2018, the Labour Market Observatory (LMO) was created as part of NEA and was supported by ETF capacity building activities. LMO is to perform in-depth analysis of the labour market to support policymaking. However, the newly established LMO is not functional yet. The LMO staff urgently needs strong capacity development to fortifying their analytical and planning skills. Additionally, there are financial issues as the budget covers the wages of the personnel and there is no funding foreseen for research activities.

Regarding **financing of the VET system** in the reported period, it has to be highlighted that the share of total expenditure on education in GDP remained high despite budget constraints in the country. In 2018, this quota was 5.5%, and for VET it constituted 0.6%. Moldova's public spending on education, as share of the GDP, was higher than in any other EU country. Moreover, VET particularly benefitted from funding by the EU and other external donors.

The funding sources of VET institutions are allocations from the state budget, own income (sale of products and services), the resources of projects financed from external sources and other revenue allowed by law. The main source of funding are the budgetary means. The institutions are funded in compliance with the number of students. The funding of VET institutions is based on previous costs and not considering their real needs neither based on performance. This in turn does not stimulate an efficient administration of resources favouring the lack of performance.

Generation of additional income is an important input to the development of VET institutions, as state funding is mainly directed for wages, utilities and some basic education materials. Budgetary means are not enough for procurement of professional literature, updating of equipment, renovation of study blocks and dormitories, etc. Until recently, the institutions faced difficulties to use the money as planned, because at the end of the budget year all the resources were withdrawn by the Ministry of Finance as part of state budget resources. Treasury financing also constituted an impediment to making commercial transactions in an optimal period to make the needed purchases. The above-summarized points come to confirm the actuality of the implementation of the normative provisions quoted by Government Decision no. 884 of 12.09.2018, approving modifications to Government Decision no. 1077 of 23.09.2016 *On the cost-per-pupil financing of public institutions of technical vocational education* in order to establish a financial-economic self-management regime of VET institutions. This reality solves some problems but at the same time creates new challenges, in the context in which self-management implies knowledge and skills of planning and managing finances. Most of the VET institutions do not have the capacity to develop and to run economic activities. This capacity should be developed. Apart from this, there are concerns related to the use of these resources properly, in the interest of the entire VET institution.

Despite the advancements in VET reforms, it is important to mention that the witnessed progress lags behind the objectives set up in strategic documents. Labour market continues to be haunted by qualification and skills mismatch. Economic, demographic and political challenges lingered on for the last two years, hampering the development of VET system.

⁸ In the last 5 years the share of informal employment concentrated in agriculture exceeded 72%.

Socio-economic context

In the last four years, the development prospects of Moldova persisted to be challenged by a range of **economic, social and demographic, and political constraints**. Systemic vulnerabilities could not but have a worsening impact on the country's entire state including the development of VET system.

The economy is characterised by a large share of agricultural production, a rapidly growing service sector and a strong reliance on remittances⁹.

Economic growth remains hinged upon consumption due to remittances and recent rises in public salaries. Given that, weaker family bonds of second-generation of emigrants, political and economic crises in Russia and Ukraine and unfavorable domestic environment generated a gradual decline in remittances (from 27.44% in 2013 to 20.16% in 2017 % of GDP), new drivers of growth are needed.

The real GDP growth stood at 4.0 % in 2018 compared to 4.5 % in 2016 and 4.7 % in 2017 (WB, 2019). According to WB ballpark figures, the growth of the country's GDP is expected to slacken, getting to 3.6 % in 2020 and 3.8 % in 2021. In order to achieve the targeted average economic growth of 5.9% for 2010-2020 an annual growth of 9% was supposed to be in the period of 2017-2019.

Over the reported period, the economic growth was slow and unsustainable conducting to the erosion of the potential and competitiveness of the country's GDP. Moreover, the economic growth did not convert into melioration of the wellbeing of the society. The economy of the country lacks the capacity to entail young people of around thirty years and explore the demographic benefits.

High foreign dependence fosters underdevelopment of the national economy. Import is higher than export. The country's debt, internal and external, continued to increase notably during the reported period.

Overall, Moldova remains one of the poorest countries in Europe, registering a GDP per capita of \$ 2,692 and ranking 107 out of 188 on the Human Development Index (UNDP Human Development Index 2018).

The country is confronting labour market challenges which include unemployment, informal work, low labour market participation, an increased number of NEETs, insufficient and inadequate quality jobs, low productivity, inequalities and skills mismatch. The labour market is characterized by low activity and employment rates (43.3% and 42.2% in 2018) with insignificant gender disparities. The gender distribution of the economically active population did not undergo any substantial changes; the share of men (51.1%) was slightly higher than that of women (49.9%) and the share of economically active persons in the rural area was higher than in urban areas: 56.5% and 43.5%. However, there are huge differences in employment by educational attainment, with a 28.2 % gap between the high and low skilled (56% and 27.8% respectively) (NBS, 2019).

In the last four years, the number of the **economically active population** varied insignificantly and was about 1.3 million in 2018. The main component, the employed population, constituted 97% of the economically active population. The economic structure shows most of the population employed in agriculture, services and industry. The NBS informs that in 2018, the share of total employment in the services sector was at 47.4% (51.0 % - in 2017), with a contribution of 64.8 % to total GDP. By comparison, in 2018, 36.1% of employed persons worked in the agricultural sector (32.3% - in 2017) generating only 14.2 % of the GDP and the employment in industry was at 11.8% (12.0 % - in 2017) producing 18 % of the total GDP (NBS, 2019).

The unemployment rate, as defined by the International Labour Office (ILO), in 2018 was 3.0%, varying very little over the last 4 years. According to the NEA data, unemployment has affected men in a larger proportion - 58.4% of the total unemployed and 65.6% of the urban population. The unemployment rate makes it possible, by comparison, to identify the groups of people who are most actively seeking to

⁹In 2017, remittances accounted to almost 20.16 % of Moldova's GDP, among the highest share in the world

enter the labour market. Thus, young people are much more active than adults are, men are more active than women are, and city residents are more active than village residents are.

The high inactivity¹⁰ rate of youth aged 15-24 registered in the last 4 years gives cause for concern. In 2018, it indicated 79.2%, 80.5 % in 2017, 80.4 % in 2016 and 79.2% in 2015. This is due to the fact that not many young people would accept vulnerable employment with a low income, they would rather wait for better opportunities, search for migration or leave on parents' remittances.

The share of NEETs among young people aged 15-24 recorded a decrease in the last four years. In 2018, it accounted for 17.3% compared to 20.2 in 2017, 19.7 in 2016 and 21.1 in 2015 (NBS, 2019). The share of women was higher than that of men with a gap of 2% in 2018, 5 % in 2017, and 2,7% in 2016 and 2015. Owing to the fact that some young people, particularly vulnerable groups are not interested in learning or engaging in work due to poor self-esteem, low communication and job searching skills, reduced adaptability and lack of aspirations and motivation to work/learn the share of NEETs remains high. Other young people display a general passivity, being discouraged by Moldova's economic situation.

Hence, Moldova's **labour market continues to be characterized by skills mismatch**, which seems to have a negative impact on economic performance. The results of the Skills Module of the Moldovan LMF Survey (2018) highlighted that the skills mismatch of the workforce hinders the efficiency of the economic sector. According to employers, the mismatch of skills is characterized by inadequate professional / occupation-specific skills as well as the lack of key competences, insufficient motivation, and low work deontology, particularly in young workers. All these denote that the educational insufficient skills among medium-skilled workers are higher than among high-skilled workers. Moldovan employers complain that inappropriate technical skills, poor work ethic and motivation of the employees hamper the performance of the company. Scarce knowledge of foreign languages are the biggest challenge for high skilled workers, while lame analytical and problem-solving skills and low motivation to learn new things represent the gaps for medium-skilled workers. (Rutkowski, JanJerzy; Levin, Victoria; Bargu, Ali. 2017). Inability to find adequately qualified employees is stated by employers as the main cause of labour deficit.

Thus, on the one hand the main obstacles of employment and problems with unemployment among youth are the lack of skills and work experience. On the other hand, the low wages and unattractive working conditions keep young people from getting employed. Additional structural reforms are needed to improve the business climate and create decent jobs in the country.

Most of the challenges summarised above are caused by the **emigration phenomenon** that largely increased in the last four years. Emigration has an important impact on the Moldovan economy and society in terms of remittances, as well as brain drain. Being defied by economic and political instability, collapsing incomes and rising unemployment, people emigrate from Moldova on a large scale. The population living abroad reached 888.000 – or 25% of the total population, and 54% of the emigrants were females. These emigrants supplied 20.16% to the country's GDP in 2017, being (occupant) the seventh highest percentage in the world (World Bank, 2017). However, in the last four years the percentage of remittances gradually declined due to weaker family bonds of second generation of emigrants. Thus, the remittances sent home serve as a mechanism to alleviate poverty..... (including school children....). At the same time, the substantial exodus of skilled people (brain drain), particularly youth has a negative impact on socio-economic development of the country. In 2018, aiming to find solutions to the emerged problem, Moldova signed a Mobility Partnership agreement with the EU including policy development and enhanced cooperation with EU countries.

This phenomenon, especially the emigration of skilled people, intensified the skills mismatch and endorsing the increase in vacancies in the last four years.

¹⁰By definition of the Labour Force Survey the population working abroad are also considered "inactive", thus it distorts the statistics, decreasing the real activity rate in the country

Aging population and low fertility rate amplify migration problem. The share of people aged over 60 is steadily increasing. In 2017, the proportion of the aging population increased by 17.2% compared to the previous years.

The total fertility rate was 1.26 children per woman in 2016, and in 2017 - 1.17 children per woman of childbearing age. The latter stands below the replacement rate of 2.1 and the population growth rate is 0.0 (NBS).

Political factors play an important role in all spheres of the society and it cannot but have an impact on the VET system as well. By signing the Association Agreement (AA) and a Deep and Comprehensive Free Trade Agreement with the EU, Moldova committed itself to complex processes aiming at economic development and closer cooperation with the EU in 28 key sector policy areas, including employment and education. Moldova has advanced in many reforms stipulated by the AA with the EU. The country riveted on education reforms including VET sector, labour market and social assistance reform, registering progress in education and training, strengthening the quality of institutions, infrastructure and health.

Apart from various economic and socio-demographic discrepancies, the country was affected by **political and financial turmoil**, government instability (three cabinets in two year) and large scale fraud in the financial sector. After the collapse of the three national banks with a cost of 12% of GDP, in order to return the debt to the National Bank of Moldova, the government turned the loan into public debt by adopting Law No. 235/2016, which bonds the government to pay from the budget the loan plus interest. This money comes from citizens' taxes.

The reported period was also marked by internal **political** wrangling and polemical legal initiatives, which made the society and business environment confused about the European orientation. These factors along with a number of actions heavily slowed down the reforms and even estranged Moldova from the EU association agenda. These actions, included a number of legal acts (the failure of reforms in the areas of justice and anti-corruption, the law on 'fiscal and capital amnesty', changes of the country's electoral system, and others) were utterly criticized by many citizens and development partners from the EU and the USA. These slippages fostered the deficit of trust in the Government by citizens, business entities and foreign development partners. As a result, investments as well as the financial support from the development partners¹¹ declined and many reforms were undermined. Moreover, it contributed to further migration outflows, depauperating the country's size of the working-age population. A new government was formed in June 2019 after months of political deadlock that followed inconclusive parliamentary elections in February the same year. The new prime minister has pledged that improving relations with the EU is her government's priority. More than that, the recently installed government has taken important decisions which have allowed the EU to assess that the conditions have been met to resume its budget support assistance to the Republic of Moldova (including the financing of VET), after a nearly two-year period during which such payments had been put on hold.

1.3 Priorities and potential solutions

Priorities and potential solutions were formulated based on the existing challenges. Targeting to make the VET system tailored to employer requirements and achieve its main goal Moldova's VET system could address the challenges to upgrade its offer in accordance with the socio-economic requirements. The analysis of the current situation envisages the formulation of the following potential solutions:

- Strengthen organizational, technical and human resource capacity of:
 - VET institutions to provide LLL and CVET, implement Graduate Tracer Study, create physical access and psychophysical conditions to train students with special needs, developing methodologies and training personnel to support their learning process throughout VET

¹¹The European Commission cut financial assistance to Moldova by 20 million euros in both 2017 and 2018. In July 2018, the European Commission also froze the 100 million euro macro-financial assistance (MFA) programme for Moldova.

- CEx to promote innovations in the sector, RPL, provide didactic, curricular and methodological assurance, ensure synergy between the VET system and the real sector of the economy,
 - coordinate and guide the work of VET schools and colleges in the field, to offer career guidance and promotion of VET, etc.
 - NAQAER to strengthen quality assurance processes in the VET system
 - SSCs to develop social partnerships between economic sectors and VET institutions, elaborate OS, support IVET and CVET and boost the correlation between VET offer and requirements of the labor market
 - VET Republican Centre and MT Centre to promote VET policies; to assist MECR/ MARDE in developing the regulatory and normative framework; revision and elaboration of the curricula, development of methodologies, carrying out training in career guidance and counseling; coordination of the continuous training of the teaching/managerial staff,
 - MECR, and MARDE in progressing towards efficient reform implementation, through the Action Plan¹² aiming to create a competitive system by strengthening the research, VET and extension system and ensure a sustainable economic and social growth in the country.
- Strengthen the capacities of the VET institutions through:
 - improving the effective allocation of funds based on performance indicators (learning outcome, efficiency, graduates rate of employability) of VET institutions;
 - develop and enhance the capacities of VET staff to diversify their sources of funding, capitalizing and generating income from economic activities, derive income from services offered to companies and build capacities in accessing European funds.
 - Build up technical and analytical capacities of the LM Observatory
 - Develop functional mechanism for
 - ensuring equitable access to VET
 - ensuring equality and equity to vulnerable groups of VET students
 - RPL
 - quality control for continuing vocational education and training
 - effective quantitative and qualitative instruments for LM Forecast
 - support better mechanisms for facilitating the transition of graduates to the labour market
 - establishing long-term partnerships between TVET institutions and companies
 - Strengthen public-private partnership and social dialogue though:
 - developing a mechanism for amplifying the participation of social partners in consultative and decision making in VET process;
 - facilitating the relationship between the key stakeholders on systemic and systematic approach by appointing relevant representatives and revising the activity of the National Coordination Council for VET and establish a functional Secretariat for the Council (it could be the VET Republican Centre or MT Centre, or other relevant entity to take the role of the Secretariat);
 - providing financial and non-financial incentives to the employers to get them actively involved in VET,
 - providing capacity building to employers aiming to enhance the quality of WBL, develop and implement dual VET at all three level of VET and contribute to the implementation of reforms;
 - establishing a functional, quality control mechanism for monitoring and evaluation of WBL,
 - analyzing the impact of WBL programmes on increasing employability and facilitating easier transition to work,
 - supporting employers with practical tools and guidelines for WBL,

¹² Approved by Government Decision no.1283/ in December 2019

- strengthening the alignment of the activities of development partners to avoid duplication and increase the impact, through introducing a coordination system within VET Centre/MT Centre/other entity/authority to direct, monitor and coordinate investments and support to the VET system and evaluate the impact;
 - track employment path of VET graduates, implement Tracer studies.
- Develop and implement relevant mechanisms to evaluate the impact of VET reforms on internal and external efficiency.

PART 2. RESPONSES TO ANALYTICAL FRAMEWORK QUESTIONS

A. COUNTRY AND VET OVERVIEW

A.1 Country background

A.1.1 Introduction

Moldova is a landlocked, located in Eastern Europe. It is bordered on the west and southwest by Romania and on the north, south, and east by Ukraine. Formerly a part of the Soviet Union, Moldova gained independence in 1991. Its territory covers 33,843 km². The total length is 1389 km.

The administrative-territorial organization of Moldova is carried out on two levels. The first level is constituted of villages (916) and the cities (61), and districts represent the second level. Rural population share is 65.8% and the level of urbanization gets to 34.2% (NBS, 2018).

Moldova is **a member of** the United Nations, the European Council, Partnership for Peace, WTO, OSCE and other international organizations. Moldova aspires to join the European Union. In 2014 there was signed the Association Agreement between EU and Moldova.

Moldova is **a parliamentary republic** with a president as head of state and a prime minister as head of government. In February 2019 parliamentary elections¹³ took place. In July 2017, the Moldovan parliament change the electoral law, replacing the proportional system with a mixed one.¹⁴

¹³ Parliamentary elections were planned for late autumn 2018 but delayed by the ruling Democratic party, meanwhile passing a package of highly controversial laws, such as the fiscal reform package and the Fiscal Amnesty Law.

¹⁴ The modifications were done ignoring the Venice Commission advice, which considered the changes detrimental to democratic standards. Apart from this in June 2018, Moldova's Supreme Court of Justice invalidated the results of the Chisinau mayoral election. The European Parliament expressed deep concern considering that the decision was taken without transparency and clear justification. As a result, the EU blocked the disbursement of 100 million euro in assistance to Moldova because of unmet preconditions on respect for democratic mechanisms and the rule of law.

Another important change was the **public administration reform (PAR)** in 2017 based on the PAR Strategy (2016-2018) and its related Action Plan adopted in 2016. . This concluded in a reduction of the number of ministries from 16 to 9. Thus, The Ministry of Economy took over the areas of activity from the Ministry of Transport and Road Infrastructure and from the Ministry of Information Technology and Communications, as well as the construction field from the Ministry of Regional Development and Construction, with the name change in the Ministry of Economy and Infrastructure.

The Ministry of Culture took over the fields of activity of the Ministry of Education, the Ministry of Youth and Sport and the research field of the Academy of Sciences of Moldova, with the name changed to the Ministry of Education, Culture and Research.

The Ministry of Labor, Social Protection and Family took over the fields of activity of the Ministry of Health, with the change of the name in the Ministry of Health, Labor and Social Protection.

The Ministry of Regional Development and Construction took over the fields of activity from the Ministry of Agriculture and Food Industry and from the Ministry of Environment, with the name change in the Ministry of Agriculture, Regional Development and Environment.

The reform aimed at making the public service more efficient. This concluded in optimizing administrative costs, delivering public functions more efficiently and increasing the financial motivation of public servants. Fewer recruitments and higher salaries are expected to make the public service more efficient. The staff number was reduced by almost 44% but the wages and responsibilities¹⁵ were increased. The total amount of civil servants in ministries after the reform is about **1100**. The next step of the Public Administration Reform includes the reform of the supervised bodies, agencies, inspectorates, state owned enterprises, etc., included the National Employment Agency (NEA), the Labour Market Observatory, the Agency for Quality Assurance and the Centre for Vocational Education and Training. The Territorial Reform will be the third step of the reform, according to the Government.

The main factors shaping **the structure of the population and demographic change** in Moldova are ageing and migration. In 2017 Moldova's population was estimated at 3547.5 million¹⁶, with steadily decreasing number due to increased outward migration with an outflow of 3300 people in 2018 (NBS, 2018). Emigration is amplified by aging population and low fertility rate of 1.26 children per woman in 2016, and in 2017 - 1.17 children per woman of childbearing age. The latter stands below the replacement rate of 2.1 and the population growth rate is 0.0 (NBS).

According to the UN Department of Economic and Social Affairs, 973 618 Moldovan citizens – or 25% of the total population – lived outside Moldova in 2017. Almost 54% of these emigrants were female. Outward migration plays an important socio-economic role in the country and remittances contribute substantially to consumption, accounting for almost 20.16% of Moldova's GDP in 2017, the seventh-highest percentage in the world (WB, 2018). According to the same source lately, remittances (% of

¹⁵ e. g. the number of staff in the TVET department(MECR) was reduced from 6 people to 5, but they took over more responsibilities as there was dissolved the Department in charge education, including VET in the field of Culture (former Ministry of Culture), and three Departments of International Relations were also dissolved (about 15 people in the MECR and the Ministry of Culture, and the Ministry of Youth and Sport), and their functions were distributed to other departments including VET Department. The reduced number of staff in the TVET Department represents a challenge, particularly in the process of reform, as there are no other regional or intermediary bodies dealing with VET system in the country, apart from VET national Centre, which is understaffed, due to small wages.

The number of staff in the Service of Science, Education (VET in the field of agri-food sector) and Rural Extension (MARDE) was reduced from 6 people to 2 and were decreed more responsibilities taking over the rural extension and science and innovation divisions.

The actual number of staff (5) in the Department of Occupational and Migration Policies (MHLSP) remained unchanged, yet, due to the fact that other two Departments were dissolved the tasks assigned to the same Department doubled.

¹⁶ The number indicates permanent residents, circular migrants and migrants. The de facto the number is much lower, at ca. 2.9 million (Demographic Barometer of the Demographic Research Centre, 2015), implying an overestimation of over 660 000 people (16%). This difference can be attributed to the official definition of migration, and the related records, which include migrants no longer residing in the country, even for over a year.

GDP) are declining gradually from 27.44% in 2013 to 20.16% in 2017 due to weaker family bonds of second-generation of emigrants.

Demographic ageing is clearly visible in the population structure. The share of young people (age 15–24) in the active population declined from 20.3% in 2012 to 15.5% in 2017. The increasing dependency ratios – youth (21.3%) and old age (14%) – have important economic and social implications, threatening sustainable growth and the future sustainability of social protection, including pensions. Moreover, in the coming decades, population decline will continue at a rapid pace. In accordance with the demographic forecast (2015–35), the annual decrease in population will fluctuate between 1.1 and 2%¹⁷. The National Strategic Programme on Demographic Security (2011–25) aims to implement demographic stabilisation policies in order to increase labour market supply, and also improve safety and welfare, to discourage outward migration. More than half of the population is rural, making Moldova a country with one of the lowest levels of urbanisation in Europe.

Moldova is lower-middle income country¹⁸, largely a service-oriented economy, with quite a high share of agriculture in its economy and employment. It also has an uneven territorial distribution of economic opportunities and growth, with the capital city, Chisinau, generating more than half of GDP. The main economic activities that generate revenues for GDP are manufacturing (food products make up 37%), trade, agriculture, construction and transportation, as well as information and communications technology and services.

Following the 2015 recession (due, not least, to large-scale banking fraud), **Moldova's economy** recovered in 2017 with GDP growth of 4.5%. The strong economic growth was bolstered by favourable conditions in agriculture, with a good harvest resulting in a 12.7% growth in exports due to access to EU markets, a strong private consumption that registered an increase of 4.9% in 2017, strong growth in the indexation of public transfers in 2016, and incoming remittances. The average economic growth of was of 5% annually since 2015 (WB, 2019). This trend is expected to continue to increase by 4% on average until 2020, caused by remittances, a rise in real wages and an expected increase in private consumption (WB, 2018). Yet, to achieve the targeted average economic growth of 5.9% for 2010-2020 an annual growth of 9% was supposed to be in the period of 2017-2019. Thus, with the economic outlook in the baseline synopsis expose to significant external and internal risks, further structural reforms are needed to boost the private sector growth and create new jobs.

The poverty headcount ratio (at USD 2.5 per day, PPP) plunged from 28% in 2011 to 8% in 2015 (WB Group/Moldova Poverty Assessment, 2018). However, Moldova still remains one of the poorest countries in Europe with a GDP per capita of USD 2,692, ranking 107 out of 188 on the Human Development Index (UNDP Human Development Index 2018). Rural poverty is four times higher than urban (19% vs. 5%) and the divide between urban and rural income doubled from 23.6% in 2010 to almost 42% in 2015 (UNDP, 2017). The World Bank's Human Capital Index is, at 0.58 (position 75 out of 130 countries) lagging behind the average for the region (World Bank, 2018). Corruption is widespread but due to reforms, tax collection has improved since 2017 (CIA Factbook 04/2019).

A.2 Overview of vocational education and training

The Education Code structures the education system in levels and cycles in accordance with ISCED 2011 (see **Figure 1**):

- early childhood education, level 0, with two cycles - ante preschool and preschool education;
- primary education (level 1), grades I-IV;
- lower secondary education, cycle I – gymnasiums (level 2), grades V-IX; and upper secondary education, cycle II – lyceums (level 3), grades X-XII;
- secondary VET– professional schools (level 3);

¹⁷ https://moldova.unfpa.org/sites/default/files/pub-pdf/PSA_engleza.pdf

¹⁸ as classified by the World Bank (WB)

- post-secondary VET– colleges (level 4);
- post-secondary non-tertiary TVET– colleges (level 5);
- higher education, cycle I – Bachelor degree (level 6);
cycle II – master's degree (level 7);
cycle III – doctoral degree (level 8) and postdoctoral studies.

Gymnasium graduates have three options for continuing their studies: (i) lyceum (with an entrance exam); (ii) secondary VET; or (iii) post-secondary VET.

The enactment of Education Code of Moldova no.152 of 17 July 2014 extended the duration of compulsory education with two years. Since 2018, compulsory education includes lyceum or VET up to the age of 18 years.

VET is the training process resulting in a qualification attested by a certificate or diploma, issued under the law.

VET system includes all educational institutions offering programmes of:

- training of qualified workers, foremen, technicians and other categories of specialists in accordance with the NQF, the Nomenclature of professional training and trades / professions, the Nomenclature of professional training, of specialities and qualifications, approved by the Government as well as ISCED levels 3, 4 and 5;
- retraining of workers and specialists in various fields of vocational training;
- strengthening the professional competences of skilled workers, in line with the requirements of the economy and the labor market.

Since 2014 VET sector provides programmes for dual VET, which is organized in VET institutions and in companies.

There are **three main types of VET providers** which include a total of 89 educational institutions: 13 centres of excellence (including 2 private ones), 34 colleges (including 4 private institutions) and 42 professional schools.

Professional schools provide programmes in secondary VET, level 3. The duration of the studies varies between one to three years depending on the complexity of the trade. Secondary VET programmes are completed with the Qualification Examination, the promotion of which is issued with a qualification certificate and the descriptive supplement of the certificate, according to the Europass.

The qualification certificate allows the employment according to qualification, as well as the continuation of the studies in lyceums and / or post-secondary TVET.

Colleges and CEx offer all types of VET programmes, initial and continuous in:

- secondary VET (level 3),
- post-secondary VET (level 4),
- post-secondary non-tertiary VET (level 5) (see Figure 1)

VET can also be carried out in penitentiary institutions, being organized by VET institutions operating in their vicinity, with the approval of the MECR and the Ministry of Justice.

The duration and structure of the VET academic year is regulated by the Framework Regulations of by MECR. The duration of the programmes differs from 2 to 3 years - for graduates of lyceums (high schools) and VET school graduates; 4 years - for graduates of gymnasium and 5 years - for programmes in healthcare field, based on lower secondary education. Integrated programmes of 4-5 years duration, provide high-school and professional education. Post-secondary non-tertiary VET programmes, 5th level, have a study duration of 2-3 years, the admission at which is made based on the Baccalaureate Diploma.

Post-Secondary VET programmes are completed by passing of the professional baccalaureate exam, the qualification examination and /or the diploma thesis, as well as the optional taking of the national baccalaureate exam.

Post-Secondary and post-secondary non-tertiary VET end with the issuance of the professional diploma, which entitles the holder to employment and the accession to the first cycle of higher education.

Upon Regulations¹⁹ of validation of non-formal and informal education Colleges and CEx are to provide the certification of prior learning.

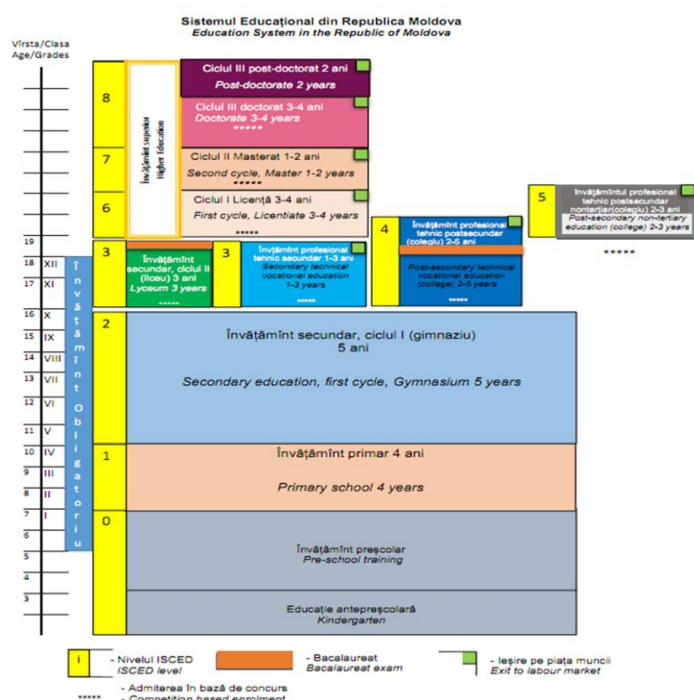
The National Qualifications Framework (NQF) of the Republic of Moldova, approved by GD 1016/2017, is structured on eight levels of qualification, which correspond to the levels established by the European Qualifications Framework (including the Qualifications Framework for the European Higher Education Area (QF-EHEA)). The structure, description of qualification levels and learning outcomes also follow the EQF.

NQF provides the basic principles needed for linking to the European Qualifications Framework (EQF) and for the self-certification of the NQF in relation to the QF-EHEA, as well as the indirect correlation with the frameworks national qualifications of other countries.

the NQF is a tool that makes the qualifications more transparent and easier to understand. It classifies and describes all qualifications, facilitating the promotion of citizens' mobility and lifelong learning.

It will also guarantee transparency and the exchange of information at the level of institutions, the labor market, educational systems in the European space, ensuring quality and building mutual trust.

Figure 1: Educational System in the Republic of Moldova



Source: MECR

VET system in Moldova is carried out in accordance with:

¹⁹ Regulations on validation of non-formal and informal education approved by MERC Order no. 65 of 24.01.2019

- The Constitution of the Republic of Moldova, adopted on July 29, 1994;
- Education Code of the Republic of Moldova no. 152 of July 17, 2014;
- Labor Code of RM no. 154-XV of 28 March 2003;
- Law no. 60/2012 on the social inclusion of persons with disabilities;
- Law no. 244/2017 on sector skills committees;
- Government Decision no. 853/2015 on the approval of the Nomenclature of professional training areas, for post-secondary and post-secondary nontertiary specializations and qualifications;
- Government Decision no. 425/2015 on the approval of the Nomenclature of professional training and trades/ professions;
- Government Decision no. 193/2017 on the approval of the Regulation on the continuous training of adults;
- Government Decision no. 1199/2018 on the National Register of Qualifications;
- Government Decision no. 1016/2017 on the approval of the National Qualifications Framework of the Republic of Moldova;
- Government Decision no. 201/2018 on the organization and functioning of the National Agency for Quality Assurance in Education and Research;
- Government Decision no. 616/2016 on the approval of the External Quality Assurance Methodology;
- Government Decision no. 70/2018 on the approval of the Regulation on the organization of VET programmes for dual VET;
- Government Decision no. 1234/2018 on remuneration conditions of the staff of the educational institutions operating under a financial-economic self-management regime;
- Framework Regulation on internships and practical training in Secondary VET approved by OME no. 233/2016;
- Regulation on the organization and functioning of internship and practical training in post-secondary VET and post-secondary nontertiary VET approved by OME no. 1086/2016;
- Framework Regulation on the organization and functioning of the secondary VET institution, approved by OME no. 840/2015;
- Regulation on the organization of admission in VET institutions to secondary VET programmes and the Regulation on the organization of admission to post-secondary and post-secondary non-tertiary VET programmes, approved by OMECR no. 894/2018²⁰ ;
- Framework Regulation on the organization and functioning of secondary VET institutions, OME no. 840/2015,
- Framework Regulation on the organization of post-secondary and post-secondary non-tertiary VET studies based on the Transfer Credit System, approved by OME no. 234/2016;
- The framework regulation for the organization and functioning of the Center for Excellence, approved by OME no. 1158/2015,
- Framework Regulation on validation of non-formal and informal education, approved by OMECR no. 65/2019;
- Regulations on the organization of the qualification examination. approved by OMECR no. 1127/2018;
- Technical Concept of the National Register of Qualifications of the Republic of Moldova, approved by OMECR no. 782/2018;
- Methodology for the development of qualifications, approved by OMECR no. 217/2018;
- Regulation on the organization and conduct of the competition for the management position in the TVET institutions, OME no. 673/2015,
- Framework Regulation on the organization and functioning of non-tertiary and post-secondary VET institutions, no. 550/2015.

A.2.2 Institutional and governance arrangements

VET Governance (see Figure 2)

²⁰ It is being approved each year.

State actors hold the main responsibilities and VET Governance is centralized. The Ministry of Education, Culture and Research (MECR) is the key actor responsible for VET governance and policy development. It acts through its bodies which including

- TVET Department,
- LLL Department,
- NCF Department
- VET Centre and National Agency for Quality Assurance in Education and Research (NAQAER).

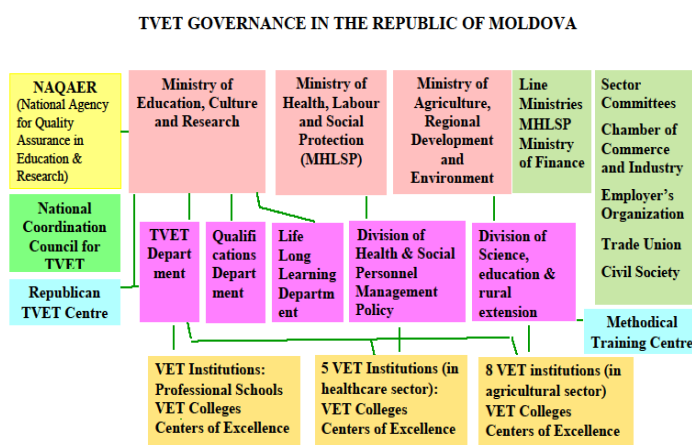
TVET institutions in the agro-food sector and in healthcare professions have a double subordination to MECR and to their line ministries (Ministry of Agriculture, Rural Development and Environment (MARDE) and Ministry of Health, Labour and Social Protection (MHLSP)).

The VET Centre and a Methodical Training Center (MT Centre, under MARDE) are supposed to provide a solid technical support to TVET system, MECR and MARDE. Their objectives include analysis and promotion of TVET policies, the development of policy documents; assisting MECR/MARDE in developing the regulatory and normative framework; curriculum development, methodological development, training career counselors, coordinating the continuous training of teachers and managerial staff. However, these entities face difficulties in fulfilling their mandate, due to the lack of financial and human resources and low wages.

A series of national **actors and institutions** are formally included in policy development and implementation, but mainly have a consultative role in TVET governance and policy making. Among them are the Social Partners (Employers' Organizations and Trade Unions), Sector Skills Committees (SSC), Organization for Small and Medium Enterprises Development (OSMED), business associations and the National Employment Agency (NEA), the Chamber of Commerce and Industry (CCI) and the Council of TVET students. The development of National Qualification Framework (NQF) is coordinated by MECC in collaboration with other line ministries, SSC, TVET institutions and employer' organizations. OSMED is responsible for projects and policies on entrepreneurial skills.

International stakeholders include international agencies (the most important being: European Training Foundation (ETF), USAID, UNDP, The World Bank, ILO) and bilateral agencies (in particular: the Austrian Development Agency (ADA), the German Development Agency (GIZ), the Swiss Development Cooperation (SDC), the Liechtenstein Development Service (LED)), which provide technical support for capacity building and TVET reform implementation.

Figure 1:



TVET providers

VET institutions are established, reorganized and ceased the activity by the Government at the initiative of the founder. These institutions operate under their own regulations, drawn up in accordance with the Framework Regulation approved by MECR. The directors of TVET public institutions are selected based on a competitive process, and are appointed for a term of 5 years (max. two consecutive terms).

VET institutions are governed by a teaching Council, which is a collective governing body headed by the institution's director.

Non state actors and social dialogue

Social partners, civil society and VET providers are consulted in the process of development, implementation and monitoring the new strategies and policies. Among the key stakeholders with a consultative role in VET governance and policy making are the Chamber of Commerce and Industry²¹ (CCI), Sector Skills Committees (SSC), Employer's Organizations, Trade Unions, TVET Students' Council and other social partners, including donors and development partners. The Organization for Small and Medium Enterprises Development (OSMED) is active in policy implementation, with training projects focused on developing entrepreneurial skills. International stakeholders support and fund the TVET reform implementation (Table 10). The NQF development is coordinated by MECC and elaborated jointly with other line ministries, SCC, TVET institutions, businesses and social partners.

In November 2014 there was approved the concept of the "Social dialogue platform in TVET" aiming to strengthen and maintain an effective dialogue and partnership relations between business environment and TVET system, thus, connecting the offer with the labor market requirements. In December 2014, the *National Coordination Council (Committee) for TVET (TVET NCC)*²², was set up by the Government to serve as a *Social dialogue platform on TVET* that would create stronger synergies between TVET, labor market and the national economy. It meets at least four times a year or when called upon. Responsibilities include:

- Coordinating the development, implementation, monitoring, evaluation and review of reforms;
- Providing recommendations on strengthening TVET institutions, on the content of study programmes and the system for evaluation and certification of qualifications;
- Promoting the collaboration between ministries, national authorities, employers and trade unions;
- Monitoring the performance of TVET reforms;
- Contributing to transparency and the relevance of reforms.

Although the Council contributes to a better cooperation between the key actors in TVET, there is still a deficit of active business involvement and dialogue. There is a lack of collaboration as there is no established Secretariat of the TVET NCC to facilitate stakeholder relationships and coordination.

Sector Skills Committees (SSCs) may acquire a particular importance in the future. In November 2017, the *Law on Sectoral Skills Committees* provided SSCs with the opportunity to adopt a legal personality that allows for establishing an effective cooperation interaction with other institutions. SSCs are set up at the level of industries or branches. Their aim is to serve as agents for general consultations and increasing linkages between TVET and the labor market. Some of the envisaged functions include:

- enhancing communication and cooperation between Social Partners, public authorities and TVET providers;
- contributing to the regulatory framework on TVET;
- participating in the development and updating of qualifications and Occupational Standards;
- assisting in the development of the NQF;
- enhancing the participation of employers and employees in initial and continuing VET;
- encouraging the collaboration between Social Partners and other actors in TVET promotion and development;
- participating in the examination, certification and the recognition of prior learning;
- engaging in skills needs analysis and anticipation;
- making proposals for updating the Occupational Classifier.

²¹ According to the Regulation on the organization of technical training programmes through dual education, for the first time to the CCI is delegated with responsible for ensuring and monitoring the quality of training within the company

²² Permanent members: Ministry of Economy, MECC, MHLSP, board of TVET directors, Trade Unions, National Confederation of Employers, CCI, ODSMES, a representative of civil society and alternate members: Ministry of Finance, MARDE, SSC and others.

However, the SSC are not yet in a position to play these roles efficiently. Only six SSCs have legally registered, they lack capacities in strategic planning, project development and in facilitating processes such as the development of occupational standards and conducting skills needs anticipation exercises.

Overall, despite the fact that the participation of social partners has increased in the last years, there is still a deficit of active business involvement in TVET and the dialogue with social partners cannot be classified as being strong. The existing 6 SCC have a limited role due to the lack of capacities. The collaboration between TVET stakeholders lacks coordination, systematic and systemic approach because there is no entity that would fulfill the role of the Secretariat of the National Coordination Council for TVET, to facilitate the relationship between the key stakeholders

Financing

The Ministry of Finance is the main actor in VET funding. It works closely with MECR, MARDE and MHLSP. VET institutions are legal entities, with accounts in the State Treasury. Their annual financing plans are approved by MECC or line ministry (the founders). The main source of funding are the budgetary means. The institutions are funded in compliance with the number of students, based on previous costs and not considering their real needs neither based on performance. This in turn does not stimulate an efficient administration of resources favouring the lack of performance.

More than half of the total state funding is directed for wages. The expenditures are also meant for maintenance costs, stipends, meals and education process (procurement of equipment, teaching materials, consumables etc.).

Despite budget constraints in the country VET allocations increased since 2014²³. Nonetheless, the investments seldom convert into quality, as there is a lack of educational priorities with a high maintenance costs²⁴ and low efficiency because of the weak management that does not bear responsibility for the results.

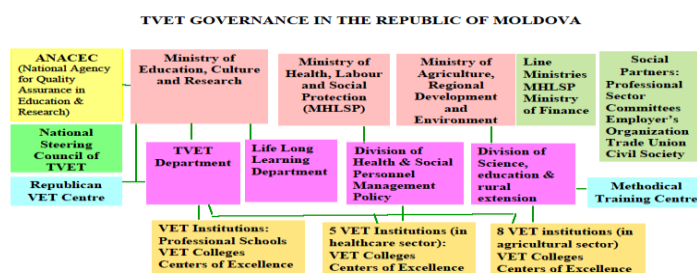
Article 145 (5) of the Education Code specifies that VET institutions are operating as economic and financial self-management bodies, able to do business in accordance with the law. However, VET institutions have low capacities of capitalizing and generating income from economic activities.

A substantial place in VET funding is played by international development partners, who provide investments in modern equipment, capacity building of the staff, curriculum development, etc. (for more details see Table 10) A solid financial support from international donors was provided to facilitate the reforms in TVET system, including a non-refundable grant of the EU budget support programme worth 25 million euros and of the technical assistance project worth 5 million euro for the period of 2014 and 2017.

Figure 2: TVET governance in Moldova

²³ It is important to mention that the growth in financing was determined by inflation, higher maintenance and communal services costs, etc.

²⁴ A high share of expenditures is directed towards financing the auxiliary technical staff, which is numerous (with a share of more than 50 % in some TVET institutions), for the exploitation of old equipment, maintenance of a large infrastructure, etc.



Source: I

A.2.3 Basic statistics on VET

The entire VET system was restructured and commencing 2015/16 academic year the VET network included 44 professional schools, two schools of trades, 4 centres of excellence and 42 colleges (Table 1).

Restructuring process continued and currently there are 89 VET institutions: 42 professional schools, 13 centres of excellence and 34 colleges (Table 1).

At the beginning of the academic year 2018/19 the total number of VET students counted 44348 decreasing by 4.8% compared to the previous year. The number of pupils in secondary VET amounted to 13932 thousand persons, which is 9.7% less than in the academic year 2017/18. In 2018/19 in the centers of excellences studied 13037 pupils, 5.4% less than the year before and 17379 pupils were in colleges with almost no changes in the number of students that studied in 2017/18 (Table 2).

Most students (95.3%) are enrolled in educational institutions located in urban areas. VET education continues to be requested more by boys, their share being of 55.2% in 2018/19 and similar percentage in 2015/16. In the academic years 2017/18 and 2016/16 the proportion of boys constituted 56.3% and respectively 56.4%. Gender disparities are highly expressed in secondary VET (professional schools), reaching a rate of 76% of boys in 2018/19, while in the centres of excellence the proportion of boys indicates 55.6% for the same period and on the contrary, the amount of boys in colleges is much less (38.2%) compared to that of girls (Table 2).

The number of enrolled apprentices rocketed in the last two years, being 2 times higher in 2017/18 compared to the 2016/17 and reaching the share of 8.5% out of the total number of enrolled students in secondary VET. In 2018/19 school year, 28 VET institutions and about 70 companies enrolled 1200 VET apprentices, thus training in total cca. 1500 apprentices through dual VET programmes in 40 trades and specialties.

In 2018/19 the number of VET graduates registered downward trends, by 9.0%, compared to the academic year 2015/16, especially in institutions of secondary VET (a decrease of 21.5%) (Table 3).

In the period between 2017-2019 the number of teaching personell suffered no significant changes. In the academic year 2018/19 it amounted 4069, by 3.1% compared to the previous academic year.

The gender structure of teaching staff reveals a higher share of women (64.7%) than men (35.3%) in 2018/19 and respectively 63.0% for females and 37% for males in 2017/18 (Table 4).

The student–teacher ratio is 10.8 on average. It is 8.2 in professional schools, 11.7 in coleges and 12.7 in centres of excellence. For comparison, one could consider the student–teacher ratio in VET in other

countries²⁵: in Germany – 13.96; Austria – 9.93; Finland – 18.52; Estonia – 17.57; Great Britain – 21.55; and Hungary – 12.58.

Table 1: Number of VET institutions by type in the period between 2015/16-2018/19

Instituții de învățământ profesional tehnic <i>VET institutions</i>					
	2015/16	2016/17	2017/18	2018/19	
Total	92	86	86	89	Total
Școli de meserii	2	–	–	–	<i>Schools of trades</i>
Școli profesionale	44	43	43	42	<i>Professional schools</i>
Colegii	3,081	2,526	2,163	2,397	<i>Colleges</i>
Centre de excelență	514	1,526	1,757	1,676	<i>Centers of excellence</i>
Programe de formare profesională tehnică secundară	208	331	638	376	<i>Secondary VET programmes</i>
Programe de formare profesională tehnică postsecundară	306	1195	1119	1300	<i>Postsecondary VET programmes</i>

Source: NBS

Table 2: Number of VET students and graduates by type of institution and by programmes, 2015/16-2018/19

Elevii și absolvenții învățământului profesional tehnic pe tipuri de instituții și pe programe <i>Number of VET students and graduates by type of institution and by programmes</i>					
	2015/16	2016/17	2017/18	2018/19	
Numărul total de elevi	46,526	48,791	46,586	44,348	Total number of students
Școli de meserii	195	–	–	–	<i>Schools of trades</i>
Școli profesionale	15,222	17,228	15,436	13,932	<i>Professional schools</i>
Colegii	24,641	17,188	17,364	17,379	<i>Colleges</i>
Centre de excelență	6,468	14,375	13,786	13,037	<i>Centers of excellence</i>
Programe de formare profesională tehnică secundară	681	1752	1512	1374	<i>Secondary VET programmes</i>
Programe de formare profesională tehnică postsecundară	5787	12623	12274	11663	<i>Postsecondary VET programmes</i>
Feminin	20,811	21,267	20,327	19,827	Female
Școli de meserii	59	–	–	–	<i>Schools of trade</i>
Școli profesionale	4,302	4,278	3,541	3,319	<i>Professional schools</i>
Colegii	14,580	10,561	10,680	10,725	<i>Colleges</i>
Centre de excelență	1,870	6,428	6,106	5,783	<i>Centers of excellence</i>
Programe de formare profesională tehnică secundară	360	1357	1027	877	<i>Secondary VET programmes</i>

²⁵ https://stats.oecd.org/Index.aspx?DataSetCode=EAG_PERS_RATIO

Programe de formare profesională tehnică postsecundară	1510	5071	5079	4906	<i>Postsecondary VET programmes</i>
Numărul de absolvenți	15472	10373	13952	14079	Number of graduates
Școli de meserii	580	–	–	–	<i>Schools of trades</i>
Școli profesionale	8,288	3,162	6,781	6,505	<i>Professional schools</i>
Colegii	5,102	4,044	3,608	3,852	<i>Colleges</i>
Centre de excelență	1,502	3,167	3,563	3,722	<i>Centers of excellence</i>
Programe de formare profesională tehnică secundară	352	422	804	549	<i>Secondary VET programmes</i>
Programe de formare profesională tehnică postsecundară	1150	2745	2759	3173	<i>Postsecondary VET programmes</i>
Feminin	6572	4842	5743	5846	Female
Școli de meserii	144	–	–	–	<i>Schools of trades</i>
Școli profesionale	2,833	790	1,823	1,773	<i>Professional schools</i>
Colegii	3,081	2,526	2,163	2,397	<i>Colleges</i>
Centre de excelență	514	1,526	1,757	1,676	<i>Centers of excellence</i>
Programe de formare profesională tehnică secundară	208	331	638	376	<i>Secondary VET programmes</i>
Programe de formare profesională tehnică postsecundară	306	1195	1119	1300	<i>Postsecondary VET programmes</i>

Source: NBS

Table 3: VET students and graduates by programmes

Elevii și absolvenții învățământului profesional tehnic pe programe VET students and graduates by programmes					
	2015/16	2016/17	2017/18	2018/19	
Programe de formare profesională tehnică secundară / Secondary VET programmes					
Numărul total de elevi	16,098	18,980	16,948	15,306	<i>Total number of students</i>
Feminin	4,721	5,635	4,568	4,196	<i>Female</i>
Numărul de absolvenți	9,220	3,584	7,585	7,054	<i>Number of graduates</i>
Feminin	3,185	1,121	2,461	2,149	<i>Female</i>
Programe de formare profesională tehnică postsecundară / Postsecondary vocational training programmes					
Numărul total de elevi	30,428	29,811	29,638	29,042	<i>Total number of students</i>
Feminin	16,090	15,632	15,759	15,631	<i>Female</i>
Numărul de absolvenți	6,252	6,789	6,367	7,025	<i>Number of graduates</i>
Feminin	3387	3721	3282	3697	<i>Female</i>

Source: NBS

Table 4: Pedagogical staff by tipe of institutions and sex, 2017/18 – 2018/19

Cadrele didactice pe tipuri de instituții și sexe, 2017/18 – 2018/19
Pedagogical staff by type of institutions and sex, 2017/18 – 2018/19

	Instituții de învățământ profesional tehnic <i>VET institutions</i>		Școli profesionale <i>Professional schools</i>		Colegii <i>Colleges</i>		Centre de excelență <i>Centers of excellence</i>		
	Total <i>Total</i>	feminin <i>female</i>	Total <i>Total</i>	feminin <i>female</i>	Total <i>Total</i>	feminin <i>female</i>	Total <i>Total</i>	feminin <i>female</i>	
2017/18									
Total	4201	2644	1692	858	1485	1068	1024	718	<i>Total</i>
<i>Personal de conducere</i>	476	270	199	83	184	124	93	63	<i>Management personnel</i>
Inclusiv cu norme didactice	394	253	138	73	170	120	86	60	<i>Inclusive with teaching loads</i>
Personal didactic	3725	2374	1493	775	1301	944	931	655	<i>Pedagogical staff</i>
Profesori	2690	1902	675	443	1206	887	809	572	<i>teachers</i>
Inclusiv profesori discipline generale	1357	1061	437	340	546	426	374	295	<i>Inclusive general discipline teachers</i>
Maiștri-instructori	881	356	759	290	46	19	76	47	<i>VET instructors/ foremen</i>
Alt personal didactic	154	116	59	42	49	38	46	36	<i>Other pedagogical staff</i>
2018/19									
Total	4069	2631	1582	844	1465	1051	1022	736	<i>Total</i>
<i>Personal de conducere</i>	485	303	191	97	187	134	107	72	<i>Management personnel</i>
Inclusiv cu norme didactice	425	288	148	89	180	131	97	68	<i>inclusive with teaching loads</i>
Personal didactic	3584	2328	1391	747	1278	917	915	664	<i>Pedagogical staff</i>
profesori	2615	1865	635	435	1183	865	797	565	<i>teachers</i>
Inclusiv profesori discipline generale	1414	1086	436	329	608	466	370	291	<i>inclusive general discipline teachers</i>
Maiștri-instructori	795	328	680	255	42	11	73	62	<i>VET instructors/ formen</i>
Alt personal didactic	174	135	76	57	53	41	45	37	<i>other pedagogical staff</i>

Source: NBS

VET funding

There was a significant increase in VET expenditure in 2017/18 compared to the year 2016/17. This was generated by the increase of the salary expenditures, according to the annual salary policy, the increase of the scholarship amount, the increase of the budget support allocations, capital. Thus, the increase in VET spending from general resources in 2017 compared to 2016 is 175.7 million lei, and in 2018 compared to 2017 by 54.1 million lei. At the same time, the accumulation of the TVET institutions' own revenues had an insignificant decrease due to the reduction in the number of tax-paid students.

In order to implement the TVET reform and improve the quality of studies, VET institutions benefit from EU budget support for the Program for Supporting the Implementation of Vocational / Technical Education Reform (GD no.527 / 2014). Thus, in 2017 budget expenditures were executed expenditures amounting to 99.6 million lei, of which capital investments constituted 94.1 million lei, and in 2018, for this purpose, expenditures in volume of Lei 142.9 million, which during the year were up to 144.9 million lei and executed at the end of the year in the amount of 103.3 million lei, of which capital investments accounted for 99.3 million lei .

In 2017, expenditures for Education sector in the total national public budget (BPN) amounted to 9681,3 million lei, which shows an increase of 1123,6 million lei compared to 2016, and in 2018 - 10471,5 million , with an increase of 790,2 million lei compared to 2017. At the same time, in 2017 TVET institutions' expenditure in the national public budget (BPN) amounted to 1030,4 million lei, and in 2018 to 1084,5 mln

The share of total expenditure on Education in GDP for 2017-2018 is (5.4% -5.5%) and VET institutions in GDP for the years 2017-2018 remained unchanged at 0 6%.

A.2.4 Vision for VET and major reform undertakings

The conceived reforms in 2013-2015 are still in the process, the new legal framework and improved policy documents represent a solid ground for developing new directions for the development of the country, including VET system development and targeting European integration.

The main strategic planning document-the National Development Strategy (NDS) "Moldova 2030" embeds Agenda 2030 and Association Agenda aiming at the development of a sustainable and inclusive economy, including decent working conditions, sustainable and increased income and mitigating economic inequalities and informal employment.

NDS "*Moldova 2020*" represents the overall strategic vision for the period 2012-2020. Its main policy objective is to promote sustainable economic development and poverty reduction. It is focused on seven development priorities amongst which the first one is: "*Aligning the education system to labour market needs ...*". In particular, it is stressed the need for a *Modernization of the TVET system, including continuous training to make the system more adaptable to changes on the labour market*.

The same imperative necessity is also highlighted in the Strategy for Education Development for 2014-2020 and National Action Plan for the Implementation of the Education Reform; Programme for the Development of Inclusive Education for 2011-2020; the National Employment Strategy 2017-2021 with an action plan targeting at improving the labour market prospects and further development of human capital.

The VET Strategy 2020 development priorities include restructuring the VET system, increasing the relevance of VET provision, establishing a national quality assurance agency, aligning VET curricula with the NQF, enhancing the efficiency and quality of VET, making the system more attractive, affordable and career-oriented, providing quality assured qualifications and tools for recognition of diplomas and validation of non-formal and informal learning which would support the mobility in Europe. It sets medium and long-term objectives aiming at strengthening the sector and aligning it to the national context and meeting European integration aspirations.

In the reported period good progress was registered in the VET system. The regulatory normative framework has been adapted to the new needs targeting to support the socio-economic development of the country. Some examples include the approval of:

Regulation on the continuous training of adults, GD no.193/2017;

- Regulation on the organization and functioning of the National Agency for Quality Assurance in Education and Research, GD no. 201/2018;
- Regulation on the organization of VET programmes for dual VET, GD no. 70 /2018;
- Government Decision no. 1234 of December 12, 2018 on remuneration conditions of the staff of the educational institutions operating under a financial-economic self-management regime;
- Regulation on the organization of admission in VET institutions to secondary VET programmes and the Regulation on the organization of admission to post-secondary and post-secondary non-tertiary VET programmes, approved by OMECR no. 894 of 12.06.2018²⁶ ;
- Framework Regulation on validation of non-formal and informal education, approved by OMECR no. 65 of 24.01.2019;
- Regulations on the organization of the qualification examination. approved by OMECR no. 1127 of 23.07.2018;
- Technical Concept of the National Register of Qualifications of the Republic of Moldova, approved by OMECR no. 782 of May 23, 2018;
- Methodology for the development of qualifications, approved by OMECR no. 217 of 28 February 2018.

The National Register of Qualifications is under development. This is to be a tool for quality assurance of training, it will register the accredited programmes and the providers of the programmes.

Furthermore, there were developed and approved curricula for almost all specialties and trades were developed and approved in the last two years. There were developed 36 occupational standards and 19 qualification standards for level 3 ISCED and 68 occupational profiles and 68 qualification standards for level 4 and 5 ISCED in the period 2013-2019.

Another important policy represents the *Law on sector skills committees on professional training*, adopted by the Parliament in November 2017. The need for this document was dictated by the lack of legal personality of the sector skills committees (SSC), which hindered the interaction between the VET system and the labour market.

Overall many objectives stated in strategic documents have already been achieved others are in the process of implementation. Hence, VET Strategy for the years 2013-2020 and its Action Plan entered the final phase of implementation.

The vision on the further development of VET sector remains in the strategic documents aiming at *bringing the VET system in line with the requirements of the labor market in order to increase the productivity of the labor force in the country*. Based on this vision the operational documents are developed, such as the Ministry of Education, Culture and Research Activity Plan for 2018 and the Annual Action Plan of the VET Department of MECR for 2018, approved through the Minister's order. Considering the strategic objectives and the evolution of the previous achievements in the system, MECR highlights current priority directions for continue development and sustainability assurance of VET reform.

²⁶ It is beeng approved each year.

The vision is built on five main objectives:

- Increasing attractiveness and facilitating access to VET;
- Ensure quality of VET education;
- Building VET institutions capacities;
- Promoting partnerships with business and civil society;
- Building VET institutions finance self-management capacity.

Each objective has several sub-objectives that are developed on realities VET system is facing.

The reforms are also integrated into the Action Plan *for the restructuring of the research and innovation system, VET education and rural extension in the agri-food sector* recently enforced by the Government Decision no. 1283, 26.12.2018, which aims at improving the institutional framework by strengthening three important sectors, research and innovation system, professional education (VET) and rural extension in the agri-food sector. Moldova is an agrarian country, however in the last 28 years the agrarian potential was not capitalized at its full potential.

The overall objective of the reform is to create a competitive research and innovation system, professional education (VET) and rural extension in the agri-food sector for the purpose of rural development and the environment to ensure sustainable economic and social growth.

Thus, despite many challenges the majority of the priorities and recommendations included in the previous Torino Process country report have already been achieved.

A.3 The context of VET

A.3.1 Socioeconomic context

Gross domestic product grew by 4% and amounted to 190 mln lei in 2018. The positive development with the greatest impact on economic growth is attested by investments, especially public investments. At the same time, the real increase in household incomes has led to increased consumption. On the other hand, intensification of foreign trade, and above all the prevalence of import on exports, leads to a deepening of the negative trade balance, escaping the growth of the GDP.

Gross value added in "Wholesale and retail trade, transport and storage, hotels and restaurants" had the biggest influence on economic growth, providing 29% of GDP growth; after which "Construction" - 28% of GDP growth; and "Industry" provided 16% of growth, respectively. These three activities were the most influential in 2018.

After a deflationary period, in December 2018 the inflation rate constituted 0.9% versus December 2017, recording a decrease of 6.4 pp. compared to the inflation rate in the same period of 2017. The annual inflation rate was below the inflation target set by the National Bank of Moldova (5% +/- 1.5%). The annual average inflation rate was 3%, being 3.6 pp. less than that recorded in 2017.

The price changes in 2018 influenced monetary factors (monetary growth, restrictive policy of the National Bank of Moldova) as well as non-monetary (exchange rate evolution, reduction of electricity and gas tariffs delivered to consumers as a result of ANRE decisions, etc.).

Due to the low interest rates on loans and the launch of the First Home program, lending to the economy has revived: the volume of new loans granted in 2018 increased by 18% compared to 2017.

The balance of credits to the economy also increased by 4.1% compared to the level recorded at the end of December 2017, representing 39.7 mld. lei. However, there is a reluctance on the part of banks to provide loans, given the high reserve requirements and their profitability.

The budget year 2018 ended with a deficit of 1612 million lei. In 2018, revenues of about 58 mld. Lei (8.6% more than in 2017) and expenditures - 59.6 mld.lei (more by 9.3%) were accumulated in the national public budget. . Most of the expenditure is directed to social protection, but the smallest - to protect the environment.

The total amount of government debt administered by the Government on 31 December 2018 amounted to about 52 mild. , up 0.7% on the same date of 2017. Domestic debt increased by 2.1% and external debt decreased by 0.7%. Although it seems quite high, the level of indebtedness of the country falls within the risk parameters stipulated in the Medium Term Debt Management Program (2018-2020).

The degree of dependency of the national foreign economy remains high. According to preliminary data of the Balance of Payments for 2018, the current account deficit amounted to 10.5% of GDP, transfers of natural persons (compensation for work and personal transfers) - 16.2%, net accumulation of liabilities on foreign direct investment - 2.1%, the negative balance of goods and services - 26%.

Imports of goods have risen faster than exports. In 2018 exports increased by 11.6% and imports - by 19.3%. The negative balance of trade balance amounted to US \$ 3057.3 million, compared to US \$ 2406.3 million in January-December 2017. The coverage of imports with exports in January-December 2018 constituted 47%, being lower than 3.2 pp than that recorded in the same period of 2017.

The evolution of exports has been driven by the opportunities offered by international cooperation agreements (the Association Agreement with the European Union, the Free Trade Agreement with Turkey, etc.), the positive dynamics of the industrial sector, the moderate growth of the agricultural sector, etc. At the same time, the real appreciation of the national currency, as well as the increase in domestic demand, contributed to the increase of the imports, in particular, of the raw materials needed for the supply of the business sector and the functioning of the economy, as well as for the consumption of the population.

The industrial sector grew by 3.7% in 2018. Manufacturing, accounting for about 82% of the sector, increased by 2.8%. The energy sector (+ 7.4%) and the extractive industry (+ 9.9%) were also growing. In the trend of the most progressive industrial branches that led to the growth of the industrial sector in 2018 there are: the automotive industry, especially the production of parts for motor vehicles and electric motors and wires (with a contribution of about +1.4 pp to IPI) production and supply of energy (+1.2 pp); the non-metallic mineral products industry (glass, concrete, cement and gypsum) (+1.0 pp); light industry (clothing, footwear, leather and other textiles) (+0.9 pp); meat processing and preserving industry (+0.6 p.p.); beverage production (+0.4 pp.); furniture manufacturing (+0.3 p.p.).

The expansion of the activity of the Free Economic Zones, especially in the automotive industry, the increase of the external and internal demand for the domestic products, the capitalization of the opportunities offered by the international economic cooperation agreements, as well as the positive developments in the construction sector were the main factors that contributed to the intensification of the activity industrial branches mentioned above.

At the same time, among the industries that have restricted their production volume and contributed negatively to the evolution of the industrial sector in 2018, there are: the food industry, in particular the manufacture of sugar and similar products (-1,0 pp), dairy production (-0, 4 pp), processing and preserving of fruits and vegetables (-0.3 pp); manufacture of machinery and equipment for general use (-0.8 pp. contribution to IPI); manufacture of pharmaceutical products (-0.3 p.p.); manufacture of plastic articles (-0.2 p.p.).

The negative evolutions in the above-mentioned industrial branches were caused by the decrease of agricultural production in some products used as raw materials in the food industry, the decrease of the prices on the international markets for some food products, the low competitiveness of Moldovan products due to production equipment and standards overproduction and low productivity in the livestock sector that continues to affect the dairy industry, underdevelopment of competition in some industrial branches.

After 2 years of consecutive growth, the agricultural sector recorded a further increase of 2.5% (in comparable prices) in 2018. The increase of the global agricultural production was determined mainly by the increase of the vegetal production - by 3.8%. Year 2018 was a favorable year for fruits and berries, corn, grapes. Thus, fruit production increased by 28.4% and contributed to the growth of the

agricultural sector by 3 pp. The volume of maize production increased by 15.4% (+ 2.0 pp) and grapes - by 8.2% (+0.7 pp.).

However, unfavorable climatic conditions in May-June and August 2018 caused production to decline in such products as wheat (-7.2%), potato (-11.3%), vegetables (-7.4%). Production of sunflower (-2.5%), sugar beet (-19.8%), tobacco (-29.3%) were also declining. Although the average yield per hectare for the last products has been on the rise, declines in production have taken place due to the reduction of sown areas.

The livestock sector is declining for the second consecutive year, registering a decline of 1.1% in 2018.

The decrease in livestock production was mainly due to the decrease in milk production (-14.7%), being explained by the decrease in the number of cows by 13.7% compared to the previous year. The unfavorable situation in the field is also due to the concentration of livestock in individual households (about 88%), the underdevelopment of entrepreneurial activities and, as a result, low productivity in the sector. The situation in the livestock sector also has a negative impact on the industrial sector. The volume of dairy production in 2018 decreased by 9.5%.

Egg production in households of all categories also decreased by 1.3% as a result of the decrease in egg production in households.

At the same time, livestock and poultry (live weight) increased (+ 3.7%), especially in agricultural enterprises (+ 14.2%).

In 2018, the volume of investments in fixed assets increased by 12.3% over the same period of the previous year, amounting to about 24.2 mild. lei. The intensive increase of public investments, the improvement of the credit situation of the national economy, and the increasing growth of the investments of the economic agents determined the increase of the investment activity in the country in 2018.

Public investment was the main factor that led to an increase in investment activity, which provided 57.8% of total growth. Most of the public financial resources (over 45%) were invested in engineering construction²⁷ (streets, roads, water supply and sewerage systems, heating, irrigation systems, etc.), which recorded a 44.5% increase. Also, public investments in non-residential buildings (+ 10.4%), land (3.8 times), tangible assets (intellectual property rights, research and development, software)).

Private investment, accounting for around 60% of total investment, also increased by 2.6%. Economic agents have increased their investments in transport, equipment, machinery and equipment, residential and non-residential buildings. One of the main factors that ensured the increase in private investment was the increase in the volume of credits to the private sector as a result of the improvement of the credit situation in the economy. The volume of investments financed by domestic credits increased 72.3% and amounted to 2.3m. lei. About 94% of this amount was granted to the private sector.

At the same time, investments from the sources of international organizations granted in the form of grants and technical assistance recorded a decrease of -7.1%.

The volume of transport services grew in 2018. Railway, road, river and air transport companies carried about 19.4 million tons of goods or 10% more than in the same period last year. Increases in the volume of goods transported were recorded in the case of air transport - by 25.2%, by road transport - by 12.8%, by rail transport - by 2.8%. River transport recorded a decrease in the volume of transported goods by 5.8%.

²⁷ Engineering constructions are defined as constructions that aim to create the conditions for carrying out production activities, providing services, carrying out social-cultural activities. These include roads, streets, water supply and sewerage networks, railways, bridges, heating systems, irrigation, etc.

Inland goods and services trade grew in 2018, demonstrating an increase in consumption by the population and economic agents. The volume of turnover in retail trade increased by 7.6% compared to the previous year, and the volume of turnover in market services rendered to the population - by 10.9%.

The average monthly gross wage of an employee in the national economy in 2018 amounted to 6446.4 lei and increased in nominal terms by 13.2% as against 2017. In real terms the salary increased by 9.9%. In the budgetary sphere the average monthly salary amounted to 5675,1 lei, increasing by 14,6% compared to 2017, and in the real sector - 6748,2 lei and it increased by 12,5%, respectively.

Salaries lower than the average for the country in 2018 were paid in the field of "art, recreation and leisure activities" - 3780,2 lei, agriculture, forestry and fishing " - 4318,4 lei," accommodation and public catering " - 4544.0 lei, "education" - 5147.4 lei, "administrative and support services" - 5243.1 lei, "real estate transactions" - 5534.9 lei, "wholesale and retail" - 6009 , 7 lei, "transport and storage" - 6077 lei, "health and social assistance" - 6228 lei, "construction" - 6456,2 lei.

Higher salaries were paid in the field of "public administration" - 8397.8 lei, "professional, scientific and technical activities" - 8447.7 lei, "financial and insurance activities" - 12181.8 lei, "information and communications" - 14276,1 lei, and in "other service activities" - 7182,1 lei.

Demographic context

Demographic problems in the Republic of Moldova have intensified in recent years, including declining population and deepening the demographic aging process. Increased migration intensity, high mortality rates, especially male premature mortality, are factors contributing to substantial loss of human potential.

The demographic decline is due to the decline in fertility that does not ensure the reproduction of the population. In the last? years, the total fertility rate (RTF) is maintained at 1.6-1.65 children per woman of childbearing age (calculated for the current population). The decrease in fertility in the Republic of Moldova is part of the general European trends, being a part of the decline in fertility in the countries of Central and Eastern Europe, which undergo radical political and socio-economic transformations, as well as a specific characteristic of the second demographic transition was launched in the second half of the 90's of the last century.

Massive migration further accentuates the phenomenon of depopulation and demographic aging. Trends in recent years are the growth of permanent migration with the change of domicile abroad, which is why the young and adult population is declining. At the same time, the fall in adult population occurs as a result of the high mortality rate, especially in men. The probability of dying at the age of 65 for a man at the age of 20 is 40%, two times higher than in developed countries.

According to NBS data, the stable population of the Republic of Moldova as of 1 January 2018 constituted 3547.5 thousand inhabitants (including migrants who have been absent in the country for more than 12 months, being virtually the same level of the previous year (for the period 2017-2012 population decrease the urban population accounted for 42.9%, and 57.1% for the rural population. The distribution of the population by gender was 48.1% for men and 51.9% for women The structure of the population by age groups is characterized by the tendency to decrease the younger ages and to increase the share of the population in the pre-retirement and retirement ages. the working age of 16-56 / 61 years - 64.5%, and in the age group 57/62 years and over - 18.5% (by 0.6 pp more than the previous year and by 3.2 pp compared to 2012) highlights the trend of increasing the demographic dependency rate, especially from the population's account of 60 years and over (Table 5).

According to the demographic forecast for the years 2015-2035, the annual population decline will be about 1.1-2%. The numerical number of births will be very small and will not be able to recover the decline of the population, with the main cause being both low fertility and the decrease in the female population of fertile age (15-49 years). By the year 2035 the population of the country can decrease to 2085.8 thousand (by 28.4%).

Table 5. Evolution of the main demographic indicators in 2012-2017

Denumirea indicatorilor	2012	2013	2014	2015	2016	2017
Numărul populației la sfârșitul anului, mii persoane	3559,5	3557,6	3555,2	3553,1	3 550,9	3 547,6
În % față de anul precedent	99,98	99,9	99,9	99,9	99,9	99,9
Numărul populației stabile după grupe de vârstă, în % față de total	100,0	100,0	100,0	100,0	100,0	100,0
Sub vârstă aptă de muncă (0-15 ani)	17,5	17,3	17,1	17,1	17,0	17,0
Vârstă aptă de muncă (16-56/61 ani)	66,6	66,4	66,0	65,6	65,1	64,5
Peste vârstă aptă de muncă (57/62 ani +)	15,9	16,3	16,9	17,3	17,9	18,5
Născuți-vii, persoane	39435	37871	38616	38610	37 394	34 060
În % față de anul precedent	100,6	96,0	102,0	100,0	96,9	91,1
Decedați, persoane	39560	38060	39494	39906	38 489	36 768
În % față de anul precedent	100,79	96,2	103,8	101,0	96,45	95,53
din care, copii sub 1 an	387	359	372	375	353	330
În % față de anul precedent	89,8	92,8	103,6	100,8	94,1	93,5
Scădere naturală	- 125	-189	-878	-1296	- 1 095	- 270
În % față de anul precedent	186,6	151,2	de 4,65 ori	147,6	84,5	24,7
Rata totală de fertilitate (copii per femeie de vârstă reproductivă/fertilă)	1,28	1,24	1,28	1,30	1,28	1,19
În % față de anul precedent	100,8	96,9	101,6	103,2	98,5	92,97
Numărul căsătoriilor	24262	24449	25624	24709	21 992	20 924
În % față de anul precedent	93,7	100,8	104,8	96,4	89,0	95,1
Numărul divorțurilor	10637	10775	11130	11199	10 605	9 312
În % față de anul precedent	95,7	101,3	103,3	100,6	94,70	87,81
Rata dependenței demografice* total, pers.	45,7	46,5	47,5	48,5	49,6	50,7
Rata dependenței demografice*, 0-14 ani, pers.	23,5	23,4	23,6	23,7	23,9	24,0
Rata dependenței demografice*, 60 ani și peste, pers.	22,3	23,0	23,9	24,8	25,7	26,7

* calculated on the basis of the average number of the stable population, as the number of unfit working persons per 100 persons in working age.

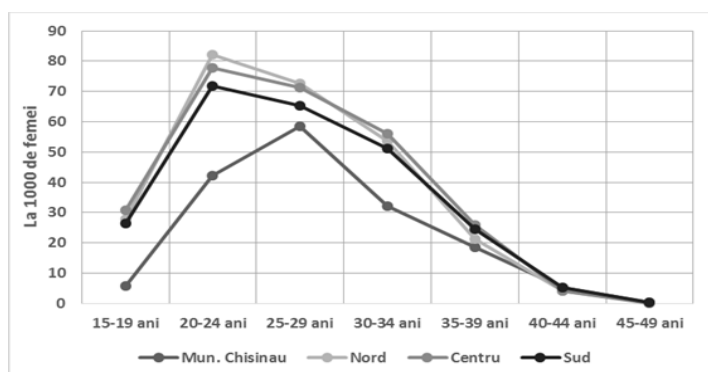
Source: NBS www.statistica.md

Fertility. During the years 2015-2017, the absolute number of live births decreased from 38 610 to 34 060 thousand children. Also during this time increased the mean age of the mother at birth (VMMN), from 27.0 to 27.03 years. Instead, the average age of mother at first birth (VMMPN) remained constant at 24 years. At the same time, the fertility gap is maintained according to the mother's residence, rural women are born at a lower age than those in the urban area. Estimates for 2017 show that VMMN was 27.01 in rural and 28.2 years in urban areas, the intensity of births in rural areas being higher in the 20-24 age group, while in urban ages 25-29 years older.

In terms of territory, the Republic of Moldova records an early fertility model, the fertility intensity is higher in the 20-24 age group in all areas of the republic: North, Center and South. Only the municipality of

Chisinau is characterized by the "late" or "delayed" type of fertility, the fertility intensity being higher in the 25-29 age group. However, the level of fertility in Chisinau is lower than in other areas of the country (Figure 3).

Fig. 3. Feminine fertility by age group in zonal profile, year 2017



Source: NBS www.statistica.md

The total fertility rate (RTF) in 2016 was 1.26 children per woman, and in 2017 - 1.17 children per woman of childbearing age, decreasing by 0.09 children per woman of childbearing age. According to the national statistics, the fertility rate in the Republic of Moldova is extremely low (on average, it would have to be 2.1 children per woman to ensure the reproduction of the population).

The share of children born out of wedlock during the years 2015-2017 is down from 21.9% in 2015 to 21.5% in 2017.

Mortality of the population. In 2017 there were 36,768 deaths, with 1,721 deaths less than in the previous year (about 5%). However, the number of deaths recorded exceeds the number of births by 2,708 cases, with a negative natural increase. The mortality rate decreased in 2017 to 1036 deaths per 100 thousand inhabitants (10.4 ‰) in 2017, with a mortality rate of 1122 deaths per 100 thousand inhabitants (11.2 ‰) in 2015. Mortality among working-age elderly people (15-64 years) constituted 478.9 deaths per 100 thousand inhabitants, and in 2015 - 567.3 deaths, respectively (Table 6).

Table 6. General mortality rate by gender and age, 2015-2017

	2015			2016			2017		
	Ambel e sexe	Bărbați	Femei	Ambel e sexe	Bărbați	Femei	Ambele sexe	Bărbați	Femei
General mortality rate per 100 thousand inhabitants									
Total	1122,8	1226,0	1027,1	1083,6	1195,3	980,1	1036,0	1128,0	950,8
Urban	875,7	994,2	770,8	843,2	952,3	746,9	820,9	921,1	732,6
Rural	1305,2	1390,1	1223,7	1262,2	1368,2	1160,4	1196,9	1276,0	1120,9
General mortality rate for the working-age population (15-64 years) per 100 thousand inhabitants									
Total	567,3	794,0	350,8	536,1	756,0	326,0	478,9	680,9	285,7
Urban	440,1	633,2	267,6	412,7	588,6	255,6	368,9	528,0	226,8
Rural	667,5	913,0	420,3	633,8	880,4	385,0	566,4	795,0	335,4

Sursa: BNS www.statistica.md

Against the background of the general mortality downward trend towards 2017, however, the significant difference in mortality according to the residence environment remains valid in the last three years. These discrepancies are largely determined by the higher demographic aging rate in rural areas (820.9

deaths per 100 thousand inhabitants in the urban area compared to 1196.9 deaths per 100 thousand inhabitants in rural areas).

At the same time, one of the most pressing issues remains the high mortality rate of working-age elderly men, 50% of deaths are recorded in ages 15-64. The probability of dying at the age of 65 for a man at the age of 20 is 40%, two times higher than in developed countries.

A serious problem for the Republic of Moldova remains the health of the mother and the child. The maternal mortality rate in 2015 was 31.1 deaths per 100 thousand live births, and in 2017 it fell to 17.6 deaths per 100 thousand live births. As far as the mortality of children is concerned, significant changes have not been made during this time period. The mortality rate for children up to the age of 5 decreased by only 0.3 pp, from 11.7 children per 1000 live births in 2015 to 11.4 children per 1000 live births in 2017. Infant mortality remained at the level of 9.7 children per 1,000 live births.

Life expectancy at birth in Moldova in the year 2016 was 72.2 years, including men - 68.1 years and women - 76.1 years. In 2017, life expectancy increased to 73.2 years, for women being 77.0 years and for males - 69.4 years. Women live longer than men on average by 8 years. This gap is due to the higher level of premature mortality in men, especially the elderly able to work. Urban men live 4.4 years longer than those in rural areas, and in the case of women, this gap is 3.8 years.

Table 7. Life expectancy at birth by sex, average, years 2012-2017

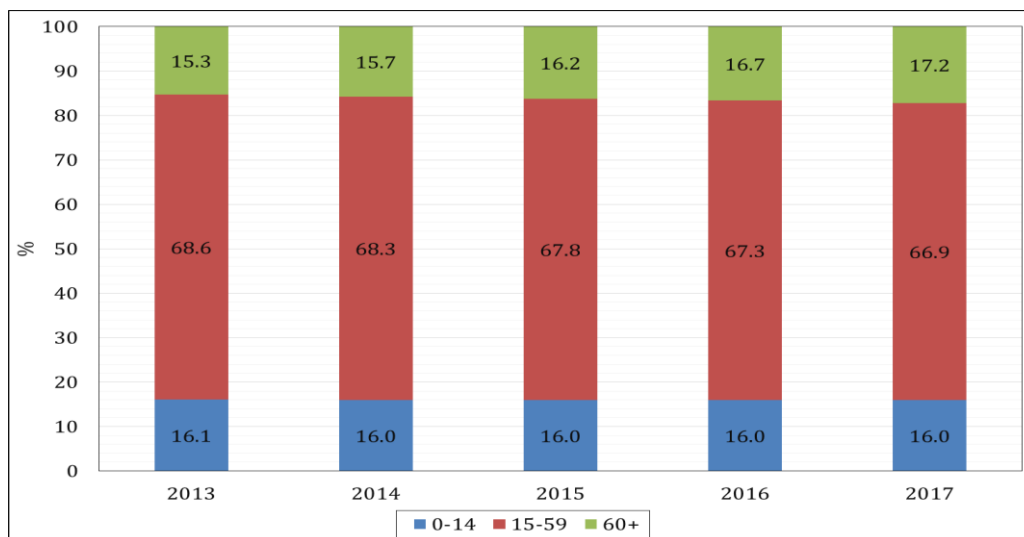
Years	Total			Urban			Rural		
	Ambele sexe	Males	Females	Ambele sexe	Males	Females	Ambele sexe	Male	Female
2012	70,99	67,08	74,86	73,42	69,31	77,24	69,55	65,71	73,40
2013	71,85	68,05	75,55	74,01	70,08	77,60	70,53	66,76	74,29
2014	71,48	67,52	75,39	74,10	70,35	77,51	69,81	65,81	74,01
2015	71,56	67,54	75,55	74,12	70,15	77,77	69,90	65,91	74,08
2016	72,17	68,14	76,15	75,00	71,25	78,37	70,34	66,23	74,67
2017	73,21	69,35	76,96	75,83	72,04	79,26	71,48	67,65	75,42

Sursa: BNS www.statistica.md

Demographic aging is an unprecedented, safe and long-lasting phenomenon, a consequence of the demographic transition that manifests itself differently from one region of the world to another. If in the EU countries this process took place over a long, slow-moving period in the Republic of Moldova it was very rapid. The irreversible demographic process is seen as a phenomenon of national importance, requiring the introduction of policies and recommendations for the security and prosperity of the elderly.

The share of people aged over 60 is steadily increasing. In 2017, the proportion of the aging population increased by 17.2% compared to the previous years (Figure 4).

Figure 2. Structure of the population by large age groups (children, adults and the elderly), 2013-2017



Source: NBS www.statistica.md

The average life expectancy of women aged 60 years is 20.5 years, and for men - 16.4 years, the difference being 4.1 years. About 60% of all elderly are women, of whom 57% live in rural areas. Life expectancy of the elderly in the urban area is 2.6 years higher than in rural areas.

The increase in the share of the elderly population is due, including the high intensity of emigration, as a result of which the Republic of Moldova has lost a lot of the young able-bodied population. Parallel to the demographic aging process, the trend of aging the population in the Republic of Moldova is outlined, when there is an increase in the proportion of elderly people aged over 70.

Massive migration is one of the most important demographic problems in the Republic of Moldova because it determines the depopulation of the country, including the deformation of the age structure of the population. The data of the Public Service Agency on the flow of persons at the border indicates that the number of Moldovans left abroad (over 12 months) increased between 2016-2018 from 282 thousand to 305 thousand persons. In the total of these emigrants, the largest share belongs to the most economically productive and in the reproductive age. A little over 70% of migrants are people in working age 20-54 years.

New trends in international migration show increased family migration to Western European countries, such as Germany, the UK and France.

Data provided by the Federal Statistical Office of Germany show that the number of Moldovans settled in Germany in 2016 amounted to 17 thousand people, increasing by 27% compared to 2015. The most significant increase was among children up to the age 10 years (double growth) and mature ages 25-45²⁸.

The main cause of population migration remains the unfavorable economic situation in the country, unattractive jobs, low remuneration, high costs of goods and services, low levels of living, corruption. Research has shown that remittances favor raising the level and improving the living conditions of members of migrant households, reducing poverty, reducing social strain in society²⁹.

²⁸ Tabac T. (2017). Migrația populației din Republica Moldova în Germania (anii 1992-2016). In: Conf. Int. Șt.-Pract. "Creșterea Economică în Condițiile Globalizării", Sesiun. șt. "Dinamica populației și calitatea potențialului uman", Ed. a XII-a, 133-141p., Chisinau, 12-13 octombrie 2017. <http://ccd.ucoz.com/Id/0/58/Conferinta-DEMO.pdf>.

²⁹ Rojco A. (2018). Rolul remitențelor în sporirea nivelului și îmbunătățirea condițiilor de trai ale gospodăriilor casnice migraționiste din Republica Moldova. In: *Revista de Filosofie, Sociologie și Științe Politice*, Nr.2, p.123-135.

According to NBS data, the number of people going abroad looking for a job in 2017 decreased by 2.2% compared to 2015. Some national research shows that long-term migration and / or permanent residence abroad is increasing. Of the migrants who went to work in 2017, the share of men is still higher - 66.4%, of the rural population - 69.7% and of the population in the 25-54 age group - 77.7%.

The unfavorable consequences are further manifested by the fact that after the migration, the family members are separated in the long term, affecting the couple's relations, as well as the parent-child relations. The country also loses young people in their reproductive ages, well-trained and socially active, and their children who will be born in another country. It is a loss of the unprecedented population for the peace period, the driving force of this trend is migration.

If well managed, the phenomenon of migration can play an important role in the socio-economic development of the country. For this it takes

- policy priorities to reduce migration, in particular forced migration (ensuring a decent living in the country);
- prevent the migration of highly qualified specialists by raising wages and ensuring the conditions for professional self-reliance;
- attracting investments in different socio-economic regions, creating quality jobs;
- attracting human, social and financial capital from the diaspora.

Internal migration. During the year 2017 they changed their residence within the country 30.7 thousand people. Estimates show that the intensity of internal migration in recent years has been decreasing. The population mobility index in 2017 registered 8.7 people per 1000 inhabitants, compared with 9.4 in 2016.

The highest departure rates were found in the districts: Leova, Donduseni, Floresti, Riscani, Rezina, Telenești, Soldanesti (10-11 persons per 1000 inhabitants) and Dubasari (14 persons per 1000 inhabitants). As in the previous year, the smaller departure rate was in Bălți, Anenii Noi, Ialoveni, Cahul, Taraclia and ATU Gagauzia districts (less than 7 people per 1000 inhabitants). As expected, the intensity of arrivals was higher in Chisinau (16 people per 1000 inhabitants).

In absolute terms, 13.5 thousand persons arrived in Chisinau, in Balti - 1.2 thousand people, and in the districts of Ialoveni, Orhei, Cahul and Ungheni - between 0.7 and 0.8 thousand people. The positive balance of internal migration was only in Chisinau and Balti.

More than 89% of domestic migrants are working-age elderly people, predominantly aged 25-49. Looking at gender, the migration balance was 64% of women and 36% of men. Approximately 2/3 of the total population that changed their place of residence in 2017 comes from rural areas.

Thus, the main source of the country's development - the labor force - which underpins its competitiveness, is constantly eroded in terms of both number and productivity.

Moldova loses its main competitive advantage, which has allowed it to attract strategic investments and unlock its export potential. The growth of the industry was largely based on the high availability of cheap labor. These advantages are scattered. The problem is related to faster wage growth compared to labor productivity, emigration, and an education sector that does not meet the needs of the real sector. Failure to counteract these trends will lead to the failure of the only real competitive advantage that the Republic of Moldova possesses³⁰.

In the Republic of Moldova young people represent an important segment of the population that contributes significantly to the socio-economic development and prosperity of the country. Given the current demographic challenges facing the country and addressing its socio-economic future, it is

³⁰ Republic of Moldova 2017. STATE OF THE COUNTRY REPORT. Expert-Gup, in partnership with Friedrich-Ebert-Stiftung (FES). http://fes-moldova.org/fileadmin/user_upload/RST_2017_en.pdf

inevitable to analyze the situation of young people, develop support and support instruments, develop and implement youth policies geared to effective investment in the human capital of the country. At present, young people represent a quarter of the country's population, being a strategic component of sustainable development, labor supply, family creation and human continuity. According to data of the National Bureau of Statistics in 2017 the youngsters aged 18-35 constituted 30.5% of the total population, respectively 50.9% of them are male and 49.1% are females. Young people aged 18-35 are predominantly located in the rural area - 55.7% and the other 44.3% are young people located in the urban area. The distribution of young people by residence area is proportional to the distribution of the total stable population at the beginning of the year, while their distribution by gender can only be seen as a difference of only 1.8%, with the number of male and female youth being relatively equal³¹.

A.3.2 Migration and refugee flows

In 2018, 4,267 people immigrated to Moldova, of which: men represented 62% and women - 38%. Analyzed data on the level of training of those arriving indicates that most of them have secondary and secondary education, followed by those with higher education, accounting for 56% and 33%, respectively. The distribution of the number of people arriving after the place of residence indicates that most of them prefer to live in urban areas (70%).

During the year 2018 the right to repatriation was confirmed for 277 foreigners, who applied for permanent living in the Republic of Moldova, of which women -54% and males - 46% (see Table 8)

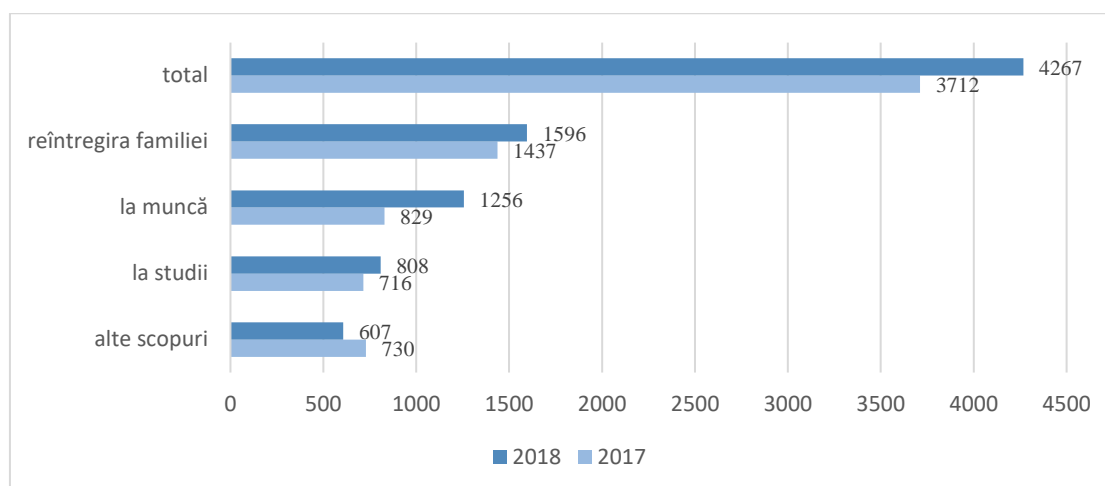
Tabelul 8. The annual number of foreigners arriving in the RM in the years 2018 and 2017

	2018	2017
Total arrivals, persons	4544	4273
<i>including:</i>		
Immigrants	4267	3712
Repatriated	277	561

The distribution of immigrants according to their purpose in 2017 reveals that 37% came for family reunification, 29% - for work, 19% - for studies and about 15% for other purposes (in this category over one third are for those arriving in the purpose of carrying out religious and voluntary activities). The dynamic evolution of the annual number of immigrants by destination is shown in Figure 5.

Figure 5. Distribution of the number of immigrants by destination in the years 2018 and 2017, persons

³¹ Assessing the satisfaction of young participants in Component I "Entrepreneurship Training" within the National Economic Ability Program (PNAET) 2017, available: http://OSMED.md/files/en/pdf/rapoarte/Studiu_PNAET_Final.pdf, p.

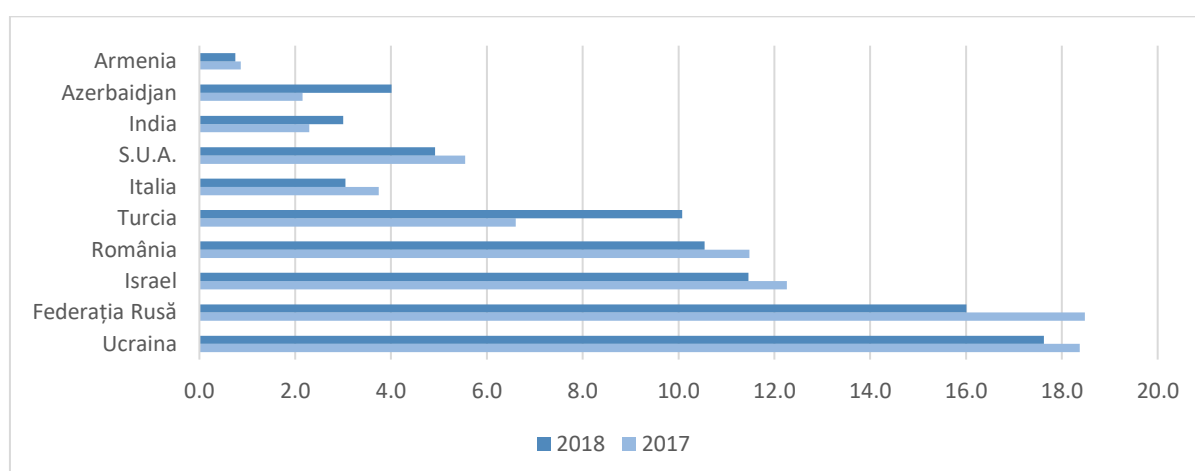


Source: BMA

Analyzing the data on the distribution of immigrants by country of citizenship reveals that in 2018 most of them came from Ukraine and the Russian Federation, maintaining the trends of the last years. At the same time, compared to previous years, there is a considerable increase in those arriving from Turkey, India and Israel, the countries where most of them arrive to study and enrolled in the educational institutions of the Republic of Moldova. (Figure 6).

Figure 6. Distribution of immigrants by country of nationality in 2018 and 2017, in percentage

Top 10 countries



Source: BMA

The dynamic evolution of the annual number of immigrants shows that the distribution of foreigners arriving in the Republic of Moldova by country of citizenship and the reason for immigration differs from purpose to purpose. Top countries in granting the right to reside for family reunification are: Ukraine, the Russian Federation and Romania; to grant the right of residence to work: Turkey, Romania, Ukraine and Azerbaijan; to studies: Israel, India and Turkey (see Table 9).

Table 9. Distribution of immigrants by purpose of arrival and country of citizenship in the years 2018-2017

	2018					2017				
	Total	inclusiv sosiți la :				Total	inclusiv sosiți la :			
		muncă	studii	familie	alte scopuri		muncă	studii	familie	alte scopuri

Total sosiți, persoane	4267	1256	808	1596	607	3712	829	716	1437	730
<i>inclusiv din:</i>										
Ukraine	752	136	40	507	69	682	107	21	469	85
Russia	683	41	9	474	159	686	39	7	438	202
Israel	489	14	458	12	5	455	4	438	9	4
România	450	265	26	125	34	426	227	25	135	39
TurKEY	430	303	38	74	15	245	104	49	79	13
U.S.A.	210	27	43	11	129	206	16	29	16	145
Azerbaidjan	171	114	14	39	4	80	44	11	23	2
Italy	130	55	0	62	13	139	64	1	53	21
India	128	13	106	40	5	85	19	64	1	1
Other countries	824	288	74	252	174	708	205	71	214	218

Source: MAI/BMA

As of 1 January 2019, 522 persons were registered with the national asylum system, 8% more than on 1 January 2018 (482), out of which: asylum seekers - 104 persons, refugees - 163 and beneficiaries of humanitarian protection - 255 people (see Table 9).

Data on the number of persons in the asylum system by country indicate the increase in those in Turkey, Bangladesh and the those in Ukraine dropped substantially (Figure 7).

Din numărul total de 522 persoane:

Femei -33%

Bărbați -67%

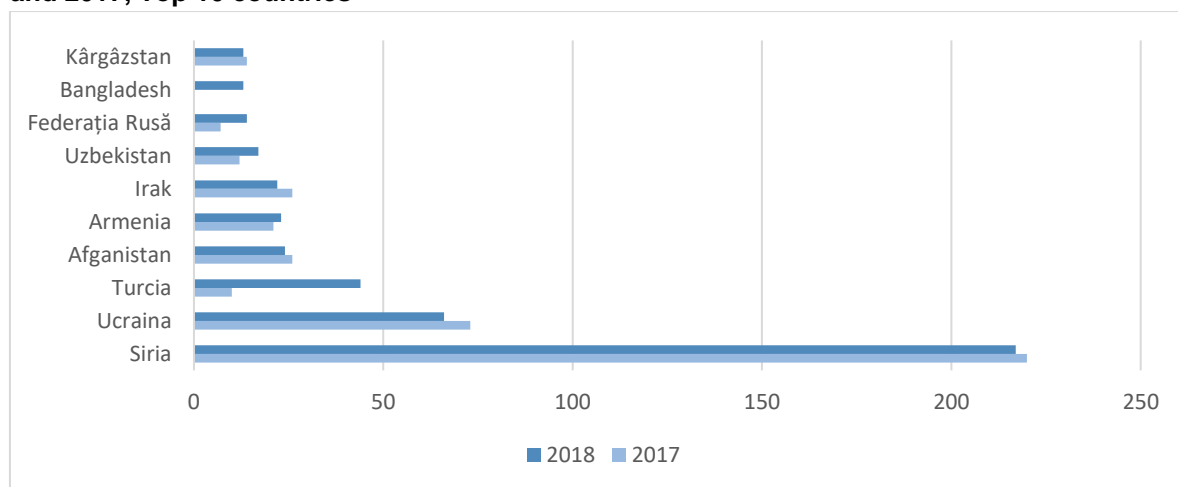
Structura pe grupe de vârstă:

0-17 ani- 15%

18-59 ani -77%

60 ani și peste – 8%

Figure 7. Persons included in the Asylum System by country of origin stock in the end of 2018 and 2017, Top 10 countries



The lack of opportunities for valorising the knowledge and skills of young people either as an employee or entrepreneur has caused a massive exodus, mostly outside the country. According to the data of the National Bureau of Statistics, in 2017, the highest share belongs to young people aged 25-34 years - 38.24%, followed by persons aged 35-44 years - 22.92 %, 45-54 years - 16.64% and 15-24 years - 15.9%. There is a high share of young people looking for work abroad, 45.9% of the total number of people aged 15-24 years and 54.11% - for people aged 25-34.

Regarding the distribution of the persons leaving according to the level of training, of the total working migrants, 24.5% - have secondary education, 26% - secondary vocational and 25.6% - gymnasium³².

Although the range of entrepreneurship support programs in the Republic of Moldova is quite varied, there is a lack of support for young people to start or develop their business, where their share remains relatively small, 2.4% of entrepreneurs are aged up to 24 years and 20.3% are aged 25-34 years. The statistical data identified in the entrepreneurial research process show that young people in Moldova are more likely to start a business (44.4%) than adults (24.99%). Young entrepreneurs are more creative and innovative, more open to innovation or introducing business methods and models that can contribute to their rapid growth and internationalization³³.

A.3.3 Education sector context

The Education Code structures the education system in levels and cycles in accordance with ISCED 2011 (see **Figure 1**):

- early childhood education, level 0, with two cycles - ante preschool and preschool education;
- primary education (level 1), grades I-IV;
- lower secondary education, cycle I – gymnasiums (level 2), grades V-IX; and upper secondary education, cycle II – lyceums (level 3), grades X-XII;
- secondary VET– professional schools (level 3);
- post-secondary VET– colleges (level 4);
- post-secondary non-tertiary TVET– colleges (level 5);
- higher education, cycle I – Bachelor degree (level 6); cycle II – master's degree (level 7); cycle III – doctoral degree (level 8) and postdoctoral studies.

Gymnasium graduates have three options for continuing their studies: (i) lyceum (with an entrance exam); (ii) secondary VET; or (iii) post-secondary VET.

The enactment of Education Code of Moldova no.152 of 17 July 2014 extended the duration of compulsory education with two years. Since 2018, compulsory education includes lyceum or VET up to the age of 18 years.

VET is the training process resulting in a qualification attested by a certificate or diploma, issued under the law.

VET system includes all educational institutions offering programmes of:

- training of qualified workers, foremen, technicians and other categories of specialists in accordance with the NQF, the Nomenclature of professional training and trades / professions, the Nomenclature of professional training, of specialties and qualifications, approved by the Government as well as ISCED levels 3, 4 and 5;
- retraining of workers and specialists in various fields of vocational training;
- strengthening the professional competences of skilled workers, in line with the requirements of the economy and the labor market.

Since 2014 VET sector provides programmes for dual VET, which is organized in VET institutions and in companies.

In the context of the development of the Moldovan economy and the many social and political changes, in particular, the process of EU integration, have placed a special emphasis on the place and functions of VET.

³² Strategia Națională de Ocupare a Forței de Muncă 2017 – 2021

³³ Evaluarea gradului de satisfacție a tinerilor participanți la componenta I "Instruire antreprenorială" în cadrul Programului Național de Abilitate Economică (PNAET) 2017, p. 3

In this respect, the Action Plan for the restructuring of the network of VET institutions was elaborated and approved. In line with the objectives of this Action Plan, the reshuffle of the network of institutions started in 2014.

At the moment, there are **three main types of VET providers** which include a total of 89 educational institutions: 13 centres of excellence (including 2 private ones), 34 colleges (including 4 private institutions) and 42 professional schools.

1. Secondary VET, ISCED level 3 requires the completion of lower secondary education (ISCED level 2 - gymnasium).

The duration of the programmes are:

2 or 3 years based on lower secondary education (ISCED level 2 - gymnasium) and 1-2 years duration, depending on the complexity of trade, based on lyceum (upper secondary) education or general secondary education (UNESCO - ISCED 3: duration typically varies from 2 to 5 years.)

Successful completion of programmes at ISCED levels 3 results in a qualification (Qualification Certificate).

The obtained qualification provides access to ISCED level 4 (post-secondary non-tertiary programme) in the same field (e.g. construction, services), and allows labour market entry.

2. Post-secondary TVET, level 4 ISCED, requires the completion of/ building on
 - lower secondary education (gymnasium) and providing integrated programmes (upper secondary and professional education) with a duration of 4 and 5 years (in healthcare field);
 - ISCED level 3 programme with a duration of 2 and 3 years (in the same field);
 - upper secondary/lyceum (Bacalaureat Diploma) with a duration of 2 and 3 years (in healthcare field). (by UNESCO ISCED 4 Post-secondary non-tertiary education and duration typically varies from 6 months to 2 or 3 years)

Successful completion of programmes at ISCED levels 4 (post-secondary) is always considered as level completion when the qualification obtained is designed to provide direct access to a higher ISCED level (6) and labour market entry.

The diploma of professional studies entitles the holder to access to higher education and labour market entry.

3. Post-secondary non-tertiary education, level 5 ISCED (! according to UNESCO - ISCED 5: Short-cycle tertiary education) requires the completion of upper secondary education/lyceum (Bacalaureat Diploma), with a duration of 2 and 3 years (in healthcare field).

Successful completion of programmes at ISCED levels 5 () is always considered as level completion and the qualification obtained is designed to provide direct access to a higher ISCED level (6) and labour market entry. The diploma of professional studies entitles the holder to the right to work and access to higher education.

Upon Regulations³⁴ of validation of non-formal and informal education Colleges and CEx are to provide the certification of prior learning.

A.3.4 Lifelong learning context

First steps towards a formal Recognition of Prior Learning (RPL) were taken in January 2019: MECR approved the Regulation on validation of non-formal and informal education³⁵, to be provided by VET institutions. Four institutions (Colleges and CEx) were approved by MERC to pilot the mechanism on validation in the period from March 1st – October 1st 2019.

Once a functioning system is established, Recognition of Prior Learning (RPL) has the potential of benefitting a wide array of learners, including returning migrants. Fees for RPL are set by VET Institution,

³⁴ Regulations on validation of non-formal and informal education approved by MERC Order no. 65 of 24.01.2019

³⁵ The Regulation establishes the normative framework for the National Validation System, which includes identification, documentation, evaluation and certification of skills acquired in non-formal and informal settings, in line with EU recommendations on lifelong learning.

following a pre-established cost-effectiveness ratio. For certain disadvantaged groups (unemployed, disabled, etc.), preferential financial arrangements are foreseen. However, a sustainable mechanism for recognition and validation of prior learning is still to be developed and established.

Apart from training-related active labour market programmes for the unemployed, continuing professional development is delivered by public and private educational institutions, OSMED and some companies provide short courses for continuing VET. Also some institutions for initial VET provide short courses for adults and professional retraining courses for the unemployed. Despite the high numbers of young people and adults benefiting from continuous professional training, there is no coordination between providers and no mechanism to evaluate the impact.

A.3.5 International cooperation context: partnerships and donor support

In the Association Agreement (AA) signed between the Moldova and the EU in June 2014 and fully entered into force in July 2016, the parties commit themselves to work together on the overall modernisation and reform of the education, training and youth systems in Moldova. This cooperation will include work to “[...] implement and support a strategic approach to vocational education and training (VET) with a view to bringing the Republic of Moldova’s VET system in line with the modernisation of EU VET structures, as pursued through the Copenhagen Process and its instruments [...]”.

To follow the implementation of the AA, a series of VET reform actions have been addressed and in the last years, the VET system benefited of important support from development partners (for more details see Table 10). This support, broadly, can be classified into two categories. The first category concerns assistance from the EU through Technical Assistance Projects, Budget Support Programmes, Twinning Projects, TAEX projects and the ongoing support offered by European Training Foundation (ETF).

The second category of support is provided by development partners that came through agencies and development foundations, both private and state-owned.

Table10: Donor support for VET system

Donor	Support	Description and aim	Budget	Duration	Implementing agency
EU Delegation	Support to the implementation of the VET Strategy	Re-conceptualising the education programme within the VET sector, streamlining the VET institutions network and increasing efficiency of VET to provide a competitive workforce for national and regional economy, to meet the labour market needs in terms of quality and quantity requirements. The focus was in line with the objectives of the VET strategy.	€ 25 million Three instalments: total amount of the first 2 instalments € 10.5M. The last instalment by May 2018 for an expected amount from € 4M to € 8 M.	May 2014-July 2017	GOPA
	Support for VET Sector (Technical Assistance (TA))	The TA was a complementary measure of the <i>Support to the implementation of the VET Strategy</i> targeting at improving the governance of the	€ 5.0 million, disbursed € 3.6 million.	Jan. 2014-Dec.2017	GOPA

		VET system by reforming the VET institutions network and enhancing the quality of the learning processes and learning outcomes in line with the labour market demands. The activities were in line with the VET strategy's objectives.			
EU Confidence Building Measures programme with Transnistria	Joint Initiatives of Civil Society Organizations (CSO) from the both Nistru river banks for Socio Vocational Integration of Disadvantaged Youth from Republic of Moldova (SVIS Moldova)	Developing joint initiatives of CSOs from both riverbanks of Nistru as at establishing a system of socio-vocational integration services of disadvantaged youth.	€ 590,900 EU Contribution. Total cost: € 738,737	Oct. 2016-Feb. 2019	
EU	Development of rural areas in the Republic of Moldova (Part I “Increasing the competitiveness of the agri-food sector in Moldova through integration to domestic and global value chains, in particular in the soya sector)	The project aims at increasing the competitiveness of the agri-food sector through integration into domestic and global value chains, in particular in the soya sector. Specific objective for Education: Enhancing capacities for innovation and education (means in particular VET) in agriculture, by developing capacities in the area of quality standards and certifications in the agri-food sector, modernized curricula and methodological materials as well as the practical trainings and the exposure of students will contribute to the provision of qualified workforce to the agri-food sector, including the soya sector.	3 million EURO (EU-Fund)	2017-2021	ADA , Prodidactica Danube Soya

World Bank (WB)		Labor market analysis, digital competences, mapping of continuous education services			National and International experts
World Bank (WB)	Agreement still under negotiation. According to the proposal by the World Bank, the project would include three components: (i) higher education, (ii) adult learning (excluding initial VET), and (iii) labour market information. The first two components are discussed with the Ministry of Education, while the third component is discussed with the Ministry of Labour and the National Employment Agency (NEA). The first and second component will take around 70-75% of the loan. The first component will focus on the university-company cooperation as well as the quality assurance of the education processes. In the second component, the priority will be on the mapping of short-term training providers, quality assurance of trainings as well		proposed credit in the amount of USD 30 million.	2019-2021	

	as company-VET provider cooperation. The third component will focus on the availability, dissemination and use of labour market information, including support to the creation of Labour Market Observatory to improve labour market information and dissemination (within the NEA), the review of NEA business operations and procedures to better use the labour market information.				
European Training Foundation (ETF)		The priority of the ETF's mid-term intervention strategy 2017-2020 is to help Moldova implement its overall VET strategy with policy advice, establishing synergies with the strategically important areas of qualifications, skills anticipation and VET policy development for a performing labour market. By doing this, the ETF contributes to policy dialogue and complements measures related to the implementation of the structural reform in VET. Specific areas of ETF interventions are (1) National Qualification Framework and sector skills committees, (2) professional skills mismatch estimation, professional skills anticipation, support the Employment Agency and Labor Market Observatory, (3) Innovation and			National and International experts

		regional development.			
International Labor Organization (ILO)		Labor market analysis, support for Sector Committees,			National and International experts
UNDP, UNICEF, UNFPA		Human/children rights, healthy life-style, job readiness			National and International experts
Liechtenstein Development Service (LED)	CONCEPT – Strengthening the VET System in Moldova	The project complements the efforts of other actors engaged in VET with an intervention strategy that yields tangible results at different levels. On macro-level, to develop - 6 - curricula for selected occupations; on meso-level, to further strengthen the Centre for Continuing Training of the Technical University Moldova and help the country to get a high-quality training structure for the continuing training of the VET system. On the school level, the project supports up to 22 VET schools in implementing high quality training according to the new curricula (management training, material support, teacher training, learning material development). Additionally, the project addresses the various issues of violence and lack of child-friendliness in the VET system and supports VET pupils' councils on the school and national level.	€ 5.3 million	Jan. 2008 – June 2018	
	EdAgri – Education for Agriculture	The project aims to strengthen the training capacity for fruit and vegetable growing and processing. Initially planned to work with 3 agricultural colleges the	€ 800,000	July 2012– June 2018	

		project has decided to focus its efforts on the Centre of Excellence for Agriculture and Horticulture (in Taul). A special focus of the project is to strengthen the practical training and the use of the demonstration plots in the teaching. For this purpose, capacity building goes hand in hand with investments in demo plots and greenhouse.			
	Moldova Employment and Entrepreneurship Education and Training Activity	To further increase the chance of VET graduates to find a job or to start a micro-enterprise in the country by reaching the following outputs: 1. National capacity to provide entrepreneurial education in VET institutions is built. 2. VET undergraduates and graduates apply their entrepreneurship competencies. 3. VET institutions carry out entrepreneurial activities for better quality of professional training of students and income generation.	€ 757,743	March 2017 – Feb. 2020 (Phase IV)	
Austrian Development Agency (ADA),	Re-Engineering Vocational Orientation and Career Counselling (REVOCC) for Moldovan labour force competitiveness	Vocational orientation and career counselling (VOCC) is an area with major impact on educational integration, initial career decision making and subsequent opportunities of socio-professional insertion. By achieving these goals, the project keeps outlining a system of vocational orientation and career counselling and promotes the	€ 627,000	2014 – Nov. 2017	CEDA, implemented in partnership with the MECC AND NEA

		necessary changes in the legal framework to ensure implementation at national scale.			
Austrian Development Agency (ADA),	Partnerships for quality and relevance of the ICT vocational education in Moldova	to contribute to enhance quality and relevance of ICT vocational education. The project activities are focused on advancing the capacity of VET institutions offering ICT specializations to a level that educational offers meet labor market needs and recognized quality standards.	€ 687,650	2015-2018	Pro Didactica ATIC
Kultur Kontakt Austria		VET inclusive education; supporting the generation of income of VET institutions			
Swiss Agency for Development and Cooperation (SDC)		Developing dual VET in Republic of Moldova			GIZ
Federal Ministry for Economic Cooperation and Development, Germany (BMZ)	Vocational education partnership	Support the VET system to adapt it to labor market requirements by: - close contacts to the economy, - modernization of curricula, - modernization of workshops from selected professional schools in rural areas, - offering technical training for teachers and instructors, - improving the matching system to bring qualified workers into work, - editing didactic materials, - organizing study-trips to Germany and Romania to promote the "German dual system", - organizing job fairs and production of videos and flyer to improve the image	€ 2.2 million	2010 - 2017	GIZ

		of crafts and of the professional schools in the society of Moldova, - promoting measures to improve workplace safety, etc. Developing dual VET in the Republic of Moldova			
German Federal Ministry for Economic Cooperation and Development	Structural Reform in VET in the Republic of Moldova	To enhance education policy and institutional framework for the implementation of demand-driven dual VET focusing on three intervention areas: 1. Policy advice for strengthening the framework conditions for dual VET; 2. Promoting involvement of economic operations in piloting dual VET models; 3. Improving the image of VET.	€ 2.0 million	2015-2018	GIZ

Source: developed based on Twinning Fiche Enhancing the quality and effectiveness of the VET system, and on the information provided by development partners/donors information

B. Economic and labour market environment

B.1.1 Labour market situation

The transition to the market economy, the socio-economic situation at national level, as well as the crises at European level, had a considerable impact on the labor market in the Republic of Moldova, both in terms of labor demand and labor supply.

The labor market is a loyal barometer of economic developments, strongly influencing both internal and external factors. Against the backdrop of the drop in employment, there are also observable fluctuations of occupational nature, both by gender, age, residence, and by form of ownership, field of activity, occupational status, etc.

Unemployment, precarious employment, underutilization of existing human capital, low levels of labor and wage productivity, international labor migration, discriminatory treatment of some groups of the population on the labor market - all these phenomena frequently encountered in the labor market, inevitably, to adverse repercussions on the social and political balance in the country.

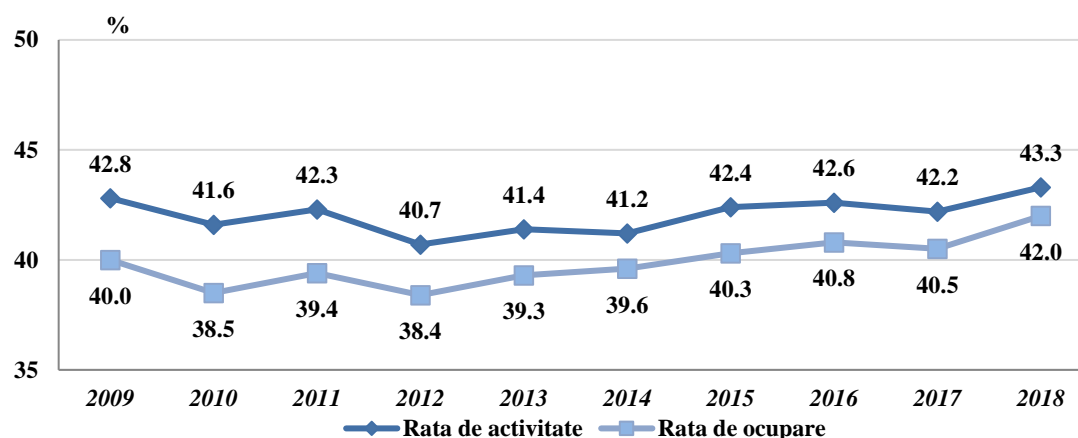
According to the data of the National Bureau of Statistics (NBS) in 2018, the economically active population of the Republic of Moldova (employed population plus the unemployed) constituted 1290.7 thousand people, increasing (+ 2.5%) compared to 2017 (1259.1 thousand).

There were no significant gender disparities in the labor force: the share of men (49.9%) was virtually equal to that of women (50.1%) and the share of economically active persons in rural areas was higher such as in urban areas: 56.5% and 43.5%, respectively.

The employed population constituted 1252.2 thousand persons, increasing compared to the level of 2017 by 3.7% (1207.5 thousand). As in the case of the economically active population, there were no gender disparities (50.3% women and 49.7% men), and the share of the employed persons in the rural area was higher than that of the employed persons in the urban area respectively 57.2% rural area and 42.8% urban area).

The Moldovan labor market has reached a balance in recent years. There is a stabilization of the activity rate around the 42% level and the employment rate around the 40% level (Figure 8). It is worth mentioning that in 2018 there is an increase in both the activity rate and the employment rate. Also, in recent years there has also been a decrease in the unemployment rate (Figure 9).

Figure 8: Evolution of activity and employment rates,%



Source: NBS

At the same time, data from the NBS show that these 3 indicators are higher for the male population compared to the female population. Depending on the means of residence, both an activity rate and a higher occupancy rate in the urban area are attested, leading to a lower percentage of the unemployment rate in urban areas as compared to rural ones. This indicator is practically three times higher in rural areas.

As far as the age indicator is concerned, there is a lower percentage of activity and employment rate among the young population aged 15-29 years. (Table 11).

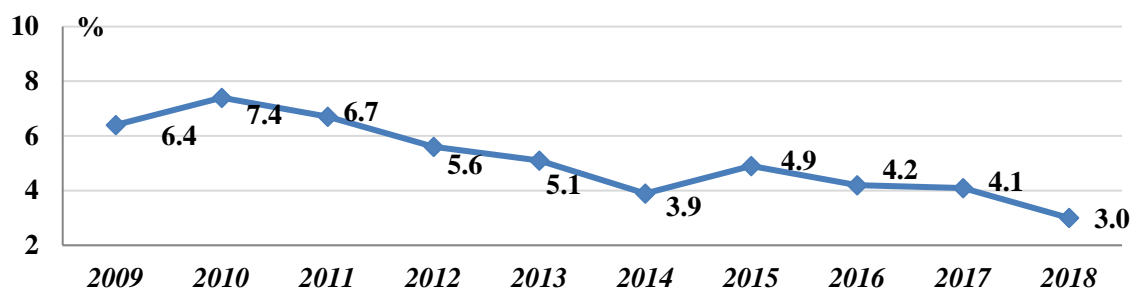
The number of unemployed, estimated according to the definition of the International Labor Office, was 38.4 thousand in 2018, decreasing compared to the level of 2017 (51.6 thousand). According to NEA data, unemployment has affected men in a larger proportion - 58.4% of the total unemployed and 65.6% of the urban population.

Table 11: Statistical data on employment,%

	Total		Gender		Residence areas		Age			
	2017	2018	W	M	Urban	Rural	15-24	15-29	15-64	16-58/62 (leg.naț)
Activity rate	42,2	43,3	41,0	45,8	42,8	43,6	-	30,2	47,6	
Employment rate	40,5	42,0	40,0	44,2	40,9	42,8	-	28,5	46,1	48,0
Unemployment rate	4,1	3,0	2,5	3,5	4,5	1,8	7,4	5,6	-	-

Source: NBS

Figure 9: Evolution of unemployment rate,%

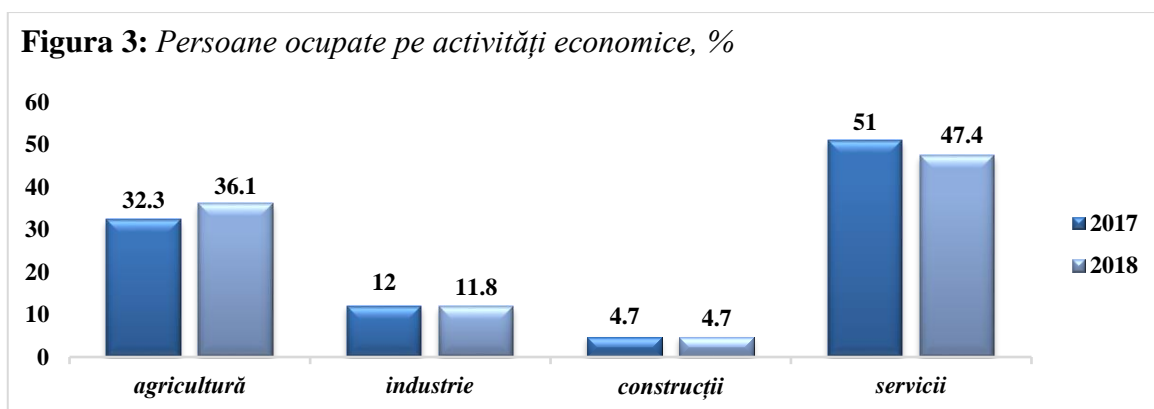


Source: NBS

According to the distribution of persons employed by economic activity, 452.0 thousand people or 36.1% of the total number of employed persons were active in the agricultural sector. Of these, 49% (or 17.9% of the total occupation) are those engaged in the production of agricultural products exclusively for their own consumption.

In non-agricultural activities, 800.2 thousand persons were employed, decreasing by 2.1% compared to 2017. The number of persons employed in industry (147.3 thousand) was increasing compared to last year by 2, 0% and in constructions constituted 59.5 thousand, increasing by 5.1% compared to 2017. In the services sector they activated 593.4 thousand, their number decreasing by 3.7% compared to 2017.

Figure 9: Persons employed on economic activities,%



Source: NBS

In terms of ownership, 76.6% of the employed population worked in the private sector and 23.4% in the public sector.

In the informal sector, 15.9% of the total employed persons in the economy (2017 - 14.9%) worked and 38.5% had an informal job (2017 - 34.7%). Of the number of people employed informally, the employees accounted for 11.8%.

Of the total number of employees, 7.3% had an informal job. Wage salary is 7.1% of employees (including: 8.8% men and 5.7% women) and their largest shares are estimated for agriculture (48.2%), trade (17.1%), industry (7.1%) and construction (6.8%).

There is a decrease in the number of young NEETs from 320.8 thousand in 2017 to 302.7 thousand in 2018, their weight constituted 27.1% of the total number of young people aged 15-29 years (except for those who went abroad at working or looking for work).

B.1.2 Specific challenges and opportunities: skill mismatch

The education system manufactures annually cadres that do not always meet the needs of the labor market, always evolving. In the context of the emergence and application of new technologies and requirements, the education system does not always manage to adapt to them. However, efforts are being made to improve the current situation.

In order to forecast the changes in labor demand structure as well as to increase the efficiency of employment policies, the National Employment Agency prepares an annual "Labor Market Outlook" and "The Barometer of Professionals", in which the year 2017 included a compartment with the necessary skills in the labor market. The labor market forecast provides general information on the main trends in the labor market. It is also a source of information for pre-university graduates in choosing the profession, including being an effective marketing tool for the labor market.

The above mentioned results are also confirmed by the results of the Research carried out by NEA collaborators in cooperation with World Bank experts, based on the interview of economic agents, in 2017 on the lack of skills, which are an obstacle to increasing the productivity of enterprises and the competitiveness of the force labor market in the Republic of Moldova.

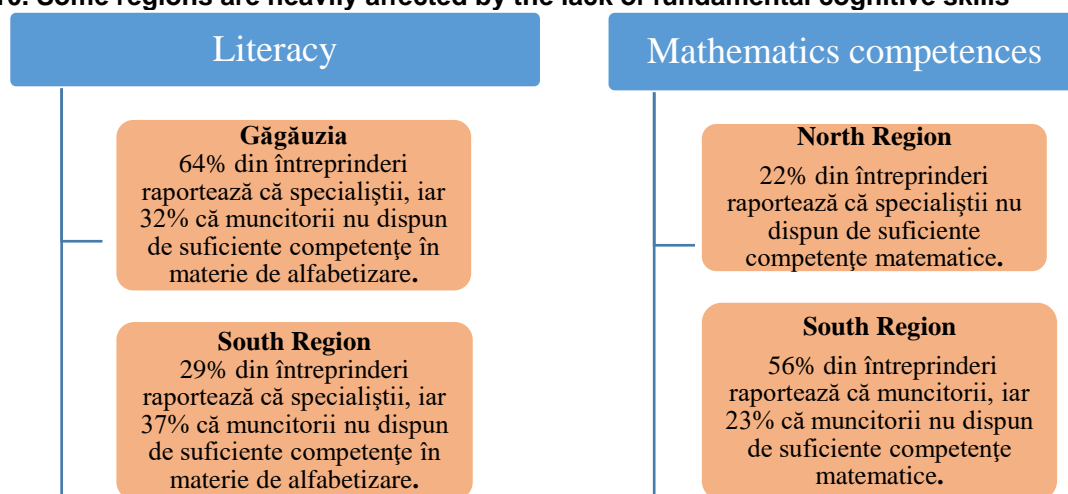
According to the analysis of the data obtained in the study³⁶, the insufficient skills of the employees impede the activity of the Moldovan enterprises. According to employers, the major impediment to business activity is the lack of three skills: inadequate technical skills specific to occupation, poor motivation and unsatisfactory knowledge in the field of work ethics. These skills gaps are particularly pronounced in the case of medium-skilled workers (manual and non-manual) (workers) as opposed to highly-qualified employees (specialists). Employers say that middle-class workers lack motivation, they lack analytical and problem-solving skills, computer skills and do not want to learn new things (Figure 9). On the other hand, the activity of specialists is most often affected by insufficient knowledge of foreign languages. Although, on average, the skills gap among specialists is lower than among the average skilled workers, this is often a bigger burden on business activity, especially in sectors with a large number of skilled workers, as would be in the area of financial services, public administration and social services. Also, some employers express critical remarks about the skills of young workers compared to older workers, which is an alarming signal for the education system. The skills gap varies greatly between regions. In some regions there is a considerable lack of fundamental cognitive skills (literacy and math skills, Figure 10). In general, the results of the study suggest that education and training policies should focus more on developing competencies that are lacking in employees but are demanded by employers. It is not just technical skills and cognitive skills specific to the occupation, which are usually the focus of the education system, but also of socio-behavioral abilities. The development of socio-behavioral skills tends to be neglected in the Republic of Moldova (as in many other countries), while employers appreciate at least as much as the specific technical abilities of the occupation. Education and training policy must respond to this challenge and give young people the skills they require in the labor market to increase their employability and reduce structural unemployment on the one hand and to support the increase of productivity and competitiveness of Moldovan enterprises, other side.

³⁶ ??? This corresponds to the results of the Moldovan business survey conducted in 2013 by the World Bank. According to this study, inadequate labor skills have constituted the third most important impediment for enterprises, and 31.2% of them identified as a major constraint that labor is under-educated, which exceeds twice the average for Europe and Asia Central (14.5%). Thus, inadequate skills of the labor force are clearly a major problem for Moldovan enterprises.

Figure 9. Key skills missing among Moldovan employees

Ocupații cu calificare medie (manuale și non-manuale)
<ul style="list-style-type: none"> •Motivație, inițiativă și proactivitate •Abilități analitice și de rezolvare a problemelor •Dorința de a învăța lucruri noi
Ocupații cu calificare înaltă (specialiști)
<ul style="list-style-type: none"> •Engleza sau alte limbi străine •Rusa

Figura 10. Some regions are heavily affected by the lack of fundamental cognitive skills



According to the "Agro-Food Sector Analysis" study, in order to develop the agro-food sector, it is proposed to provide support in creating the infrastructure necessary for the development of the business environment by creating Clusters, developing training programs focused on export procedures and interaction with partners aliens; developing training modules on specific activity domains; development of consultancy services in the field of export, process optimization, elaboration of marketing plans; implementing on a regular basis the periodic information seminars of Level III and II LPAs on existing support opportunities for SMEs, the benefits of AA and DCFTA, including on how to associate entrepreneurs; training and assistance in setting up producer associations³⁷.

Agrarian entrepreneurs in interviews / monitoring sheets under the PARE 1 + 1 "Remittances in Economy" programme mention that they have difficulty in hiring people who can drive modern agricultural techniques, so they often give up buying cars and advanced agricultural machinery. This is why there is a need to train agricultural machine drivers in line with market trends.

ICT Sector - Identified Issues³⁸:

1) The capacities and the number of IT specialists do not correspond to the needs of the local IT industry and the potential IT projects of large scale

³⁷ Activity Report of the Organization for Development of the Small and Medium Enterprises Sector of the Republic of Moldova, 2017. Available: http://OSMED.md/files/ro/pdf/rapoarte/Raport_2017_PA%20OSMED.pdf, p. 6

³⁸ Source: Government Decision no.904 / 2018. STRATEGY for the development of the information technology and eco-system for digital innovation for the years 2018-2023. <http://lex.justice.md/md/377887%20/>

- Causes of employee shortage lie in training methods that do not meet the demands of the labor market.
- Companies find it difficult to recruit experienced staff.

2) Limited investment in training and development of IT specialists.

Emigration of skilled labor.

Permanent shortage in the IT labor market.

Limited opportunities for new business deals.

- Labor shortage qualified by sector.
- The problem is more in the quality of people than in their number.
- The culture of IT certifications is still underdeveloped

B.1.3 Specific challenges and opportunities: migration

Migration is a phenomenon of major importance for the Republic of Moldova, based on the fact that, according to statistical data, the Republic of Moldova is a country of origin rather than a destination. According to official data received from the consular offices and diplomatic missions of the Republic of Moldova abroad, in the year 2016, abroad, there were 805,509 citizens. At the same time, among the countries of destination with the highest rate of Moldovan citizens working or looking for a job are: Russian Federation, Italy, Turkey, Israel, Greece and others.

Nowadays, there is an increase in migratory flows between the ages of 25-29 years. An estimated 1% of the population of the Republic of Moldova is estimated to migrate annually. The number of Moldovans who emigrate for a long period (more than 12 months) oscillates within the range of 45-50 thousand persons per year. Thus, the aging of the country's population is amplified, because in the migration mainly young people, who are able to work, participate.

Thus, in order to efficiently manage the migration flows, the state develops policies aimed at stimulating the return of Moldovan citizens abroad, as well as creating the conditions for the legal employment of Moldovan citizens abroad, including the development of circular migration schemes.

In this respect, the Republic of Moldova develops the bilateral legal framework for the implementation of circular migration schemes aimed at facilitating the employment of Moldovan citizens abroad, but also their return and the use of the skills / abilities gained in the development of the community.

At the moment, the Republic of Moldova is implementing 2 such agreements with Israel (in construction) and Bulgaria. Please note that the Agreement signed with the State of Israel on temporary employment of Moldovan citizens in certain sectors in Israel is a genuine circular migration scheme that is successfully implemented. At present, 14 stages of recruitment and employment of citizens of the Republic of Moldova took place within the Agreement, during which 7140 Moldovan citizens working under an individual labor contract were employed in more than 20 Israeli companies.

In order to promote return and reintegration, the Government concludes treaties, including reintegration. In this regard, the Framework Partnership Agreement between the Ministry of Health, Labor and Social Protection of the Republic of Moldova and the French Office for Immigration and Integration of the Republic of France was signed for the implementation of the program of the OFI for reintegration assistance in the Republic of Moldova, concluded on 02 October 2017 for one year, with the possibility of tacit prolongation. Regarding the results of this Agreement, we mention that at the moment 158 projects of return of citizens of the Republic of Moldova to be financed by the French Immigration and Integration Office were selected in two stages.

At the same time, in order to implement the reintegration policy, the Diaspora Bureau has developed a Reintegration Plan for citizens returning from abroad for the years 2017-2021 approved by the Government Decision no. 725 of September 8, 2017, which aims at favoring the return of the citizens Of the Republic of Moldova by undertaking actions of a social, economic nature, as well as increasing the employment of returning migrants in the workplace.

Another priority direction of labor migration policies is directed to providing accurate information about employment opportunities in the country. Thus, citizens are informed about employment opportunities

and unemployment protection measures that have been taken through the territorial employment agencies through the automated labor market information system of NEA, The Call Center and the electronic resources of the National Agency (site and portal) that have been permanently updated. In this context, the National Employment Agency organized information activities (informative seminars, meetings of the Labor Club, round tables, debates), with the participation of the unemployed and young people from the graduates from all the localities of the country. Within them, information was disseminated on employment opportunities in the Republic of Moldova and services provided to jobseekers, including returnees, as well as opportunities for legal employment abroad and the risks of illegal migration.

To inform migrants about opportunities to launch and develop their own business in Moldova, we continue to administer the OSMED and the SME Portal web pages, which are continually updated with the latest news, events and useful information for entrepreneurs and those who want to launch a business in the country.

Provocări și oportunități specifice: migrația

The "PARE 1 + 1" Remittances Program for the years 2010-2021 enjoys increased interest among migrants and their relatives, which leads to a steady increase in the number of people interested in returning home or investing in remittances in the creation and development of one's own business.

During the years 2017-2018, through the "PARE 1 + 1" Program, access to finance was facilitated for 433 economic agents who signed non-reimbursable financing contracts amounting to 98.29 million lei and the volume of investments in the economy is around ROL 257.64 million. Out of the total number of enterprises with which it has signed grant agreements during the years 2017-2018:

- 174 enterprises (40.18%) are newly created;
- 125 enterprises (28.9%) are created / administered by women;
- 189 enterprises (43.64%) are created / managed by young people.

Through the "PARE 1 + 1" Programme during 2018, migrants and first degree relatives of theirs, who earned income in 26 states, received training as follows:

Table 12: Number of people trained in 2018, depending on the country of origin of the remittances

Nr d/o	Țara unde activează lucrătorul migrant	Nr. lucrătorilor migranți	Nr d/o	Țara unde activează lucrătorul migrant	Nr. lucrătorilor migranți
1.	Italia	91	14.	Republica Cehă	4
2.	Rusia	43	15.	Belgia	4
3.	Marea Britanie	43	16.	Olanda	3
4.	Germania	29	17.	Cipru	2
5.	Franța	17	18.	Canada	2
6.	Israel	12	19.	Norvegia	2
7.	Spania	10	20.	Angola	1
8.	România	11	21.	Elveția	1
9.	Irlanda	11	22.	Liechtenstein	1
10.	Portugalia	7	23.	Luxemburg	1
11.	SUA	6	24.	Australia	1
12.	Ucraina	5	25.	Turcia	1
13.	Polonia	4	26.	San Marino	1

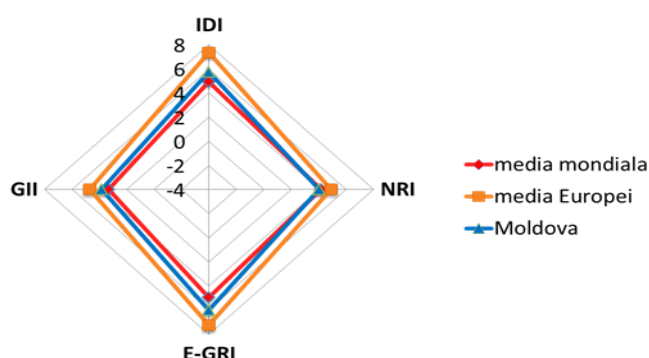
Training participants come from 35 districts of Moldova, covering 100% of the entire geographical area of the country, being a relevant indicator corresponding to the objectives of the PARE 1 + 1 Program.

The training course of the PARE 1 + 1 Program lasts 10 days, during which the participants are trained on the following modules: Business registration and legislation; Business management; Business Planning; Financial Management; Business accounting; Marketing and sales; Human resources management; Export procedures and DCFTA. The most appreciated way among the training participants in both analyzed periods was to be marketing and sales ³⁹.

B.1.4 Specific challenges and opportunities: digital transformation

The development of Moldova's information and communication technology (ICT) sector has seen an upward trend in recent years, becoming a sector of increasing importance for the national economy, with a capital stock of 7.75 billion MDL in 2016. The ICT sector has consistently contributed steadily to growth in gross domestic product over the last five years. In 2016, it provided 7.7% of the economic advance of 4.1%, due to an increase in the volume of services rendered by 4.6% compared to the previous year. International ratings position the Republic of Moldova as a state with an optimal electronic communications infrastructure, favorable to business development in the field of information and communication technology. The ICT sector is the catalyst for building a competitive regional and global economy. Moldova's IT experience has given the country a good overall rating, which is confirmed by the country's position in international ICT ratings.

Figure 10: Republic of Moldova in international ICT ratings



rate 59 of 175 – ICT Development Index
rate 71 of 139 – Networked Readiness Index
rate 65 of 193 – e-Government Readiness Index
rate 46 of 128 – The Global Innovation Index

However, the Republic of Moldova, as well as all countries over Europe, faces an increasing ICT skills gap and with a low level of digital literacy. The Strategy⁴⁰ on the development of the information technology industry and the digital innovation ecosystem for the years 2018-2023 states that *the capacities and number of IT specialists do not meet the needs of the local IT industry and the potential IT investment projects - the core business of ICT is human capital. Although there are around 12.5 thousand employees in the approximately 750 active IT companies, of which IT professionals - about 8 thousand people - there is a shortage of qualified specialists estimated at 1000 persons. This, although only in 2016 the number of graduates in this field was about 823 people. Causes of employee shortage lie in training methods that do not meet the demands of the labor market.* The same source reveals that companies face major difficulties in finding and recruiting qualified staff. Limited investment in the training and development of IT specialists and the emigration of skilled workers create a permanent shortage in the IT labor market and limit the possibilities of launching new startups - the estimates show a shortage of skilled workforce in the about 1,000 people, the problem being more in the quality of people than in their number.

According to the National VET Student Council, ICT is still not used widely and smartly in the classroom. Often teachers lack ICT skills and competence to use these skills for didactic purposes. In many schools,

³⁹ Annual Report 2018 on the implementation of the PARE 1 + 1 "Remittances in Economy" Program for the years 2010-2021 (to be posted on the site www.OSMED.md in the Reports section)

⁴⁰ approved by Government Decision no. 904/2018. Available at: <http://lex.justice.md/md/377887%20/>

there is a lack of access to computers and/or internet. In some schools, there are interactive boards but the teachers do not know how to use them. [CNE IPT 2018-02]

These drawbacks caused by the insufficient use of information society advantages, remove many citizens from ICT-based society and economy. Since a large part of the population does not have sufficient knowledge and digital skills throughout their lives, can also reduce the access to public and social services, that will be increasingly online, as well as will hamper the Moldova's opportunity to participate in the global digital economy. The project "Digital skills for employment in modern economy"⁴¹ (2018-2021) aims to contribute directly to this goal, by offering VET graduates more relevant skills for information/digital economy and opening access to education for the vulnerable groups, including PwD, students from rural areas, from single-parent families, from families with income below minimum consumption basket, etc. as defined by the Law on Social Assistance no.547/2003 and the Draft Strategy Moldova 2030, anytime, from anywhere.

B.1.5 Strategic policy responses involving education and VET

The development of the national economy largely depends on the human capital on which it can be based, which presents a stock of education, professional training and the health of the population. This stimulates the governments of many countries to increase investment in strengthening human capital and increasing its competitiveness.

Ensuring an increase in the level of education of the population and the degree of compatibility of qualifications with current labor market requirements is an indispensable element.

At present, both the activity rates and the employment rates in the Republic of Moldova are very low in all age groups. Attracting the inactive population to the economic circuit involves strategies and training programs for this population in relation to the needs of the national economy.

In order to prevent and reduce unemployment and its social effects, reducing the risk of unemployment and ensuring a high level of employment and adapting the labor force to the requirements of the labor market was adopted in 2018 Law no. 105 on the promotion of the labor force and unemployment insurance. It comes with a diversified and modernized set of employment measures.

These measures also come as a solution to alleviating labor market demand disparities. The law provides for vocational training measures through: qualification, re-qualification, training and specialization courses; on-the-job training within the unit, for the unemployed without a profession or profession; professional traineeships for the unemployed without work experience in their profession.

At the same time, one of the main documents approved by the Government is the National Employment Strategy for the period 2017-2021 (SNOFM), approved by the Government Decision no. 1473/2016, which presents an integrated approach to relevant policies, both in terms of demand development and from the perspective of efficient labor market management. The Strategy proposes realistic solutions and measures that, under appropriate funding, contribute to the overall objective of increasing formal employment based on economic competitiveness, skills and qualifications, under conditions of sustainable and inclusive development.

In the context of the Turin Process, one of SNOFM 2017-2021's main objectives is to correlate the education system with labor market requirements for better qualifications and skills. Priority 2 of SNOFM 2017-2021 "Developing Human Capital for Higher Employment Opportunities" aims to increase the attractiveness, relevance and inclusion of the VET system and to raise awareness of the importance of lifelong learning. To achieve these targets, SNOFM 2017-2021 provides for a number of actions, such as:

- 1) strengthening the link between the labor market and the vocational training system in the Republic of Moldova;
- 2) improving the image of vocational-technical education and its promotion;
- 3) to improve the practical skills of graduates using the forms of internship training, apprenticeship at the workplace to facilitate the transition of the school - the labor market;

⁴¹ An EU funded project (a budget of euro 690,000) implemented by ADA and Prodidactica, period 2018-2021

- 4) ensuring vulnerable groups' access to education and training;
- 5) improving the legal framework on lifelong learning;
- 6) stimulating cooperation and establishing partnerships between R & D institutions, public authorities, educational institutions and enterprises.

The implementation of SNOFM 2017-2021 is carried out in accordance with the Annual Action Plans, approved by Government Decision, which include actions that are implemented during one calendar year. The Annual Action Plan is elaborated by MSMPS with the support and involvement of public administration authorities, non-governmental organizations and development partners with competences in the field, according to internal documents.

In order to integrate young people from the Republic of Moldova into the economic circuit by facilitating the launching and development of sustainable businesses, the Government Decision no. 973 of 10 October 2018 on the approval of the "Start for Young People: A Sustainable Home At Home" programme, which has the following specific objectives:

- stimulating entrepreneurship among young people;
- developing entrepreneurial skills by providing information, advisory and educational support;
- financial support for young people to start and develop a business, with a strong focus on innovative businesses that are aligned or would contribute to sustainable development;
- facilitating the implementation of innovation, technology transfer and know-how;
- increasing the number of active enterprises and jobs in rural areas.

Under the Programme, young people will benefit from entrepreneurial training; consultative assistance; access to the databases of business service providers, suppliers of material and equipment resources, intellectual property, technology transfer and know-how, etc. necessary to carry out the activity; assistance in establishing collaboration with potential business partners, suppliers and customers, etc.

In order to create the conditions for increasing competitiveness, diversification of the information technology industry and its orientation towards digital innovation in all sectors of the economy, the Moldovan Government endorsed the Strategy on the Development of the information technology and ecosystem for digital innovation for the years 2018-2023 and the Action Plan on implementation of the Strategy. The specific objectives of the Strategy aim at:

- increasing the number of people choosing an IT career and activating in the IT field by at least 25%;
- achieving an IT employment rate of at least 50% and the degree of retention of IT specialists in industry;
- increasing lifelong training of IT specialists and certification of at least 2000 IT specialists annually;
- creating a minimum of 10,000 m2 of physical education infrastructure based on ICT innovation.

B.1.6 The role of VET in remedies through active labour market policies (ALMPs)

With the entry into force of Law 105/2018 on the Promotion of Labor and Unemployment Insurance, the employment measures were diversified, modernized in order to adapt them to the individual needs of the unemployed and to the circumstances of the labor market.

These measures also come as a solution to alleviating labor market demand disparities. The law provides for vocational training measures through: qualification, re-qualification, training and specialization courses; on-the-job training within the unit, for the unemployed without a profession or profession; professional traineeships for the unemployed without work experience in their profession. These measures aim to increase the chances of employing the unemployed.

At the same time, the Law also provides for the subsidization of job creation for employers employing unemployed persons requiring additional support on the labor market; employers who create jobs or adapt existing jobs for people with disabilities. Similarly, the unemployed who initiate an entrepreneurial activity, through which they create their jobs, as well as the employers who create new jobs in rural localities and employ unemployed, through subsidizing policies will be supported.

All these measures will lead to an improvement in the situation on the labor market.

Please note that Law 105/2018 entered into force on 10 February 2019 and the results of the implementation of employment measures will be visible later.

The data presented by NEA show a reduction in the number of registered unemployed from 50.1 in 2016 to 35.5 in 2018, as well as the number of unemployed persons in the labor market (Table 13). This is due to the lack of attractive active labor market measures. The enforcement of Law 105/2018 on the promotion of the labor force and unemployment insurance and the implementation of new employment measures will increase the number of persons addressed to STO.

The analysis of the distribution of the employed population registered as unemployed and placed on the labor market by sex (Table 13) does not reveal major disparities. Both the structure of employment and labor market participation show an almost uniform distribution over the reference period.

Against the backdrop of the drop in the number of registered unemployed and employed persons, a steady decrease in the share of the young population in the total employed population is observed (Figure 4). As a rule, youth is less present on the labor market, because much of it is part of the education system. On the other hand, the low share of young people in the total employed population is also determined by the difficulties they face in the employment process, especially because of the employers' requirements regarding the work experience and skills they have, but also the inadequacy job offers with their expectations. Also, long-term migration is widespread and growing among young people, a phenomenon that will continue to negatively influence the evolution of the population of working age.⁴²

Table 13: Registered unemployed / Unemployed by gender

Year	2016		2017		2018	
Gender	W	M	W	M	W	M
Registered unemployed (thousand pesons)	50,1		42,1		35,5	
	23,1	27,0	19,6	22,5	16,8	18,7
Unemployed placed (thousands persons)	17,7		16,7		14,7	
	8,9	8,8	7,9	8,8	7,3	7,4
Share of placement %	35,3		39,7		41,4	

Source: NEA

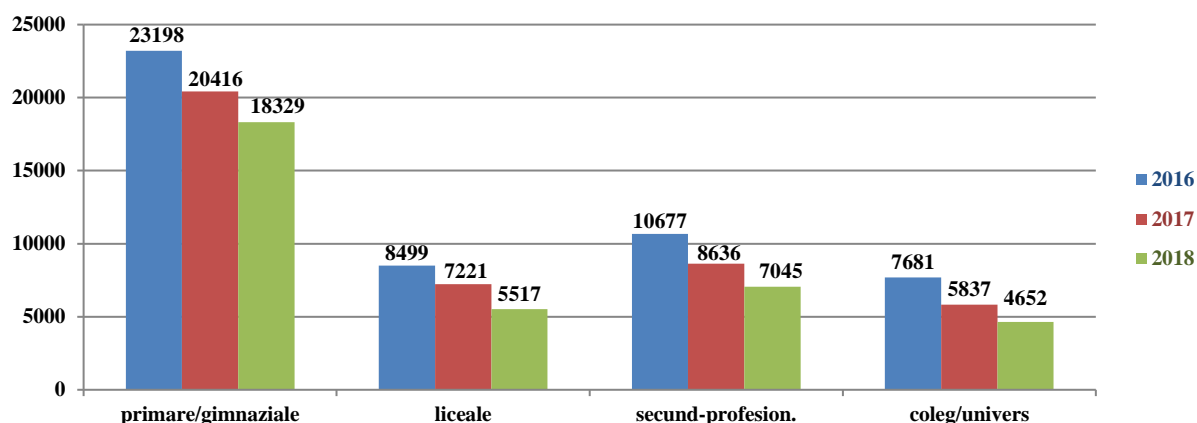
During the last years, there is a trend of diminishing the number of unemployed registered at NEA, having the same decreasing trend as the ILO unemployed according to NBS data, while the share of the number of registered unemployed registered an increase trend from 35,3% in the year 2016 to 41.4% in 2018.

In terms of gender, the number of women addressed to territorial agencies remained at the same level, accounting for about 47% of the total number of registered unemployed.

There is an increase in the share of registered unemployed with primary / secondary education and a decrease in the share of those with college / university studies compared to previous years (Figure 11). A higher share was recorded for primary / gymnasium students (52% followed by secondary-vocational (20%), high school (15%) and college / university studies (13%).

Figure 11: Unemployed registered according to studies

⁴² Nicolas de Zwager, Ruslan Sințov. Inovații în migrația circulară, Migrație și dezvoltare în Moldova. Nexus IASCI, Octombrie 2014.



Source: NEA

Figure 12: Number of unemployed registered by age

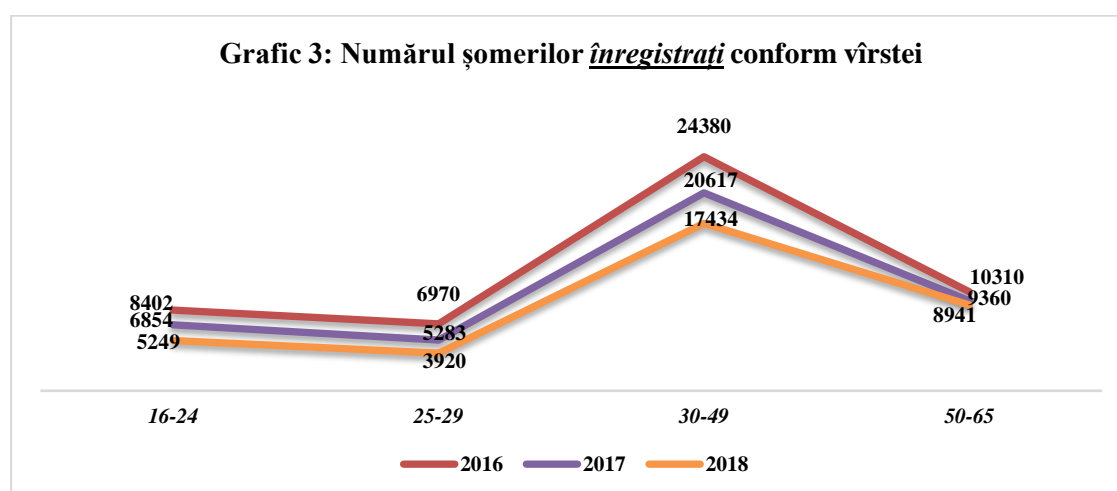
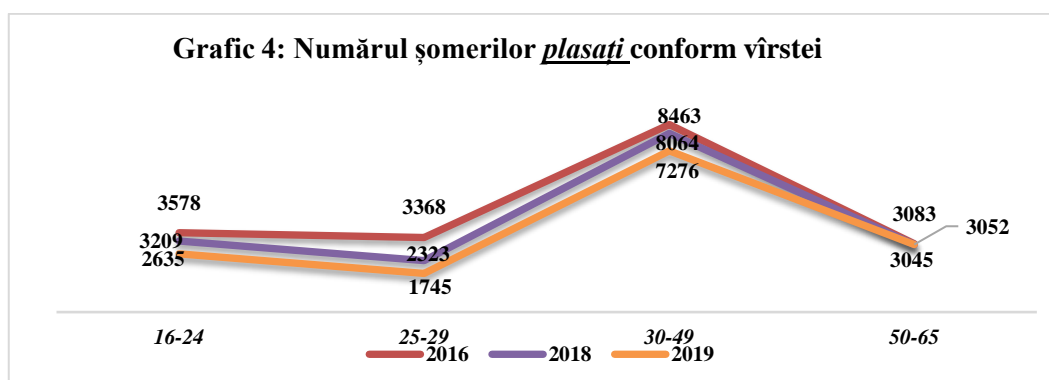


Figure 13: Number of unemployed placed by age

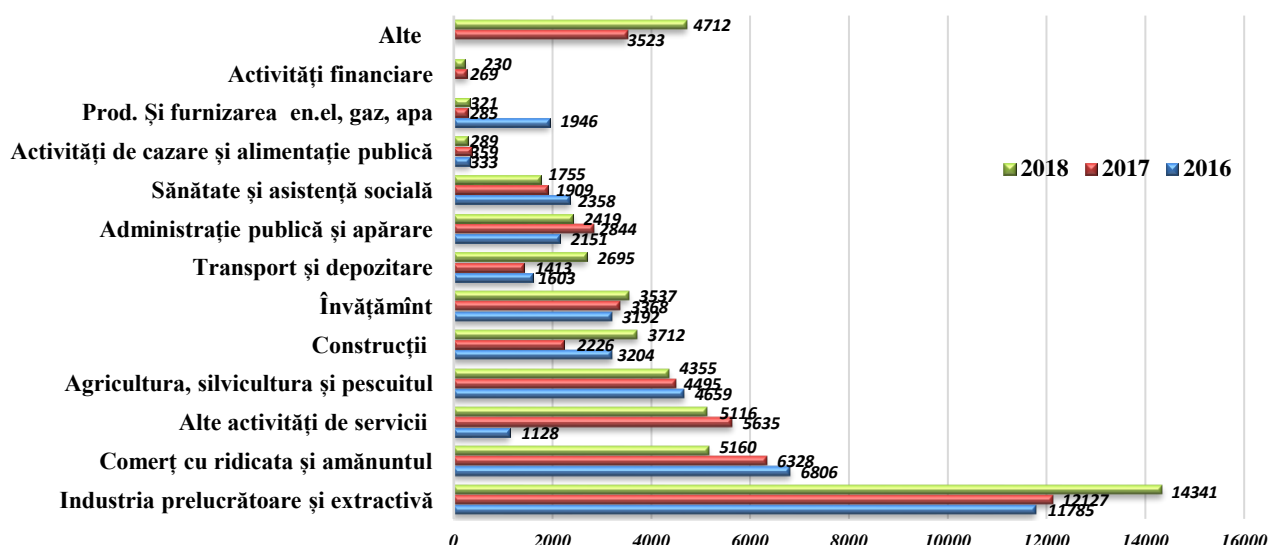


Source: NEA

A challenge for the labor market in the Republic of Moldova is the number of vacancies, registered and vacant. According to NEA, most of them are addressed to people with secondary vocational technical education, general environment and for unskilled workers (75%) and a lower proportion of people with higher technical and post-secondary technical education (25%). The factors that make it difficult to fill vacancies are the low level of qualification of potential employees, the inadequacy between the level of education and the workplace, and the low level of wages offered, as well as labor migration, especially of skilled workers.

Figure 14: Classification of vacancies registered according to economic activities

Grafic 5: Clasificarea locurilor de muncă vacante înregistrate conform activităților economice



Source: NEA

During the years 2016-2018 it worked with about 5500 economic agents. The number of vacancies registered at NEA is growing. Most of the vacancies are usually offered to workers around 70% annually. Leading from: light industry, commerce, public catering, etc. The most demanded job by employers remains the searcher / seamstress, for whom the number of vacancies remains rising from 12% in 2016 to 23% in 2018 of the total number of vacancies registered during the year.

Classifying the vacancies according to the economic activities, the weight in the processing and mining industry is about 30%, followed by wholesale and retail and agriculture, forestry and fishing. For specialists, the employers' demands were mainly focused on the fields of medicine, finance, information technology, etc.

Table 14: Services and employment measures provided by NEA

Source: NEA

Deumirea serviciilor	Total (mii pers.)	anul 2016		Total (mii pers.)	anul 2017		Total (thousand persons)	anul 2018	
		W	M		W	M		W	M
Informare și consiliere profesională	101,0	43,8	57,2	88,6	39,7	48,9	77,7	36,0	41,7
Intermedierea muncii	32,4	14,5	17,9	29,5	13,4	16,1	26,5	12,3	14,2
Servicii de preconcediere	2,4	1,2	1,2	4,5	2,4	2,1	2,0	1,1	
Absolvenți ai cursurilor de formare profesională	2,9	1,9	1,0	2,6	1,7	0,9	2,2	1,5	0,7
Nr. șomerilor antrenați la lucrări publice	1,8	0,5	1,3	2,0	0,55	1,45	1,9	0,5	1,4
Nr. șomerilor beneficiari de ajutor de șomaj	5,8	3,1	2,7	4,5	2,4	2,1	3,3	1,8	1,5
Nr. șomerilor beneficiari de alocație de integrare sau reintegrare profesională	2,8	2,2	0,6	2,3	1,7	0,6	1,8	1,3	0,5

NEA is responsible for providing services (Table 14) and implementing active employment measures, such as:

- Intermediation of work, which is the priority link in the work of the agencies, which leads to the achievement of the main objective: increasing the employment rate of the population.

Over the year, the service for the inter-mediation of the work benefits in average about 25 thousand people annually, including unemployed about 22 thousand. Approximately 19 thousand individual

annual employment plans were prepared to individually plan the services and measures needed for the person to be more easily integrated into the labor market. As a result, 33% of the beneficiaries were placed in the workplace and 7% were enrolled in vocational training courses. Work brokering has been carried out, including through the holding of job fairs. Thus, during 2011, 73 fairs, 2017 - 66 fairs and 2018 - 62 trade fairs and mini-fairs were organized, resulting in about 19% of the participants.

- Vocational information and counseling is a key active measure that contributes to increasing the chances of finding a job that suits the aspirations and professional training.

Over the years there has been a tendency to decrease the number of persons who have received professional information and professional services, of which: 70% have been unemployed; 30% - people aged 16-29; 46% were women; 2% - people with disabilities; 1% under 16; 1% graduates of boarding schools and orphans; 86% benefited from individual informative consultations; 13% of people received group consultations; 7% participated in the Labor Club; 1% participated in training seminars on techniques and job search methods; 1% benefited from other professional guidance activities.

- Vocational training, providing unemployed people with the growth and diversification of their professional skills in order to integrate more easily into the labor market.

During the years 2016-2018, as a result of the centralized public procurement procedures, approximately 15 educational institutions were contracted annually, offering around 39 professions / trades / vocational training programs for specialties. Most graduates of vocational training courses were trained in the professions: chef, barber, accountant, computer operator, manicurist, stitch (confectionery), confectioner.

The number of people attending annual vocational training courses is about 2.5 thousand persons, of which:

- about 73% - qualification;
- 21% - retraining;
- 6% - improvement;
- 57% - had primary / secondary education;
- 13% - general / high school general education;
- 11% - higher education;
- 13% - secondary professional;
- 6% - specialized secondary education;
- 70% - women;
- 57% - from the rural sector;
- 62% - young people aged 16-29;
- 58 - people with disabilities.

The share of training graduates placed after graduation is about 85%

- Public works are one of the active measures on the labor market, which contributes to the increase of the employment rate of the population and is aimed at the temporary improvement of the situation of the unemployed from the vulnerable groups, especially of the rural people.

It should be noted that, with the entry into force of 10 February 2019 of Law 105/2018 on labor force promotion and unemployment insurance, the unemployed are no longer trained in public works.

As part of the ILO Grant Agreement, in July-December 2017 NEA piloted the training of the unskilled unemployed at work, focusing on disadvantaged young people. The piloting was attended by 7 territorial agencies: Chisinau, Balti, Cahul, Soroca, Donduseni, Rascani and Hancesti. In total, 65 unemployed (average age 23) were trained in the pilot training program for the unemployed, of which 26 were chefs, 39 siblings, 52 women, 22 unemployed from rural areas.

Table 15: Execution of expenditures from the State Budget related to the employment policies regarding the labor market

Tipul plăților	Executat în 2016 (mii lei)	Executat în 2017 (mii lei)	Executat în 2018 (mii lei)
<u>Cheltuieli ce țin de medierea muncii</u>	<u>379,8</u>	<u>285,3</u>	<u>309,2</u>

<u>Cheltuieli pentru informarea și consilierea profesională</u>	<u>35,7</u>	<u>79,9</u>	
<u>Cheltuieli pentru formarea profesională</u>	<u>9655,2</u>	<u>8763,7</u>	<u>5092,1</u>
<u>Cheltuieli pentru lucrări publice</u>	<u>5956,5</u>	<u>7463,0</u>	<u>17686,6</u>
<u>Cheltuieli pentru acordarea alocației de integrare/reintegrare</u>	<u>7603,6</u>	<u>6173,1</u>	
<u>Cheltuieli pentru mobilitatea forței de muncă</u>		<u>467,7</u>	
<u>Cheltuieli pentru acordarea bursei</u>	<u>4486,8</u>	<u>4369,7</u>	<u>4133,3</u>
<u>Cheltuieli bancare</u>	<u>86,5</u>	<u>97,6</u>	
<u>Total</u>	<u>28204,1</u>	<u>27715,5</u>	<u>26976,9</u>

Source: NEA

In order to increase working capacity through training, OSMED organized several training courses during the years 2017-2018 within the programs it manages.

- 1,899 young people, including 784 women and 405 men, were trained in the "Efficient Business Management" Program;
- 278 young people, including 86 women and 192 men, were trained in the "PARE 1 + 1" Remittances Removal Program ";
- 994 young people were trained in the PNAET Program;
- 408 women were trained in the "Women in Business" Program.

In the course of 2018, in order to increase the entrepreneurial skills of economic agents and potential entrepreneurs, OSMED systematically organized information sessions on technical and financial assistance programs for SMEs in the territory under the LPA level II in 11 districts and municipalities of the country. Over 750 young people and students from secondary and higher education institutions were informed about OSMED's entrepreneurship support programs.

Information campaigns took place at the following educational institutions:

20.03.2018	VET School no.5 from Chișinău, were informed– 140 young people;
21.03.2018	„Mihail Ceachir” College from Comrat, Găgăuzia, were informed– 45 young people;
22.03.2018	VET School no.4 from Bălți, were informed– 90 young people;
23.03.2018	Colegiul Național de Comerț al ASEM, mun. Chișinău, were informed– 110 young people;
27.03.2018	Universitatea Cooperatist-Comercială din Moldova, mun. Chișinău, were informed– 40 young people;
03.04.2018	Colegiul de medicina veterinară și economia agrară din Brătușeni, rl. Edineț, were informed– 60 young people;
03.04.2018	Universitatea de Stat din Bălți, were informed– 110 young people;
04.04.2018	Universitatea Tehnică din Moldova, Facultatea inginerie economică și business, were informed– 60 young people;
04.04.2018	Universitatea Academiei de Științe a Moldovei, were informed– 30 young people;
20.04.2018	Centrul de Excelență în Viticultură și Vinificație, Chișinău, were informed– 20 young people;
18.06.2018	VET School from Cupcini, Edineț, were informed– 50 young people;

B.1.7 Identification of skills demand and its bearing on VET provision

Commencing the year 2009, NEA develops the Labor Market Forecast and Barometer of Professions. Labor market forecasts are being developed at national level in response to the need to obtain qualitative and quantitative labor market indicators and to assess the possibilities of matching and structuring labor supply. It also provides general information on the structure of employment by activity, creation of new jobs, labor shortages, cooperation of employers with territorial agencies in vocational training programs, etc.

When developing the Labor Market Outlook for 2017, a new module on competencies was introduced. As a result of this research, it was found that the lack of competencies to specialists poses a greater obstacle to the functioning of the enterprise than the lack of skills for workers, while the lack of skills for workers is considered to be more frequent than for specialists.

At the same time, the results of the Labor Market Forecasting and the Barometer of Professions are transmitted annually to the Ministry of Education, Culture and Research as a basis for the future actions of the education system, which would improve the skills situation that impedes the activity of enterprises. As a result of the reorganization of the National Employment Agency, the Labor Market Observatory (OPM) was established within the institution, in accordance with the Government Decision 990/2018 on the organization and functioning of the National Employment Agency. The OPM operates on the basis of the a partnership signed between MHLSP, NEA on the one hand and the Ministry of Economy and Infrastructure, the Ministry of Finance, the Ministry of Education, Culture and Research, the Ministry of Agriculture, Regional Development and Environment, the National Bureau of Statistics, the National Institute for Economic Research, the National Confederation of Employers, The National Trade Union Confederation, the Chamber of Commerce and Industry, the Migration and Asylum Bureau, on the other. The purpose of the OPM is to collect, systemize and analyze the statistical data produced by NEA and other public institutions, to develop analytical studies, to forecast and forecast labor supply and demand, and to disseminate labor market information to different actors on the labor market.

During 2018, OPM developed the following analytical notes:

- "The analysis of vacancies registered in the NEA database";
- "Labor Migration and the Impact on the Labor Market of the Republic of Moldova" with the support of the MiDL project;
- Infographic with various themes.

At the same time, Law 244/2017 on Sectoral Skills Committees was adopted, which allows us to support these committees from the state budget, as well as ensures a organizational-legal form of the sector committees.

We would like to mention that the Sector Skills Committee is a responsible structure for ensuring the correlation of vocational training with the requirements of the labor market in the respective economic sector, training a skilled labor force by participating in the process of promoting vocational training policy. There are currently 6 Sector Skills Committees, which have developed 3 Occupational Standards and 9 Projects designed to develop the communication platform in the sectors they represent.

In 2017, the National Program for Economic Empowerment of Youth (PNAET) was finalized, which was financed by the Government of the Republic of Moldova on the basis of the Government Decision no.364 of June 3, 2008, with the subsequent modifications of the Program's action until 2017. Beneficiaries The program was the young entrepreneurial individuals and legal entities in all areas of rural areas aged 18-35. Sources of financing of the program: state loans and state grants of the Investment Development Projects, recredited by the Ministry of Finance of the Republic of Moldova. As a result, there was a need for another program for young people and their active involvement in the entrepreneurial activity, which was approved by the Government Decision no. 973 of 10 October 2018 on the approval of the "START FOR YOUNG PEOPLE: A Sustainable Home Business" program.

Although the range of entrepreneurship support programs in the Republic of Moldova is quite varied, there is a lack of support for young people to start or develop their business, where their share remains relatively small, 2.4% of entrepreneurs are aged up to 24 years and 20.3% are aged 25-34 years. The statistical data identified in the entrepreneurial research process show that young people in the Republic of Moldova are more likely to start a business (44.40%) compared to adults (24.99%). Young entrepreneurs are more creative and innovative, more open to implementing innovations or introducing

business methods and models that can contribute to their rapid growth and internationalization. The main problem for young entrepreneurs remains to be access to cheap and easily accessible financial resources. Thus, the involvement and support of young people in entrepreneurial activities would be a valuable solution for reducing the unemployment rate, but also for the development of the economy of the state. The few existing programs do not cover the needs of this population, which stimulates young people to seek opportunities to capitalize on their knowledge and skills in the field of entrepreneurship outside the country⁴³.

At the sectorial level, there is no common methodology applied for identification and anticipation of demand for skills in the labour market. In spring 2019 in the Agri-food Sector there were provided researches to identify the labour market needs. The Labour Market forecast was provided within the EU project DEvRAM. The results are to be used to develop the Annual enrolment plan in VET institutions. The identification of the demand for skills in the labor market can also be formed on the basis of the letters of intent from the economic agents to the IIPT for the training of qualified personnel, as expected by the companies. As a result, dual co-operations are formed between partners: IIPT and economic agents, as requested by economic agents.

B.1.8 Supporting migrants and refugees through VET

In order to facilitate integration into the labor market, the citizens returned from abroad registered as unemployed, have benefited through the NEA of vocational training services. During the year 2016, 79 citizens returned from abroad have completed qualification, retraining and refresher courses.

During the year 2017, 97 citizens returning from abroad have graduated from qualification, retraining and refresher courses.

During the year 2018 they have graduated from the qualification, re-qualification and refinement 32 citizens returned from abroad.

In the period 2016-2018, 1, 2 and 1 person from the ranks of the refugees were registered as unemployed.

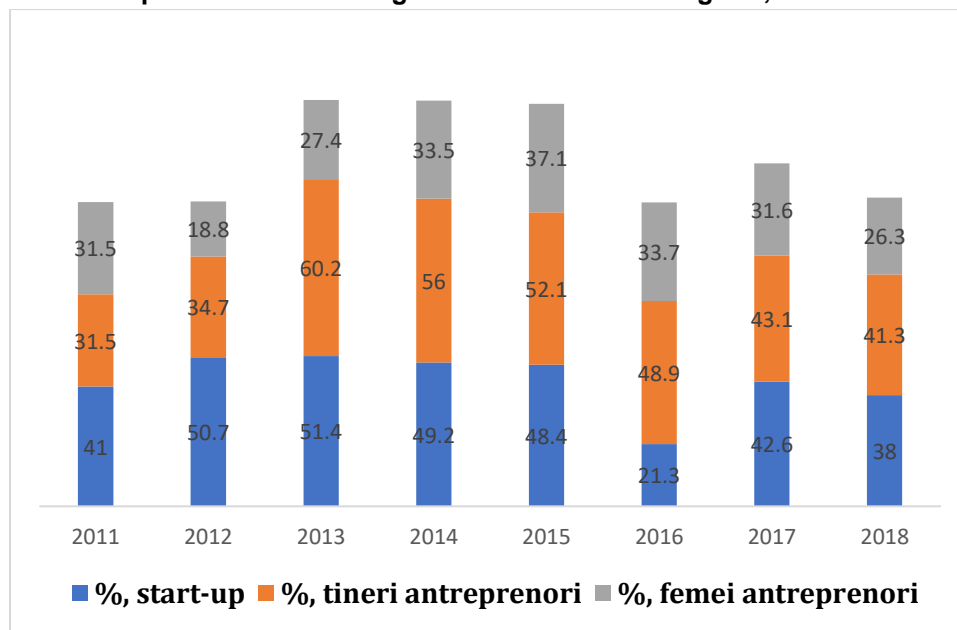
Under the conditions of the development of the market economy, the small and medium enterprises sector contributes to the improvement of the economic situation, stimulates the increase of production volume, implements new technologies and creates new jobs. A special contribution to the development of local entrepreneurship, the channeling of money obtained abroad and the return of migrant workers to the country is the responsibility of the state through the implementation of the "PARE 1 + 1" Remittances in Economy Program. Through this Program, migrant workers and their first grade relatives can benefit from a 50-hour academic training in the field of initiating, creating and developing a business; consultancy throughout the business start-up phase and support in developing business plans; of non-reimbursable financing up to 250 thousand lei on the basis of the "1 + 1 rule", ie each leu invested in remittances will be supplemented by a lion within the Program.

During the years 2017-2018, within the Program "Removing Remittances in Economy" "PARE 1 + 1", 21 training courses were organized and 613 beneficiaries were trained. Of the trainees trained, 40% (243 persons) of the participants are migrants, including 24.5% (150 persons) returning home and 60% relatives of the first degree. The share of women participating in the training is 32.5%. The geographical area of the training participants is varied, with applicants from 26 countries of the world. Most migrants returning to the country and investing in Italy are ranked I, accounting for 29.2% of the total, followed by the Russian Federation and Germany by 13.8%. Of the total number of people trained under the "PARE 1 + 1" Program, 257 young people are migrants returning home. Also, 189 enterprises created and managed by young people were funded through the Program.

The dynamic analysis of the share of newly created enterprises, created by women and young entrepreneurs, reports that in the last year the share of these indicators in the total number of enterprises contracted in 2018 tends to decrease compared to the period of 2017

⁴³ Government Decission no.973/2018 on the approval of the Youth Start Program: A sustainable home-based business, available at: <http://www.legis.md/cautare/rezultate/109155>

Figure 15: Share of start-ups, enterprises created by young people and enterprises created by women in total enterprises funded through the "PARE 1 + 1" Program, %



B.2 Entrepreneurial learning and entrepreneurship

B.2.1 Job creation and VET

There were developed normative acts and implemented concrete measures aiming to strengthen professional skills of TVET students through WBL and dual TVET targeting to make the educational offer relevant to the labour market and increase the employability of VET students. To achieve the set targets there were approved

- the Regulation on organization of dual TVET (2018),
- Regulations on the organization of internships in secondary, post-secondary and post-secondary non-tertiary (2016),
- Frame Curriculum for dual secondary TVET (2018),
- Frame Curricula for secondary, post-secondary and post-secondary non-tertiary TVET.

Entrepreneurship education is a compulsory subject in all VET programmes. This also contributes to develop entrepreneurial skills and enhance the self-employment of VET graduates.

Furthermore, other agencies like NEA, OSMED support transition to the labour market. OSMED supports guidance on self-employment, entrepreneurship training and business start-ups, etc. The target groups cover a large share of beneficiaries including women, migrants, Roma people, disabled people, ex-prisoners and other vulnerable groups.

NEA through the territorial subdivisions trains jobseekers to vocational training courses, including the management profession (the foundations of entrepreneurship). Thus, during the year 2016, 56 unemployed graduated management courses (the foundations of entrepreneurship), of which 36 unemployed were placed in the labor market.

During the year 2017, 76 unemployed graduated the professional training courses and 53 unemployed were placed in the labor market.

In 2018, 32 unemployed people graduated from vocational training courses in the management profession (the foundations of entrepreneurship), of whom 31 unemployed were placed in the labor

market. From the data, there is a decrease in the number of unemployed graduates of these courses by about 42% in 2018 compared to 2017.

As a result of the implementation of the PNAET Programme, during the year 2017, 308 young people were employed;

- Through the "Women in Business" Program, 289 youth jobs were created, and 406 youth jobs were created through the PARE 1 + 1 Program.

Within Business Incubators, there are 110 businesses created and managed by young people, and 411 young business incubators⁴⁴.

The main indicator of the quality of the VET is the rate of employment of the graduates.⁴⁵ Yet, there is no data available on the employment path of VET graduates neither on their social insertion. Thus, a functional graduate tracer studies is needed to track employment paths of VET graduates in order to monitor the impact of the VET programmes and find out whether the VET offer converts into efficient employment.

B.2.2 VET policies to promote entrepreneurship

In Moldova entrepreneurship is promoted by VET provider as well as NEA, OSMED and other agencies. Entrepreneurship education (Basics of Entrepreneurship) is available at all levels of education, be it compulsory or optional. Pursuant to Education Code no. 152 of July 17, 2014, art. 11 education mainly ends with the formation of an upright character and developing a system of skills that include knowledge, skills, attitudes and values that allow the active participation of the individual in the social and economic life, pursuing at the same time the formation of key skills, which include some **entrepreneurial skills** common to the entire educational system of the country, including VET. Entrepreneurship education as a compulsory subject is found in all VET programmes.

The duration of the Basics of Entrepreneurship course in VET institutions is of 120 hours (96 hours theory/practice and 24 hours consultations) and post-secondary VET institutions -(120 hours, including 90 hours of direct contact). All students of those institutions received Specifications for students and the teachers benefited from the teaching material: Tips for designing lessons and Methodological Guide for teachers.

For unemployed who have post-secondary/higher vocational education, the NEA organizes training courses in management (basics of entrepreneurship).

With the entry into force of Law no.105 / 2018 on the promotion of employment and unemployment insurance, the National Employment Agency together with the territorial subdivisions will provide advice, assistance and support in starting an unemployed business, including TVET graduates. This is an active measure of employment, aims at financially supporting the unemployed who want to start an entrepreneurial activity and regaining financial independence, creating jobs, developing the entrepreneurial skills of the unemployed, stimulating the development of new enterprises, facilitating access to finance them. Thus, the unemployed will benefit from subsidies that will compensate 50% of the expenses related to the creation of a business, but no more than 10 average monthly salaries for the economy for the previous year.

During the years 2017 and 2018, four TAIEX missions were organized in order to facilitate cluster development in Moldova by identifying the industries with the greatest potential for clustering and establishing a clear methodology for creating and developing a cluster. Thus, on September 10, 2018, in Cahul, the CREATIVE Regional Cluster, which focuses on the creative industry, was launched.

⁴⁴ Report OSMED 2017, Available at: http://OSMED.md/files/ro/pdf/rapoarte/Raport_2017_PA%20OSMED.pdf, and Report OSMED 2018.

⁴⁵

During the event, the partnership agreement was signed between the 12 members representing the business environment, vocational schools and local public authorities.

And on September 11, 2018, the SORINTEX Textile Cluster was launched, bringing together 38 members. Association models applied by clusters in Soroca and Cahul have potential for replication in other industries and will serve as an example for new initiatives coming from the territory. Initiatives were made public in a Cluster Policy Cluster and Cluster Initiative Support Workshop.

Also, for the development of the entrepreneurial spirit and the employment of the graduates of the technical vocational education institutions, OSMED during the period 2017-2018 initiated and further promote the Women's Business Support and Involvement Program, the Attraction Program of the "PARE 1 + 1" Remittances in Economy, in order to create entrepreneurship support areas in the South Development Region in April 2018, started the "South Open Gate of Moldova for Businesses and Investments Promotion" project, which is implemented in partnership with the Council Raional Cimislia, South Regional Development Agency and 7 rayon councils from the South Development Region.

Taking into account the importance of supporting young people in business start-up and development, in March 2018, the Joint Opportunities in Business for Youth (JOBS for YOUTH) project was launched. On December 13, 2017, the implementation of the project began, with a total duration of 15 months. The project "JOBS for Youth" is financed by the European Union under the Moldova-Ukraine Cross Border Cooperation Program and implemented by the Organization for Development of the Small and Medium Enterprises Sector (OSMED) in partnership with Ukraine's "New Generation of Youth". The aim of the project is to support 60 young people aged 18-35 from the Republic of Moldova and Ukraine (Odessa region) in initiating innovative businesses with a strong social and economic cross-border impact. Thus, the target group of the project is 60 young people aged 18-35 from the Republic of Moldova and Ukraine (30 from Moldova and 30 from Ukraine), 4 business consultants from both countries (2 from Moldova and 2 from Ukraine). In accordance with the grant agreement and the international treaties, the project was included in the Government Decision no. 246 of April 8, 2010 "On the application of the tax and customs facilities related to the implementation of the ongoing technical and investment assistance projects, which fall under the international treaties to which the Republic of Moldova is a party", modified by GD no. 1142 of December 20, 2017, MO nr. 451 - 463 of 29 December 2017⁴⁶.

⁴⁶ OSMED Report 2018. Available at: www.OSMED.md

SOCIAL ENVIRONMENT AND INDIVIDUAL DEMAND FOR VET

C.1 Participation in VET and lifelong learning Identification of issues

C. 1.1 Secondary VET

At the beginning of the 2018/19 study year, 15.3 thousand pupils were enrolled in secondary technical education or 9.7% less than the previous year of study. Distribution by study programs shows that 50.7% of students are studying a job (2 years), 40.3% - two related professions (3 years), 8.5% were interested in dual education (1 -2 years) and 0.5% - a job (1 year). Compared to the 2017/18 study year, there is a clear decrease in the number of students in the 2-year training programs (by 18.8%), less in the 3-year training programs (by 6.3%), while increasing (twice) the number of students in dual education.

The gender structure of secondary VET school students shows a higher share of boys (72.6%) than girls (27.4%).

In the structure of pupils' age we recorded higher weights for 16 and 17 years of age (respectively 33.4% and 30.9%), and for the age of 18 years - 16.8% (corresponding ages secondary technical education).

Table 1: Students in secondary VET by study programmes at the beginning of the academic years 2017 / 18 - 2018 / 19

	2017/18			2018/19		
	Total elevi	din care:		Total elevi	din care:	
		fete	cu finanțare bugetară		fete	cu finanțare bugetară
Total	16948	4568	16 178	15306	4196	14 503
În baza studiilor gimnaziale: pentru o meserie-2 ani (inclusiv și fără studii gimnaziale)	9569	2808	8961	7767	2395	7 157
pentru meserii conexe-3 ani	6 579	1540	6428	6163	1331	5 991
În învățământul dual-1-2 ani	661	191	661	1 294	429	1 285
În baza studiilor medii de cultură generală și liceale	139	29	128	82	41	70

Enrolment. In the 2018/19 academic year, 7.7 thousand people were enrolled or 2.0% less than the previous year of study. Of the total number of enrolled pupils, 97.3% had secondary education, over three quarters of them (76.8%) being graduates of 2018. As in previous years, the share of students enrolled in budget-financed studies was the majority (94, 3%).

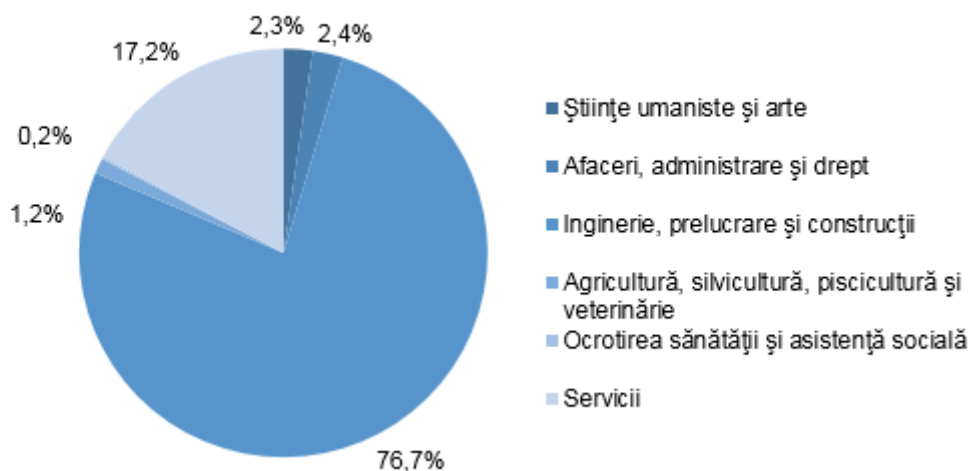
Based on the secondary education, 4.0 thousand pupils were enrolled for training in a profession (of which 92.4% was financed by the budget) and 2.5 thousand were related to trades (of which 95.7% were financed by the budget). At the same time, the number of pupils enrolled for training in a trade fell by 15.6% compared to the study year 2017/18, while those enrolled in related jobs increased by 7.7%. The promotion of dual education results in a higher number of enrolled apprentices - 1.1 thousand persons compared to 0.6 thousand in the 2017/18 study year, and the persons with general or high school education who have chosen this level educational value is 0.1 thousand.

The most demanded trades were the following: car mechanic (7.2% of total registered), chef (5.5%), technical support of computers (4.1%), stitch in the garment industry (4.1%), plasterer (3.7%), electrogazosudor-montator (2.8%), etc. At the same time, some of the crafts are also found in related professions. Thus, there are preferences for the following related professions: electrogazosudor-montator - gas cutter (5.3%), electrician-automotive auto mechanic (3.7%), chef (3.2%), electromonitor electrical - locksmith-electrician electrical equipment (3.0%), tailor made tailor-made clothing - seamstress (2.5%), etc.

Compared to the 2017/18 study year, the structure of general enrolled pupils changed, mainly for business, administration and law (1.3 percentage points increase), and for engineering, manufacturing and construction (1.6 percentage points decrease).

Figure: the structure of pupils enrolled in secondary VET, by general domains, academic year 2018/19

Figura 1. Structura elevilor înmatriculați în învățământul profesional tehnic secundar pe domenii generale, în anul de studii 2018/19



Graduates. In 2018 the number of graduates constituted 7.1 thousand persons, showing a decrease of 7.0% compared to the previous year. Of the total graduates, 10.2% obtained the qualification of cook, 9.0% - computer technical support, 8.7% - auto mechanic, 8.3% - electrogazosudor-montator, 5.0% - plasterer, 4, 4% - seamstress, 3.3% - sewing in the clothing industry, 2.6% - electromonitor electric equipment, etc.

Post-secondary non tertiary VET

At the beginning of the 2018/19 study year, post-secondary technical vocational education was 29.0 thousand students, down 2.0% from the previous year. Most students enrolled in this educational level are studying in state institutions (27.2 thousand or 93.8%).

Of the total number of students enrolled in state institutions, 13.3 thousand (48.9%) undertake contract studies.

At this educational level the share of girls is higher than that of boys (53.8% and 46.2%, respectively).

Table 2. Students in Post-Secondary VET Institutions by form of ownership, at the beginning of the academic years 2017 / 18-2018 / 19

	2017/18			2018/19		
	Total students	from which:		Total students	from which:	
		girls	on a contractual basis		girls	on a contractual basis
Total	29 638	15 759	15 057	29 042	15 631	15 190
State institutions	27 970	14 453	13 389	27 180	14 269	13 328
Non-state institutions	1 668	1 306	1 668	1 862	1 362	1 862

The distribution of pupils by age is as follows: 3.4% of students enrolled at this educational level are up to 16 years of age, 22.7% - 16 years old, 22.2% - 17 years old, 22.0% - 18 years old , 18.8% - 19 years, and 10.9% of pupils aged 20 and over.

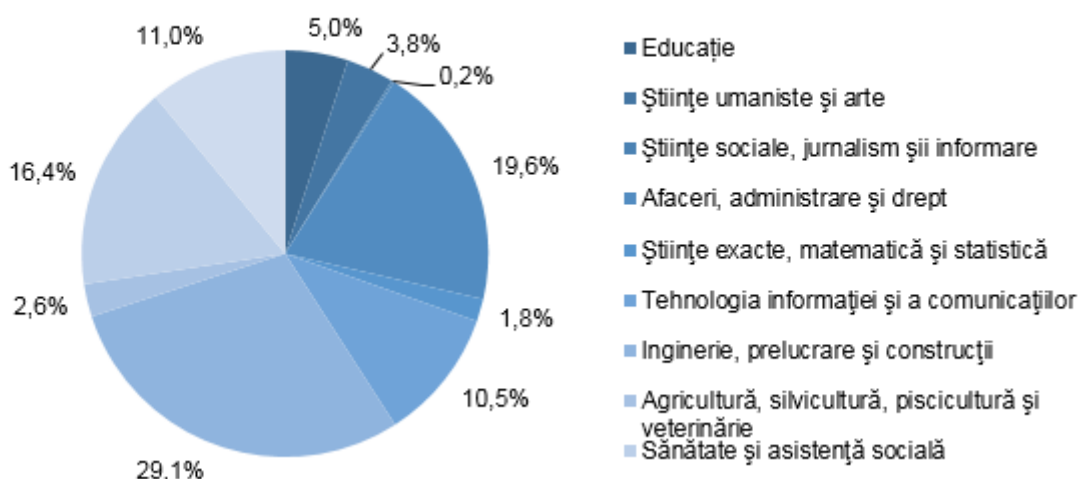
Enrolment. In the year 2018/19, 8.4 thousand persons were enrolled, of which 92% were on the basis of the gymnasium certificate.

In the state institutions, 7.7 thousand people were enrolled, including 3.7 thousand with budget financing and 4.0 thousand on contract basis. Compared to the 2017/18 study year, the number of students enrolled with budget funding decreased by 3.1%, while those registered on a contractual basis increased by 2.7%. At the same time, there was a 1.4 times increase in the number of students enrolled in non-state institutions (0.7 thousand compared to 0.5 thousand in the study year 2017/18).

In general, the largest share of students is in engineering, manufacturing and construction (29.1% vs. 30.7% in the study year 2017/18). Similarly, significant shares were recorded in the areas of business, administration and law (19.6% vs. 18.6%), health and social work (16.4% vs. 16.9%), services (11.0% vs. 11.8%).

Figure 2: the structure of pupils enrolled in secondary VET, by general domains, academic year 2018/19

Figura 2. Structura elevilor înmatriculați în învățământul profesional tehnic postsecundar, pe domenii generale, în anul de studii 2018/19



The most demanded were the following specialties: care of the sick (9.8% of the total enrolled), accounting (7.0%), tourism (4.2%), social assistance (2.9%), early education (9%), hairdressing and cosmetics (2.8%), wholesale (2.9%), retail (2.8%), computers (2.6%) and so on

Graduates. In 2018, the number of graduates constituted 7.0 thousand people, 10% more than in the previous year. Each third specialist graduated in engineering, processing and construction, and each fifth in the field of business, administration and law, and each sixth in the field of health and social care. Of the total number of graduates, 87 percent attended high school studies and specialized courses. The number of students who passed the baccalaureate examinations in post-secondary VET institutions in the year 2018 constituted 2.5 thousand persons.

Overall, it is important to mention, that unlike in many countries VET system in Moldova enjoys relative social prestige. However since 2012, the number of enrolled students in VET system plummeted down, with a significant drop of 22% compared to 2012. This was due to the negative demographic trends and a downward trend in the number of gymnasium graduates (potential applicants to VET) and less likely because of the lack of attractiveness of the VET system. Due to a generally ageing population and significant youth migration, the number of students is decreasing at all levels year by year. Apart from these, many young people migrate to study abroad. In 2014 24 200 Moldovans were studying abroad (Grigoras, 2015).

C.1.2 VET opportunities for vulnerable and marginalised groups

Equal opportunity for everyone to access VET are the key principle of the actual policies and strategies. Accessibility of VET is part of the VET strategy 2013-2020. Concrete measures have been taken to make the TVET system accessible to everyone.

According to art. 27, Law no. 60/2012 persons with disabilities have access to education at all levels (initial and continuous VET) on equal conditions with other citizens. Regulations on VET admission reserve 20 % (secondary VET) and 15% (post-secondary VET) of the total number of places (per each specialty/trade) provided in the admission plan with budget funding for children with disabilities, orphans, children with parents with severe disabilities, children from families with four or more children, Roma children and other children from disadvantaged groups.

Many VET students are provided accommodation. Almost all students in secondary VET get stipends and all students receive free lunch and those enrolled in dual VET are paid monthly apprenticeship allowance. These benefits enable young people to take up and complete VET courses.

C.1.3 Policies to improve VET access and participation

Access conditions to VET are stipulated by article 60 of the Education Code of the Republic of Moldova no. 152/2014. The admission to VET institutions is made based on gymnasium education (lower secondary) or lyceum (upper secondary education).

The admission plan in VET with financing from the state budget is established by the Government. The admission plan can be modified by the MECR under the condition that the modification is justified and has no impact on the budget.

The training of people with special educational needs shall be carried out according to the Nomenclature of professional training fields and of trades/professions and the Nomenclature of professional training fields, specialities and qualifications in the trades' classes from the special schools and within the vocational education and training.

C.1.4 Promoting VET access and participation for vulnerable and marginalised groups

C.1.5 Flexible VET provision in support of participation in VET

According to national normative acts, qualifications are defined by learning outcomes expressed in terms of knowledge, skills, responsibility and autonomy accumulated during a vocational training programme or obtained in non-formal or informal contexts and recognized according to the normative acts in force. The description of learning outcomes in terms of learning outcomes enables all beneficiaries to better understand the qualifications they have gained in different contexts to translate them into the national and European qualifications system. The National Qualifications Framework focuses on learning outcomes and does not focus on studies.

At present, it is not regulated to obtain and recognize partial qualifications.

VET qualifications are to be developed based on Occupational Standards (OS), in line with EQF and labour market needs. At present, there are only 33 approved OS for level 3 and 81 professional qualifications (out of 200). The NQF does not have a functioning register yet. In the absence of respective OS, most of the existing qualifications were not based on an OS, thereby not following the official methodology for the development of qualifications. It is likely that these qualifications and curricula are therefore not based on labour market needs. This calls for an urgent development of new OS, qualifications and corresponding curricula, as well as a revision of existing ones.

There is limited autonomy in curricula flexibility as it is centralized and they cannot create new TVET courses/programmes by themselves.

C.1.6 Validation of non-formal and informal learning

First steps towards a formal Recognition of Prior Learning (RPL) were taken in January 2019: MECR approved the Regulation on validation of non-formal and informal education⁴⁷, to be provided by VET institutions. Four institutions (Coleges and CEx) were approved by MERC to pilot the mechanism on validation in the period from March 1st – October 1st 2019.

Once a functioning system is established, Recognition of Prior Learning (RPL) has the potential of benefitting a wide array of learners, including returning migrants. Fees for RPL are set by VET Institution, following a pre-established cost-effectiveness ratio. For certain disadvantaged groups (unemployed, disabled, etc.), preferential financial arrangements are foreseen. However, a sustainable mechanism for recognition and validation of prior learning is still to be developed and established.

Apart from training-related active labour market programmes for the unemployed, continuing professional development is delivered by public and private educational institutions, OSMED and some companies provide short courses for continuing VET. Also some institutions for initial VET provide short courses for adults and professional retraining courses for the unemployed. Despite the high numbers of young people and adults benefiting from continuous professional training, there is no coordination between providers and no mechanism to evaluate the impact.

Regulation on validation of non-formal and informal education was approved by MECR Order no./2019. The Regulation establishes the normative framework for the functioning of the National Validation System for non-formal and informal education, which carries out the process of identifying, documenting, evaluating and certifying the knowledge and skills acquired in contexts of non-formal and informal education, in line with the European recommendations on lifelong learning. According to the Regulation VET institutions are to provide the validation of prior learning. Four VET institutions were approved by MERC to pilot the mechanism on validation in the period 1 March -1 October 2019.

The amount of fees for validation of PL is set by VET Institution and coordinated by MECR, respecting the cost-effectiveness ratio and the certification fee will not exceed the actual costs incurred.

For certain risk groups (unemployed, disabled persons, etc.), the fee may be spread over the application of preferential financial relations or the reimbursement of candidates through funding programmes.

However, a sustainable mechanism for recognition and validation of prior learning and qualifications is still to be developed and established.

C.2 Equity and equal opportunity in VET

C.2.1 Success of learners in VET

C.2.2 VET learners in need of additional learning and training support

C.2.3 Measures in support of equity in VET

Equal opportunity for everyone to access VET are the key principle of the actual policies and strategies. Accessibility of VET is part of the VET strategy 2013-2020. Concrete measures have been taken to make the TVET system accessible to everyone.

According to art. 27, Law no. 60/2012 persons with disabilities have access to education at all levels (initial and continuous VET) on equal conditions with other citizens. Regulations on VET admission reserve 20 % (secondary VET) and 15% (post-secondary VET) of the total number of places (per each specialty/trade) provided in the admission plan with budget funding for children with disabilities, orphans, children with parents with severe disabilities, children from families with four or more children, Roma children and other children from disadvantaged groups.

⁴⁷ The Regulation establishes the normative framework for the National Validation System, which includes identification, documentation, evaluation and certification of skills acquired in non-formal and informal settings, in line with EU recommendations on lifelong learning.

Many VET students are provided accommodation. Almost all students in secondary VET get stipends and all students receive free lunch, and those enrolled in dual VET are paid monthly apprenticeship allowance. These benefits enable young people to take up and complete VET courses.

Although, the legal framework ensures equity and equal opportunities for everyone, at institutional level most of the time VET provides lack financial and human resources to implement it.

In order to insure that all enrolled students, including those from disadvantaged and marginalized groups, and students with special educational needs (SEN) can succeed it is necessary to develop individualised learning plans, provide additional teaching support to SEN students, free-of-charge remedial lessons to vulnerable and marginalized students that lag behind, smaller classes for SEN students, etc. Apart from this, a quality assurance mechanism is needed, for example to develop assessment and evaluation and certification tools for SEN students and other categories of students. Furthermore, new policies are needed to facilitate the social and professional integration of this category of students.

In 2018 there was developed the *Guide to Good Practice on Career Guidance and Counseling for Students and Youth with Special Educational Requirements*. The Guide was developed within the VET-I project: Inclusive VET- Career guidance and counseling to support access to relevant education and training. The project is being implemented by KulturKontakt (Austria) in partnership with two NGOs working with disabled students and pupils - the "Staze" in Montenegro and the "Speranta" Center in the Republic of Moldova. The VET-I is part of the Danube Region Strategic Fund Fund, the European Union and the Vienna Municipality.

The VET-I project aims to improve career guidance and counseling for pupils with SEN in Austria, Moldova and Montenegro to ensure equal access to vocational technical education and to increase their employability. In order to achieve this goal, the three partner organizations organized a number of activities within the VET-I project. These included the assessment of existing career guidance and counseling services, the exchange of experience and best practices, consultancy activities and workshops involving key actors from different levels in each country as well as capacity building measures. This project aimed at a better understanding of the career guidance and counseling process for pupils and young people with ESCs in order to develop recommendations for improving and strengthening the capacities of service providers in partner countries.

C.2.4 Inclusive education and VET

According to art. 27, Law no. 60/2012 persons with disabilities have access to education at all levels (initial and continuous VET) on equal conditions with other citizens.

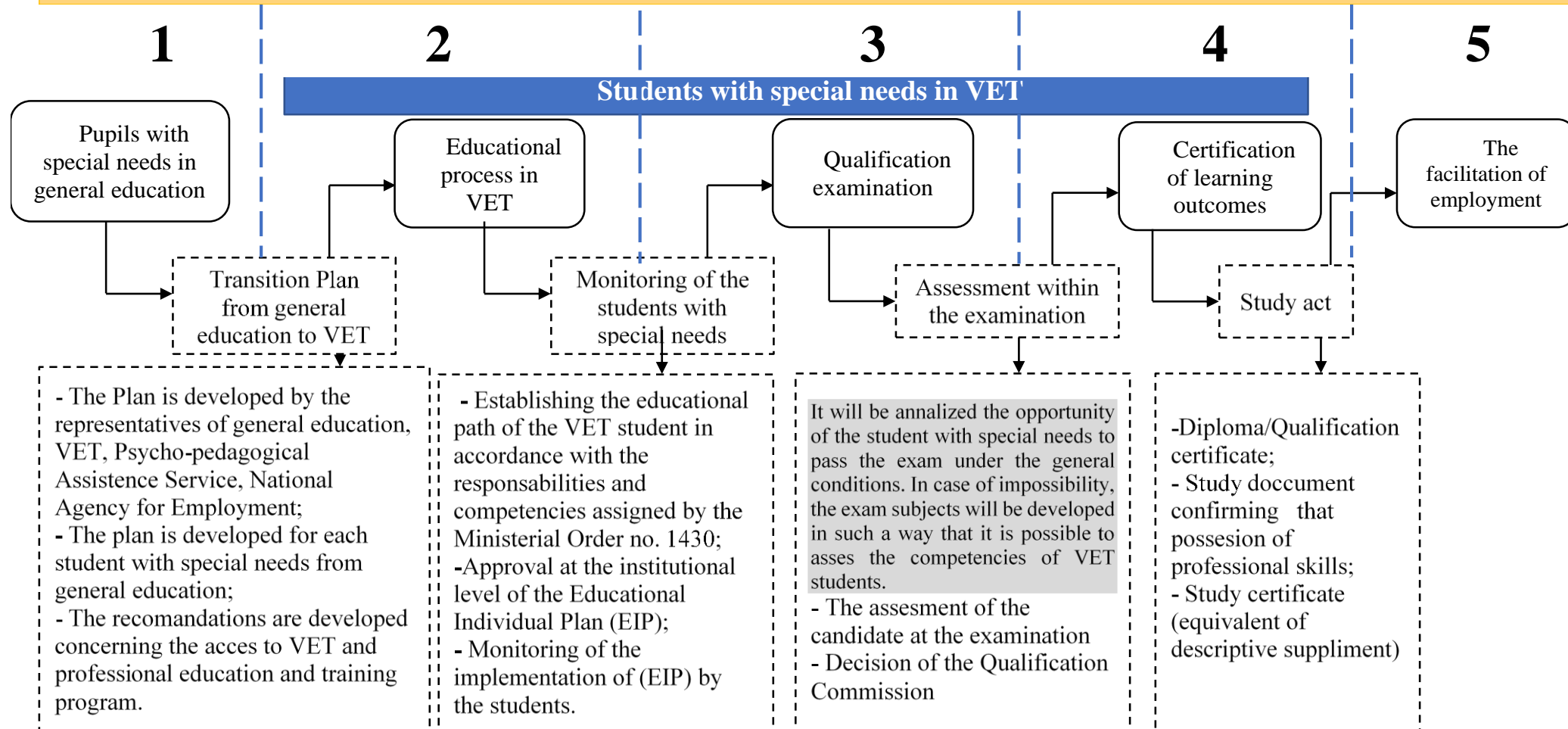
Thus, even though the inclusion is grounded by legal acts, further measures are needed to implement legal provisions. VET providers face deficits of trained personnel to work with children with SEN and the infrastructure of the VET institutions is not designed to provide appropriate access to people with disabilities. On account of the architectural barriers, deficiency of adequate equipment, lack of assistant teachers and trained personnel and absence of appropriate career guidance the school environments do not favor their maximum academic and social development. Thus, financial support and human resources capacity building is needed.

In order to implement the Inclusive Education in VET, MECR approved the Order no.1430. 9 VET institutions were selected to pilot the process in the period between September 2018 and June 2020

Figure XX: The vision of the implementation Inclusive Education in VET

THE VISION

On the Implementation of Inclusive Education (IE) in Vocational Education and Training (VET)



C.3 Active support to employment

The employment offer is influenced to some extent by education and training processes. The quality of human capital greatly influences the level and quality of employment.

Some recent studies have highlighted labor shortages in areas such as agriculture, food, construction, textile, etc., as well as new specialties such as technology for the production of vegetable oils and essential oils, automated controllers, programmers, knitting machines, software programmers, microbiologists in the wine industry, etc. At the same time, the NEA's Labor Market Forecast indicates a shortage of skilled labor, which is reflected in two aspects: lack of qualified staff and high fluctuation in certain occupational segments such as wholesale and retail, agriculture, forestry and fisheries, public administration and defense.

The main problems faced by technical vocational education with a major influence on the labor market are: the lack of correlation between the VET offer and the labor market needs, which causes labor market imbalances and labor supply shortages; the inefficiency of capitalizing on financial resources; reducing the quality of the workforce formed and reducing the employment rate of the graduates on the labor market.

Over 40% of all NEA job vacancies are trades for craftsmen, factory workers and one of the total are unskilled work. On the other hand, less than one tenth of vacancies are for specialists, most of them being concentrated in Chisinau municipality.

There is a discrepancy between regions in terms of the content of the proficiency in the ads, ie in Chisinau and ATU Gagauzia are available more highly-qualified jobs, more unskilled jobs are available in the North and Center. However, the list of the first 10 detailed occupations (ISCO 4 figures) contains about the same occupations in all regions, ie caretakers of production and service premises, chefs, fabricators, textile workers, unskilled workers (totally in 5 regions) taxis and minibuses (total in 4 regions), wardrobes, plant breeders and livestock breeding (totally in 3 regions). The main occupations required for highly qualified jobs are preschool educators, specialists in public authorities and accountants.

At secondary and post-secondary level, including in VET, a greater emphasis can be placed on the development of higher-level cognitive skills as well as high-quality technical skills. These include analytical and problem-solving skills, skills and the desire to learn new skills and computer skills.

There is a shortage of skills inclusive among young workers.

C.3.1 Employability of VET graduates

Employment varies by educational attainment, with a 25.4 % gap between the high and low skilled (56.6 % and 31.2 % respectively) in 2018 (NBS, 2019). This indicator reached higher values among the male population with higher level of education – 61.1%, compared to the feminine with high level of education – 53.3%. The lowest rate of employment was registered by women with low level of education (30.1%). The same tendency was registered in the last four years. A high level of employment (60.5%) is registered among VET dual training graduates

Table E: Employment rate by level of education and gender, (%)

	2015		2016		2017		2018	
	15-64	15+	15-64	15+	15-64	15+	15-64	15+
Total	44.5	40.3	45.2	40.8	44.9	40.5	46.1	42.0
Low	31.4	26.4	32.5	27.8	32.5	27.8	35.3	31.2
Medium	45.4	42.5	45.9	42.9	45.4	42.2	46.1	42.9
High	61.2	57.0	62.2	57.1	61.2	56.0	61.8	56.6
Men	45.5	42.3	46.0	43.0	46.5	43.1	47.1	44.2

Low	32.5	29.4	32.0	29.5	33.6	30.9	34.3	32.5
Medium	46.9	44.2	48.1	45.4	47.3	44.4	47.8	45.2
High	64.7	60.5	65.7	60.5	66.4	60.4	67.1	61.1
Women	43.7	38.4	44.3	39.0	43.4	38.1	45.2	40.0
Low	30.3	23.7	33.0	26.2	31.4	25.1	36.3	30.1
Medium	44.0	40.8	43.8	40.4	43.5	39.9	44.4	40.5
High	58.8	54.5	59.8	54.8	57.5	52.8	58.1	53.3

Source: NBS

In 2018 unemployment reached the highest rates (4.1%) among men with low level of education compared to the female with low level of education with 1.8%. This is mostly due to the fact that women are more likely to accept a low-paid job, while men would rather go abroad in search of better job opportunities. Young people with secondary general education and VET indicate a higher unemployment rate compared to those with university degree, while young people with a low level of education register a lower unemployment rate, it would be due to their low activity rate and acceptance of any job with a minimum wage. The highest unemployment rate is registered among young people with secondary general education and VET and young people with post-secondary VET. Unemployment is lower for young people with a low level of education, which might be explained by their low activity rates and their acceptance of any vulnerable employment to get a minimum income.

Table HH: Unemployment rate by level of education and gender, (%)

	2015		2016		2017		2018	
	15-64	15+	15-64	15+	15-64	15+	15-64	15+
Total	5.0	4.9	4.3	4.2	4.2	4.1	3.1	3.0
Low	6.9	6.5	4.8	4.5	4.6	4.3	3.2	2.9
Medium	4.5	4.4	4.0	3.9	4.3	4.2	3.1	2.9
High	4.9	4.8	4.6	4.5	3.7	3.7	3.2	3.1
Men	6.3	6.2	5.7	5.5	5.0	4.8	3.6	3.5
Low	8.0	7.7	6.3	6.0	5.2	4.9	4.4	4.1
Medium	5.7	5.6	5.5	5.3	5.1	5.0	3.7	3.5
High	6.3	6.2	5.6	5.4	4.4	4.3	2.8	2.8
Women	3.7	3.6	3.0	2.9	3.5	3.3	2.6	2.5
Low	5.6	5.1	3.2	3.0	4.0	3.7	2.1	1.8
Medium	3.1	3.0	2.4	2.4	3.5	3.4	2.4	2.3
High	3.8	3.8	3.9	3.8	3.2	3.1	3.4	3.3

Source: NBS

Despite the fact that, the youth unemployment rate (age 15+) decreased from 5.0% in 2015 to 3.0 % in 2018, it remains relatively high. Nevertheless, the decrease not necessarily reflect improved employment prospects, but more likely a dwindling population, particularly young persons.

This is due to high emigration rates among young people with university degrees and a tendency among the least skilled to accept any job at minimum wage. In 2018 the employment rate of the population aged 15 + was 42.0 % and the employment rate is also higher among men (44.2 %) than women (40.0 %), despite the fact that the education level of women is generally higher than of men. In the distribution per residence area, this indicator was 42.8 % in rural areas and 40.9 % in urban areas (ibid, 2019).

Youth inactivity⁴⁸ (59.6 % per cent of 15-29 year-olds in 2015 (NBS)) **is a bigger concern than youth unemployment** (2015-79.2 %, 2016-80.4 %, 2017-80.5 %, and 2018-79.2 %) (NBS). The share of **NEET** among young people has decreased in the past five years, but remains high at 27.1 % in 2018. Reasons for neither engaging in work, nor in education or training, in particularly among disadvantaged groups, are low self-esteem, poor communication and job searching skills and low adaptation-capacities. This adds to a general sense of passiveness and discouragement in the face of Moldova's economic situation.

Employers constantly complain about the lack of skilled workers. Companies have difficulties finding people with adequate qualifications or skills in the labour market. In a recent employer survey, carried out by the NEA and the World Bank, employers highlighted that insufficient technical skills, poor work ethic and shortage of motivation hinder the performance and development of the company (World Bank, 2017). Employers declare that young workers lack inadequate occupational-specific skills as well as key competences. Thus, skilled workers have poor knowledge of foreign languages, while medium-skilled workers do not master adequate analytical and problem solving skills. Some regions of the country are strongly affected by insufficient literacy (46% in Gagauzia) and insufficient numeracy (56% in the South). More than a quarter of companies experienced labour shortages, the most common reason being a lack of qualified staff, followed by a lack applicants (ibid, 2017).

Thus, on the one hand the main obstacles of employment and problems with unemployment among youth are the lack of skills and work experience. On the other hand, the low wages and unattractive working conditions keep young people from getting employed.

Further structural reforms are needed to improve the business climate and create decent jobs in the country.

Most of the challenges summarised above are caused by the **emigration phenomenon** that largely increased in the last 5 years. Emigration has an important impact on the Moldovan economy and society in terms of remittances, as well as brain drain. Being defied by economic and political instability, collapsing incomes and rising unemployment, people emigrate from Moldova on a large scale.

C.3.2 Economic factors with an impact on transition

Over the last few years, the labor market of Moldova has been characterized by a large fluctuation, where employees frequently change their jobs in search of wages and better working conditions. The discrepancy between demand and supply per residence persists: 64% of registered unemployed are from rural areas, and most of the vacancies registered are urban (85%). The labor market is characterized by a prevalence of poor quality jobs and low paid jobs.

The main challenges identified with regard to the labor demand are:

- The unfavorable environment for economic growth and the creation of sustainable and quality / attractive jobs (slow progress in improving the business climate, the existence of the consumer-based economic development paradigm, the high degree of the informal economy, the lack of priorities for promoting productive transformation and support for sectors with growth potential and creating sustainable jobs, unsustainable growth with limited job creation potential, asymmetric growth, expansion of subsistence farming activities, lack of genuine social dialogue on measures and macroeconomic policies, low labor productivity).
- Lack of suitably skilled labor force, especially in rural areas, for both the agriculture and the development of business in non-agricultural sectors.

Supporting transition to the labour market

⁴⁸ By definition of the Labour Force Survey the population working abroad are also considered "inactive", thus it distorts the statistics, decreasing the real activity rate in the country

There are significant challenges in the transition from education to the labour market. Young graduates do not have much work experience, nor do they have experience in job search. To address the challenges there are various measures implemented by public authorities focused on both the supply and demand sides.

Actions centered on the providers' side include WBL provisions and services of career guidance and counseling. WBL is considered a win-win situation for the learner, employer and entire society and it is mandatory at all levels of TVET. Thus, much effort is invested to strengthen WBL, targeting to improve the skills and employability of young people. The implementation of dual TVET is also considered of high importance to increase the transition to the labour market.

Other important measures are career guidance and counselling in the school system. Additionally, there are actions aimed at entering and remaining in the labour market, employment conciliation services provided by public employment services (ex. NEA⁴⁹, National Youth resources, CEDA, ARTICO), support of self-employment, OSMED's support to entrepreneurship and business start-ups, etc. The target groups cover a large share of beneficiaries including women, migrants, Roma people, disabled people, ex-prisoners and other vulnerable groups.

Notwithstanding, due to the shortage of financial⁵⁰ and human resources, particularly professional personnel, and low motivation among staff, the institutions face difficulties in implementing effective measures to support the transition to work. According to ILO evaluations in 2017, the NAE have low capacities and scarce measures to support unemployed and efficiently perform other of their operations. Thus, capacity-building activities are needed to enhance the effectiveness of human resources in many organizations, including NAE, educational institutions. For this purpose the NEA cooperates with ILO, WB, UNDP being provided technical support.

It is important to notice that despite the variety of services provided by different entities, the activities and programmes are sporadic and fragmented. There is a lack of cooperation between the providers of the services and a national coordination mechanism is missing. More than that, solid measures are needed on the demand side in sectoral policies, job creation, labour market regulations to ensure an effective transition to the labour market.

C.3.3 Overview of policies in support of employability and transition to employment

The creation of quality jobs for the young generation entering the labor market is a basic component to richer economies, fairer societies and stronger democracies. Young people are our future and our present. The opportunities that are created for today's young people lay the foundation for what they will be able to achieve tomorrow's savings.

Reaching each young man is a government priority. We want educated, active, civic-minded, professionally trained young people to start their families and work in the Republic of Moldova. In this sense, the Government's priorities in the field of youth employment are stable in several strategic documents.

One of the main documents approved by the Government, which comes to solve a number of problems faced by young people in the labor market, is the National Strategy for Employment, which has as priorities:

- strengthening the link between the labor market and the vocational training system in the Republic of Moldova
- applying incentive policies to create jobs at central and local level, stimulating young people's involvement in business, through grant programs and grant policies.

Implementation of the Strategy is achieved through Annual Action Plans, approved by Government Decision.

Another priority and strategic document is Law 105/2018 on the Promotion of Employment and Unemployment Insurance. This law comes with a number of active measures on the labor market, totally new, dedicated to young people, such as:

⁴⁹ In 2016, NAE delivered labour intermediation services to 32 400 jobseekers and 63% of unemployed people found a job (NEA, 2016). About 30% of the jobseekers are young people aged between 16 and 29; 50% aged 30 to 49 (NEA, 2018).

⁵⁰ for example, due to the lack of funds the NEA does not provide any employment subsidies or internships at the moment.

- Vocational training of the unemployed through training, retraining, training and specialization courses
- Workplace training within the unit
- Professional training
- Subsidized employment (young people with disabilities)
- Support for job creation
- Self-employment support
- Stimulate labor mobility

C.3.4 Career guidance

Career education is part of the policies promoted by the MECR and MHLSP, NEA and other agencies. Systemic changes occurred in Moldova over the last 4 years in the field of career guidance. Career guidance has been promoted in the VET system within the projects supported by development partners.

The Reconceptualizing Professional Orientation and Career Counseling (REVOCC) project, implemented by the Center for Entrepreneurial Education and Business Assistance (CEDA) in partnership with the Ministry of Education and NEA financed by ADA, supported a number of structural transformations related to career guidance. It included the revision and implementation of the module “Personal Development and Career Design” within the Civic Education and Class master discipline in grades V-XII and secondary VET. There were developed and distributed two sets of teaching materials in all educational institutions and various seminars and training were organized for about 1035 civic education teachers.

Within the framework of the same project, in 2016, three Career Guidance Centers at NEA territorial agencies (Chisinau, Soroca and Cahul). The Career Guidance Centres were equipped with technology, furniture, the CCP electronic platform that allows the identification of professional interests, helps young people in career choices, selecting from the 1250 described occupational profiles which professions fit them and presenting over 350 videos about professions.

Within the Career Guidance Centers was created access for people with disabilities and the Chisinau Center was equipped with an electronic platform CASPER⁵¹.

The project focuses on professional orientation and career counseling in order to identify solutions to existing problems, based both on the reality of the Republic of Moldova and on the international experience. Beneficiaries of the Centers are jobseekers, students and young people to explore labor market opportunities, the diversity of professions / trades, the assessment of their own skills and professional capacities, as well as professional guidance for successful socio-economic integration.

Thus, during the year 2017, 3314 job seekers were trained (44.1% women) with 305 more people than in 2016. 168 seminars were organized with orientation professional, with 9 more seminars than in the previous year.

Within the three career guidance centers (Chisinau, Soroca and Cahul) during the year 2018, 169 activities were organized with the participation of about 4.3 thousand beneficiaries (pupils, young people and people looking for a job), of which 52% were women. Activities aimed at exploring labor market opportunities, the diversity of professions / professions, assessing their own skills and professional capacities, as well as professional guidance for successful socio-economic integration. 655 people were screened through the CCP Platform (59% women).

In 2016 an online platform for professional guidance and orientation for children and youth – *Cariera Mea*, was launched addressing the needs of students between the age of 11 and 18, and is designed to give them the opportunity to take well-informed decisions about their future career path. The portal was developed by *MilLab* (a joint UNDP Moldova and E-Governance Centre project) and the Republican

⁵¹ **CASPER** – system for assessing the work potential of people with disabilities that allows a complex assessment of the person with disabilities and a match with the profile of a job.

Children and Youth Center (ARTICO) and a few volunteers. Also, ARTICO committed to take the ownership over the portal and ensure its development in the long run.

In 2018 there was developed the *Guide to Good Practice on Career Guidance and Counseling for Students and Youth with Special Educational Requirements*. The Guide was developed within the VET-I project: Inclusive VET- Career guidance and counseling to support access to relevant education and training. The project is being implemented by KulturKontakt (Austria) in partnership with two NGOs working with disabled students and pupils - the "Staze" in Montenegro and the "Speranta" Center in the Republic of Moldova. The VET-I is part of the Danube Region Strategic Fund Fund, the European Union and the Vienna Municipality.

The VET-I project aims to improve career guidance and counseling for pupils with SEN in Austria, Moldova and Montenegro to ensure equal access to vocational technical education and to increase their employability. In order to achieve this goal, the three partner organizations organized a number of activities within the VET-I project. These included the assessment of existing career guidance and counseling services, the exchange of experience and best practices, consultancy activities and workshops involving key actors from different levels in each country as well as capacity building measures. This project aimed at a better understanding of the career guidance and counseling process for pupils and young people with ESCs in order to develop recommendations for improving and strengthening the capacities of service providers in partner countries.

The CCI and CEDA signed a cooperation agreement aimed at guiding young people in their career to support vocational training, obtaining a qualification in a field and facilitate their integration into the labor market.

Overall, we can state that career guidance in VET registered significant, yet, segmented improvements in the last four years. However, many young people still do not benefit of any counseling or guidance in this field and a better career guidance is needed while still in general school (primary/gymnasium, lyceum). Young people need a comprehensive career guidance system and better information on education choices and employment opportunities, reveals the World Bank's report *From Aspirations to Occupations: The Role of Information in Educational and Labor Market Decisions in Moldova*⁵². The study stated that 39% of undergraduates in their final year, 43% of college graduates and 52% of vocational school graduates do not have a clear idea about their future career.

VET provides as well as VET Centre and Methodical Centre have to increase their capacities to offer career guidance and promote VET as a valuable career choice.

Further more a systemic approach is needed to make career guidance efficient and involvement of numerous actors well beyond the education system is essential.

Conclusions and recommendations.

The presentation of the general employment framework was aimed at identifying the general features of the labor market in order to identify areas where measures can be taken to improve the quality of the education system to increase the skill level of the workforce.

According to NEA's forecast, the lack of investment in the sectors requiring skilled labor and the discrepancy between knowledge gained and those actually demanded by employers will maintain the current underutilisation of human capital. This is, among other things, a result of the gap between the educational system and the needs of the labor market. Thus, a better vocational technical education system, increasing the adaptability and flexibility of the workforce to changing demands are essential to meeting the current challenges.

The interaction between the vocational training system and the labor market in the Republic of Moldova is still insufficient, with economic agents facing labor shortages and low skills. Thus, it is necessary to strengthen and expand the cooperation of vocational education institutions with employers and

⁵² Levin, Victoria; Safir, Aba; Guallar Artal, Silvia; Johansson De Silva, Sara; Munoz Boudet, Ana Maria. 2016. *From aspirations to occupations : the role of information in educational and labor market decisions in Moldova (English)*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/508751468195577069/From-aspirations-to-occupations-the-role-of-information-in-educational-and-labor-market-decisions-in-Moldova>

professional associations. This collaboration can be achieved through the modernization of the vocational guidance system, of the dual-based training programs, the more active involvement of employers in anticipating sectoral qualifications and their development.

D. INTERNAL EFFICIENCY AND OPERATION OF THE VET SYSTEM

D.1 Teaching and learning environment

D.1.1 Teaching and learning methods, including work-based learning

Teaching and learning environment are essential for ensuring the quality of VET process.

The initial and continuing training of teachers, school environment, the required equipment and the provision of curricula and didactic materials have a direct impact on the quality of the professional training process. Given that VET also involves the development of practical skills in real working conditions, a quite important factor is the training of the staff involved in the VET process and the learning environment at the company.

In the last four years, within various projects many teachers benefited of continuous training courses aimed to develop and enhance their teaching skills.

WBL is part of the VET at all levels: secondary, post-secondary and non-tertiary post-secondary VET both in the initial and continuous VET.

WBL is essential in acquiring practical skills, relevant for labour market needs and it is a compulsory element of all VET programmes.

The main types of WBL include *on-the site learning - in school practical training (2-3 days per week)*, carried out mostly in VET institution (workshops, labs, production sites, mini-factory, greenhouses etc.), *on-the-job training - internships in companies (12-14 weeks)*, ordinarily realized in a business unit and dual education, mainly organized in companies (about 70% in company-practical training and about 30% theoretical training). WBL in all its forms represent the mechanisms that facilitate the transition from VET to the workplace.

All types of WBL, and namely, in-school-practical training, internships and dual VET are mandatory, being conducted under the legal framework in force. This explains the high percentage of students carrying out WBL in the period 2012/13–2017/2018, the number being directly proportional to the number of students in VET system.

A new model of WBL, dual VET, emerged in 2014. MECR, MARDE, CCI, VET institutions, the GIZ (through a EUR 2 million project *Structural Reform in VET in Moldova* for the period 2015–18) Austrian Development Agency, LED and Swiss Cooperation Office (SDC) joint their efforts to promote the implementation of dual VET. These resulted in an increased interest of youth in dual VET with the number of enrolled apprentices being 2 times higher in 2017/18 compared to the 2016/17, reaching the share of 8.5% out of the total number of enrolled students in secondary VET. Dual VET has a positive trend in the last years. Yet, the teaching and learning environment differs a lot from one case to another as well as the degree of satisfaction of the apprentices. Dual VET requires investments and shared responsibilities between companies and VET institutions. It also depends on the companies' desire and readiness to assume a high level of responsibility and on their technical and human capacity. In this context, dual VET remains in little demand in the agro-food area, due to the shortage of big companies cooperating with TVET institutions, while small businesses and individual farms, mostly present in the rural areas, are not motivated and fully prepared to provide dual TVET. Thus, regardless the strong recognition of the importance of WBL, VET institutions still face difficulties in establishing long-term relations with the companies and the latter miss the mechanism for ensuring the quality of WBL, as firms lack the pedagogical know-how to train efficiently.

The active involvement of the private sector in VET is essential here. However, the cooperation with the private sector is not fully exploited, mostly being limited to providing places for WBL and less or

D.1.2 Teaching and learning environment

The National VET Student Council reported repeatedly about a negative learning environment and about the lack of many teaching staff to create a positive atmosphere conducive for learning or to react on negative behaviours of others (e.g. bullying). [CNE IPT 2017-09, CNE IPT 2017-11, CNE IPT 2018-02; CNE IPT 2018-11]

Also, the Council reported also massive pressure of some school administrations and teachers on members of the council. This pressure increased with the receptiveness of central authorities to the Student Council. Some school administrations are welcoming a functional school council where students can form their own opinion. Others misuse school councils for organizing extracurricular activities, or policing students. [CNE IPT 2017-09, CNE IPT 2017-11, CNE IPT 2018-02]

There is a general lack of manuals, especially regarding the occupational subjects. Also, many workshops are not equipped with the necessary equipment and tools. [CNE IPT 2017-09]

Costs for consumables (for practical lessons) are very often transferred to students. Students who cannot come up with the necessary resources risk to be in a disadvantage. [CRIC/LED 2014]

In the cold season it is often cold in the classrooms and workshops which makes learning difficult. [CRIC 2016]

Food is a regular problem. This relates to the quality of food provided by the school (canteen) or the options for the VET students to [CRIC/LED 2014]

The living and learning conditions in the dormitories are often bad. Factors are both physical (sanitary facilities, kitchen, rooms, common rooms) as well as governance related (house rules, badly motivated and trained educators and auxiliary staff). [CRIC/LED 2014; CNE IPT 2018-11]

D.1.3. Policies to improve training/teaching and learning methods in VET

There were developed normative acts and implemented concrete measures aiming to strengthen professional skills of TVET students through WBL and dual TVET. To achieve the set targets there were approved

- the Regulation on organization of dual TVET (2018),
- Regulations on the organization of internships in secondary, post-secondary and post-secondary non-tertiary (2016),
- Frame Curriculum for dual secondary TVET (2018),
- Frame Curricula for secondary, post-secondary and post-secondary non-tertiary TVET.

Concrete actions were taken to implement the provisions of the above mentioned regulatory acts.

The reform in the agricultural sector has been launched in 2019. The Action Plan⁵³ enforced by the GD 1283/ 26.12.2018 sets several objective including the development and consolidation of human resources capacities, restructuring of the infrastructure and technical-material basis and aligning curricula with the NQF

Furthermore, In the last 4 years various teacher trainings on modern teaching methods (action oriented) in the context of dual VET were organized by GIZ.

Peer learning and support is a central tool of training in all KKA activities. A strong focus is put on the self-evaluation of institutions in order to challenge current methods, identify best practices and dissemination of those through peer exchange.

In the I-VET Project new teaching methods focusing strongly on individualization through competency-based learning are introduced. In all KKA workshops teachers are trained in problem based and solution-oriented teaching and learning that is profitable not only for SEN-students but all pupils.

Through the development of an inclusive teaching manual for VET and the training of regional institutions such as the psycho-pedagogic assistant centers a long-term knowledge transfer of the newly introduced methods is secured.

⁵³ <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=379129>

Within the project Partnerships for quality and relevance in ICT vocational education in Moldova an in-service training department has been established at Center of Excellence in Informatics and Information Technologies. The department became operational and provided for the first time professional development trainings to ICT teachers from VET.

Through ADA projects it was possible for VET ICT institutions to be trained in new methods of teaching and learning, such as interactive teaching strategies, strategic management, project management, soft skills, using ICT in teaching, etc.

Despite various trainings organized by state and within various projects the system for continuous education for teaching staff in VET is not working efficiently and the trainings are sporadic and not always based on the real needs of the teaching staff. According to legal framework the Centers of Excellence should provide continuous education for teaching staff, but currently these institutions have neither the capacity, nor the resources. There is no legal provision related to alternation of specialty teaching staff of activity in real economic sector and teaching work, as well as no obligation to have a certain level of professional expertise or number of years worked in real sector of economy, fact that determines the quality of education process;

Difficulties of VET institutions to attract representatives of real economic sector working in education system, because of low salary, strict schedule and lack of incentives.

D.1.4 Improving the training and learning environment

The modification Nr.844, 12.09.2018 of government decision Nr. 1077, 23.09.2016 introducing financial autonomy for VET institutions has created the possibility for VET institutions to accumulate money generated from entrepreneurial activities and use that money from extra-budgetary sources for the institution's development.

In accordance with the Programme on Inclusive Education 2011-2020, regulation Nr.1430, 25.09.2018 on inclusive education in VET was introduced. The regulation is currently valid for nine pilot institutions until the end of the pilot-phase in 2020 and is then to be broadened to national context. The regulation allows for the introduction of resource centers for SEN-students and multidisciplinary-commissions at VET institutions in order to facilitate inclusive education at the respective institution. Furthermore, institutions are provided the possibility of employing support teachers. One support teacher per ten students with disabilities or five students with severe disabilities can be applied for by the institutions.

The MECC and other central authorities are actively supporting the National VET Student Council and the work of student councils on the level of VET institutions. In some VET schools, the student councils are supported by the school administration.

Some projects invest in teacher training to enable teachers to create a more youth-friendly learning atmosphere. Some also improve classrooms and workshops.

The ADA projects Partnerships for quality and relevance in ICT vocational education in Moldova, implemented between 2016-2018, have focused on IT specialization by modernizing VET TIC curricula, equipping schools with IT infrastructure. Within the project an in-service training department and Multimedia Laboratory have been established within the CEITI. In this context, it was endowed with technical equipment of last generation, among which: 12 desktop computers with licensed operating systems, 3 laptops, scanner and copier, interactive whiteboard, digital projector, educational programs and equipment that allows distance learning. The Multimedia Laboratory was equipped with 11 computers with design programs Adobe licensed, video camera, and digital projector.

The project Digital skills for employment in the modern economy – SHIFT EDU expected outcome is that the Information and Communication Technologies are effectively integrated into the vocational education and training system (based on Moldova Education Strategy 2020) thus enhancing the access to qualitative and relevant education (based on SDG 4).

D.2 Teachers and trainers

D.2.1 Composition of the workforce of VET teachers and trainers

The NBS communicates that in the 2018/19 academic year, the network of VET institutions comprises 89 units. The number of students in VET at the beginning of the study year 2018/19 amounted to 44.3 thousand persons (4.8% less compared to the study year 2017/18. Educational and training activity in VET system is provided by 4.1 thousand teaching staff.

The teaching staff consists of teachers (teacher, foreman-instructor), methodist, psychologist, pedagogue, and concert master, group leader, choir, orchestra conductor in other specialized VET institutions.

The auxiliary teaching staff consists of librarians, laboratory assistant and the social teacher from the dormitories for students.

TVET institutions have the autonomy to hire and dismiss staff. Hiring of senior personnel and staff is made by competition, organized accordance with the Regulation approved by the MECR.

Educational system including VET sector remains unattractive for young specialists, 24% of teachers being retired or about to retire. The auxiliary technical staff accounts for 56% in colleges and in the centre of excellence and for 45% in vocational schools. The number of teachers with a teaching degree is rather low (56%). In addition, there is a shortage of psychologists.

D.2.2 Entering the teaching profession in VET

The initial training of teachers, methodologists, psychologists and psycho-pedagogues for the technical and vocational education and training shall be carried out in the higher education institutions, and the initial training of teachers for specialized subjects and the social pedagogues from the pupils' hostels – in the post-secondary non-tertiary vocational and higher education institutions within the profile programmes.

People with qualification and professional experience in the area, regardless of the initial training may be employed as master-trainer and circle mentor after having completed the psycho-pedagogical training module successfully.

The specialists from the economic or artistic sectors shall take a psycho-pedagogical training module to obtain the right to practice as teacher.

It is worth mentioning that it is not necessary to experience the real sector of the economy in order to teach a VET specialty. This has a negative impact on the quality of the training process as the process is predominantly theoretical.

One of the conditions for establishing the compliance of the economic agent, for participation in the technical training programs, is the possession of a master instructor in production, certified by the CCI. The Training and Certification Program for Production Masters is approved by the Joint Order of the CCI RM and the MECC in 2017.

It is a practical application program, with modern methods used for the transfer of work experience. At present, there are 79 master-instructors in production.

D.2.3 Employment status of teachers in VET

D.2.4 Quality of teachers and trainers in VET

The elaboration / improvement / supplementation of the normative and methodological framework to ensure the entity's functionality and quality promotion in the education system, including VET, was a concern of NAQAE throughout the year 2018, especially in the context of NAQAER reformation with the assignment of new functions and responsibilities.

In this context, in the reference period, in accordance with its functional competencies, set out in the NAQAER Organization and Functioning Regulation, the Agency has developed and submitted for approval to the MECR "Methodology for the evaluation of teaching staff in general and VET institutions" ([Http://www.anacip.md/index.php/en/transparenta/consultari-publice-2](http://www.anacip.md/index.php/en/transparenta/consultari-publice-2) NAQAER Activity Report for 2018, Development of Normative and Methodological Support, page 11). The elaborated methodology regulates the evaluation procedure of the teaching staff of the general and technical technical education institutions in the country and establishes the objectives, the annual internal evaluation procedure of the

teachers, the procedure for awarding and quantifying the score in the self-evaluation / evaluation process of the teachers, assessment tools.XXXXX.....

A recent study reveals that many teachers have very limited digital competences and an insufficient use of the information technologies in teaching⁵⁴.

A baseline study on inclusive education in VET in Moldova, realized by KKA during December 2017 - January 2018⁵⁵ has shown significant shortcomings in the quality of VET staff in regard to inclusive education. The study has shown that "the staff of VET institutions, including support staff introduced in 2016 and 2017 (psychologist, psycho-pedagogues), lack the necessary skills to work with SEN-students and to establish partnerships with different stakeholders, which would facilitate the training process and ensure possible employment."

The KKA I-VET Project is aiming to address these problems. Nationwide trainings in this field are planned throughout the ongoing project phases and process. Yet so far, trainings on inclusive education in VET are only available to the nine pilot institutions and three regional psycho-pedagogic assistant centers.

D.2.5 Attracting and retaining teachers and trainers in VET

In 2018 free continuous professional training benefited about 11,500 teaching and managerial staff and 420 teachers participated for the first time in free professional retraining courses. Also, 23 thousand pedagogues across the country have benefited from internships in curriculum reform. Furthermore the same provision remained valid for 2019. The continuous vocational training courses, quantified with 20 professional credits, according to art. 134, par. (4), lit. b) of the Education Code; additional qualification and re-qualification programs.

In order to ensure the attractiveness and retention of teachers and instructors in TVET institutions, a dual training course for instructors in production is carried out within DVT. The graduation of this course can be a part-time employment opportunity for TVET teachers from partner companies.

Teachers are unmotivated, at present, to work in VET. In addition to low wages, there are no growth opportunities for them.

Many teachers do not know a foreign language, an impediment that does not allow them to initiate collaboration with similar institutions outside the country, to access specialized information, etc.

Lack of digital knowledge is another impediment. Modern education is using IT technologies - on-line courses, the possibility of on-line and distance learning, for students, at hours that are best suitable for them. Teachers could provide trainings for different institutions in the country and thus exchange experience between institutions without transport and logistics costs, via internet platforms.

VET institutions should integrate in the teaching process new IT technologies that are already being used by companies. For example in the agricultural sector - to introduce IT integration technologies - sensors that check in real time the humidity and soil structure, how to use of drones, GPS systems, robots, etc.

In order to do this, it is necessary for VET institutions to have exchange programmes with other similar institutions abroad, to integrate into the European academic system through bilateral cooperation

⁵⁴ Source: Chilari, V. și Resitca, R., Evaluarea capacităților instituțiilor de învățământ profesional tehnic din domeniul agroalimentar, Prodidactica, Chisinau 2018. Accesibil la: <http://prodidactica.md/raport-evaluarea-capacitatilor-institutiilor-de-invatamant-profesional-tehnic-din-domeniul-agroalimentar/>



programs, to be transformed in development and promotional o new technologies platforms, that can immediate implemented by local companies.

D.2.6 Steering, motivating and supporting professional development

A factor for improving the teacher training system in TVET is the assessment of the providers of Continuing Teacher Training for authorization of provisional functioning / accreditation of study programs / educational institutions, granting the right: in case of evaluation making provision, conducting the process of education and organizing admission to studies, and in the case of accreditation, conducting the process of education, organizing admission to studies and completion of studies, as well as the right to issue diplomas, certificates and other study documents recognized by the MECC.

In this context, in the course of 2018, ANACEC, in priority, received the applications / files of the providers of Continuing Teacher Training, including TVET, finally summing up 140 applications / evaluation files of the in-service teacher training programs within the 13 higher education institutions providing educational services in the country, out of which 25 programs, with a view to authorization of provisional functioning and 115 programs, for accreditation.

Of the total number of programs, 2 programs were assessed for provisional authorization in 2018, the others will be evaluated in 2019.

Another factor for improving the VET teacher education system is the motivation of institutions and the stimulation of teachers for professional development.

In this context, it should be mentioned that a separate point of the External Evaluation Guide for Vocational Training Programs in Technical Vocational Education (hereinafter "External Evaluation Guide") (<http://www.anacip.md/index.php/en/legislation/anacip/guides>), elaborated on the basis of the External Quality Assessment Methodology for Authorization of Provisional Operation and Accreditation of Study Programs and of Higher Technical and Higher Technical Education Institutions, approved by GD no. 616 of 18.05.2016 (hereinafter referred to as the Methodology for External Evaluation of Quality) is Standard 5, Teaching Staff; which implies the assessment of the staff development strategies by the evaluation experts of ANACEC, including the support of the institution regarding the continuous training of the teaching staff, expressed through various incentives, including financial ones.

Training for teachers and foremen from VET institutions conducting dual programs is organized with the participation of experts from Germany. Also, training sessions were organized in Germany for a number of management and teaching staff from VET institutions.

Within VET, teachers have increased access to modern technologies within their partner companies, thus assuring the development of technical skills in line with modern standards and technologies.

Within the ADA projects, for quality and relevance in ICT vocational education in Moldova, implemented between 2016-2018, a series of professional development trainings have been organised for IT teachers in VET in partnership with IT companies, such as IT Essentials, CCNA Training, Java fundamentals, ASP Net, NET fundamentals, Cisco ITE, Robotics, etc. Within the project an in-service training department and Multimedia Laboratory have been established within the CEITI and the trainers have been trained. It is already operational and provide professional development opportunities for teachers of IT specialties and trades from VET institutions.

Projects like REVOCC and CALLIDUS for Centers of Excellence are directly contributing to the capacity building of teaching staff.

CONSEPT regularly dedicates management courses for administration staff of VET schools to topics like HR management/leadership/teambuilding. A good team spirit should help retain good teachers.

D.2.7 Ensuring the quality of teachers in VET

LED is playing an important role in supporting the teaching staff from VET institutions concerning the implementation quality management and implementation of all the provisions related to quality education in VET. GIZ provides training sessions for teachers and foremen instructors within companies.

In 2019 the Twining Project was launched. One of the components of the Twining is Improvement of Quality Assurance mechanisms for VET and Life Long Learning at all levels of education. The expected

results of the Component 1 are the following: Institutional and operational capacities and staff competences of the National Agency for Quality Assurance in Education and Research (ANACEC) are strengthened and National Qualifications Framework of Republic of Moldova is further implemented.

In inclusive education a system already established in general education is now introduced as well in VET. Through close cooperation of VET institutions and regional psycho-pedagogic assistant centers the effectiveness of teachers in the area of inclusive education is monitored in a regular exchange between the institution and its regional assistant center in which didactic support and training on current teaching methods is offered. This collaboration was established through MECC regulation Nr.1430, 25.09.2018.

D.3 Quality and quality assurance

D.3.1 Quality and relevance of education and training content in VET

According to the Education Code, quality in education is one of the main principles and it includes “... *all the characteristics of a study programme and the providers, by which expectations of beneficiaries are met in terms of quality standards*”.

At national level quality management is ensured at all levels of education by MECC and NAQAER, established in August 2014) and at the institutional level-by the respective quality assurance structures in education.

Every five years TVET institutions and training programmes (initial and continuous) offered by them are subject to external quality assessment carried out by NAQAER.

Quality assessment is a complex set of self-assessment, internal evaluation, and external quality assessment activities, in line with approved accreditation standards, criteria and indicators.

Quality assessment refers to: institutional capacity; educational efficiency, including academic achievement/ learning outcomes; the quality of initial and continuous training programmes; institutional quality management; the consistency between the internal assessment and the real situation.

In 2017, NAQAER launched the procedure of external quality evaluation for accreditation of VET institutions, private and public ones, and VET programmes.

In 2018, NAQAER evaluated 16 programs from 4 VET institutions for temporary / accreditation authorization, which were authorized for provisional / accredited operation by the NAQAER Board of Directors decision of 19.12.2019, which is around 5% of the total number of VET programs / institutions in the country, so it is currently premature to make substantiated findings on the relevance and quality of VET content.

At the same time, in the context of VET quality, the first positive results related to dual education, alternative form within the technical vocational education system, which are organized by granting the theoretical and practical training within the technical vocational education institution and the economic agent, with the use of its means in order to acquire knowledge, skills and competences, recorded in the Memorandum on Partnership for Development of Dual Technical Education in the Republic of Moldova, signed by the Chamber of Commerce and Industry of the Republic of Moldova, the Ministry of Education and the " Structural Reform in VET in the Republic of Moldova "on December 14, 2016, <https://chamber.md/invatamant-dual/>.

Out of the 16 training programmes mentioned, 3 programs (from 2 TVET institutions) are with dual education (<http://www.anacip.md/index.php/en/transparenta/consultari-publice-2> ANACEC. Activity Report for 2018, VET, p. 17). (to be verified at MECC)

D.3.1. Quality and relevance of education and training content in VET

According to the Education Code, professional qualifications are awarded in line with the NQF. The NQF was approved by Government Decision in November 2017, aiming to establish an integrated, open and flexible national qualification system covering all levels and forms of professional education, including lifelong learning, oriented to meet the needs of the labour market, align to the country's economic development and align with European policies. The NQF is developed by MECC in collaboration with line ministries, SC, TVET institutions, employers' representatives and it is approved by the Government.

The NQF of Moldova has 8 levels, following the model of the EQF. Secondary, postsecondary and post-secondary non-tertiary TVET cover levels 3, 4 and 5 of ISCED. The qualification levels delimit the quantitative and qualitative parameters of the professional skills possessed by the graduate to be able to practice the trade/ specialty in line with the NQF. Education outcomes, by qualification levels of the NQF, determine the general requirements of knowledge, skills and competencies that a person can demonstrate after completion of studies. Structure description of qualification levels in the final chapter of study/learning outcomes is analogous to that of EQF.

The qualifications in TVET are to be developed based on OS for each level of TVET, in line with EQF and needs for skills in the labour market. At present, there are only 33 approved OS for level 3 and 81 professional qualifications (out of 200) and NQF does not have a functioning register yet. In the absence of OS most of the Qualifications were not developed based on OS as stipulated in the Methodology for the development of qualifications. Hence, the compliance of the contents of Qualifications and Curricula with the labour market needs is questioned. In this context, there is an urgent need of new OS and Qualifications to be developed as well as a revision of the existent ones including the revision and modification of the Curricula to make the TVET offer relevant to the labour market needs.

D.3.2 Defining the quality of learning outcomes

There is no commonly shared understanding of quality in VET. There are teaching standards, but they are not valid for VET (but for general education).

MECR is funding specialized teacher training courses for better assessment of knowledge but also for skills offered by the Centre for Continuous Training of the Technical University. Some donors do the same.

According to the Education Code, quality in education (including TVET) is the set of characteristics of a study program and its bidders, which satisfy the expectations of the beneficiaries in relation to the quality standards.

The external quality assessment criteria and the accreditation standards are set out in the External Quality Assessment Methodology.

The operational and instrumental mechanisms of external evaluation of the quality of study programs and educational institutions, institutions and organizations providing educational services are stipulated in the External Evaluation Guidelines.

D.3.3 Quality assurance processes in VET

External evaluation of quality in TVET, according to the Education Code, art. 65, is carried out by ANACEC, as well as by other authorized structures.

The external evaluation shall be carried out on the basis of the accreditation standards, the criteria and the performance indicators set out in Annexes no. 2-7 of the External Quality Assessment Methodology, as well as the evaluation standards and the mandatory minimum evaluation standards set out in the External Evaluation Guide for Vocational Training Programs in Technical Vocational Education, elaborated on the basis of the mentioned Methodology, approved by the Council of leadership of ANACIP from 23.06.2016 <http://www.anacip.md/index.php/ro/legislatie/anacip/ghiduri>).

CNCRM is a tool that contributes to quality assurance and mutual trust building at the international level: it ensures the transparency of the national education and training system, the exchange of information at the level of institutions, the labor market, educational systems in the European space.

The development and revision of the qualification standards is carried out according to the Methodology of elaboration, revision and validation of the qualification standards. All stakeholders are involved in the process of developing, validating and revising qualification standards: line ministries, sectoral committees, employers, training institutions and other relevant social partners. The qualification standard also includes the chapter on the quality assurance process.

At the basis of the process of ensuring the quality of education and training are the principles:

- 1) the responsibility of education and training providers for the quality of the educational offer;
- 2) the internal (self-evaluation) quality assessment carried out at the level of the education and training provider;
- 3) external quality assessment by the competent authority in the field;
- 4) Demonstration of the fulfillment of the quality criteria by presenting evidence by the education and training provider.

The external evaluation of the quality of vocational training is carried out by the National Agency for Quality Assurance in Education and Research or by another quality assessment agency accredited according to international standards and / or included in the European Quality Assurance Register for Higher Education on the basis of the Methodology of external quality assessment with a view to authorization of provisional functioning and accreditation of study programs and technical, higher education and continuous training institutions, approved by Government Decision no. 616/2016.

The processes through which quality is ensured are:

- Planning learning outcomes;
- monitoring the results;
- internal and external evaluation;
- Continuous improvement of educational outcomes.

Quality control

Quality control includes operational activities performed to meet quality requirements by regulating performance and is a process of maintaining standards, not creating them.

In vocational school these are done both through permanent internal assessments by the school administration and a planned complex evaluation of each department / section, of other subdivisions.

In the Administrative or Teaching Boards the activity reports of different subdivisions of the school are evaluated and presented. Also, at the end of the study year, the departmental chairs, other subdivisions of the schools present activity reports.

Quality controllers are:

- Director of the institution;
- Deputy directors;
- Internal Evaluation and Quality Assurance Committee
- Heads of sections;
- Other persons designated by order.

Improving quality

- Strategic guidelines for improving the quality of school education are:
- Strategic planning at school level and subdivisions;
- Attracting financial sources for the development of the technical-material base;
- Attracting national and international educational projects;
- Ensuring high school success;
- Decrease in school absenteeism, etc.

Considering that we are in a society that is constantly transforming and these transformations are at the moment very accelerated, sure that quality assurance mechanisms at different levels of education require a perpetual update.

D.3.4 Creating and updating VET content

In accordance with the External Quality Assurance Methodology, the ANACEC Board of Governors, after approving the decision to initiate the external evaluation procedure, designates the nominal membership of the external evaluation commissions consisting of evaluating experts with competences in the field of vocational training of the program which verifies the achievement of accreditation standards by examining the institution's self-assessment dossier and visit to the institution, as well as

the evaluation standards and the minimum mandatory evaluation standards set out in the External Quality Assessment Guidelines.

Within 30 working days of the day of the visit, the external evaluation committee shall prepare the external evaluation report, which contains a qualitative and quantitative analysis of the self-assessment report submitted by the educational institution, validated by the evaluation visit, the trends from the previous evaluation (in case of re-accreditation), the strengths and weaknesses identified at the institution evaluated and validated by the external evaluation committee, as well as a series of recommendations on improving the quality of the study program that are transmitted to the institution, as well as the MECC.

These recommendations can serve as a basis, including for initiating change or for improving training programs.

D.3.5 EU key competences

An important component of the External Quality Assessment Guide is Standard 3, Student-centered Learning, Teaching and Assessment, on the basis of which the External Evaluation Committee can assess the existence of existing competences related to the Vocational Training Program. This standard includes such performance indicators as: the forms of organizing the teaching-learning process; Student-centered teaching methods; the use of ICT tools in the teaching-learning-evaluation process; organizing internships; the existence of collaboration relations with institutions - bases of practice; organizing the process of evaluating learning outcomes; organizing the process of evaluation of internships.

D.3.6 Policies to strengthen quality assurance

In order to remedy the situations identified during the external evaluation of the study programs, ANACEC elaborated and approved by the Decision of the Management Board of the Agency (as of March 15, 2019) "The monitoring procedure can evaluate the study programs and the technical vocational education institutions, which aims at: continuous monitoring of the actions and measures to improve the quality assurance process undertaken by technical, higher education and in-service training institutions as a result of external evaluation activities study programs and educational institutions.

This procedure describes the stages that the educational institutions will undertake in the post-evaluation period in order to achieve the intended purpose and will be applied by the ANACEC Continuing Technical and Continuing Education Assessment and Higher Education Evaluation Directorate following the following steps :

1. Study programs and educational institutions shall be subject to the external quality evaluation procedures periodically (once every five years or at the expiry of the provisional / accreditation authorization period).
2. Educational establishments will initiate and complete corrective / preventive actions when the external evaluation process is completed to eliminate the causes of non-conformities detected in the external evaluation process or to prevent possible future non-conformities.
3. The recommendations made by the evaluating experts in the external evaluation process of the quality of the study programs and the educational institutions will be optionally applied by the institution in the subsequent development of the programs / educational institutions.
4. Educational institutions shall develop within 3 months (6 months in the case of the summer period) from the approval of the decisions of the Board of Directors of ANACEC, corrective action plans for the mandatory improvement areas and recommendations made by the members of the Commission external evaluation with provisions, responsibilities and deadlines.
5. For accreditation standards which partially meet the requirements (where 50-90% of the performance indicators correspond to the minimum level established by the Agency), the educational establishment will develop the Corrective Action Plan based on the Commission's recommended recommendations

and areas of improvement evaluation in the External Evaluation Report and will present the actions undertaken to remove the non-compliances identified in the external evaluation process until the final decision on the accreditation of the study program is taken.

6. In the case of study programs that have obtained the non-accreditation decision, the educational institution will present annually a plan of progressive measures taken to improve the quality of the study program. In the event of serious non-conformities, ANACEC reserves the right, with the prior prevention, to carry out monitoring visits to the institution.

7. In the case of authorized / accredited study programs for a period of 5 years, the corrective and preventive measures will be implemented by the educational institutions during the period of validity of the decision to authorize the temporary functioning or the accreditation of the study programs or of the educational institution .

8. Corrective action plans will be developed separately for each evaluated study program as well as for institutional assessments. Corrective action plans may be included as part of the Business / Operational Plans of the institutional quality assurance structures.

9. Corrective action plans will be submitted for monitoring to the Agency's Specialty Direction (paper and electronic format) within the deadline set earlier.

10. The educational institutions shall draw up a Report on the implementation of the Corrective and Preventive Action Plan undertaken as a result of the external evaluation of the quality of the curriculum / educational institution, indicating the results obtained from the corrective actions.

11. The report on the implementation of the Corrective Action Plan is presented together with the minutes on the examination of the observations and the decisions made by the educational institutions as part of the self-evaluation dossier at the expiry of the provisional authorization / accreditation / re-accreditation period of the program education / educational institution (indicator 10.1.2 External evaluation guide).

D.4.1. Sources and mechanisms of funding for VET

Open Floor

There is a big lack of representation of teachers and instructors in VET in the discourse on VET. Teaching staff is not organized. No functioning feedback mechanism for teaching staff to voice their need and concern is in place.

There is a lack of evidence about teaching methods and other factors influencing quality of teaching/learning. Thus, it is almost impossible to base on evidence (except VET student voices).

The Expert Group is working on a „Comprehensive Education Sector Analysis”. The draft should already be available to MECC. LED suggests that the results of this analysis are considered in this Torino Process.

E. GOVERNANCE AND FINANCING OF VET

E.1 Institutional arrangements

E.1.1 Effectiveness of institutional and governance arrangements

E.1.2 Accountability, leadership and control

TVET Governance is centralized. The Ministry of Education, Culture and Research (MECR) is the key actor responsible for TVET governance and policy development. It acts through its bodies which including

- TVET Department,
- LLL Department,
- TVET Centre and
- National Agency for Quality Assurance in Education and Research (NAQAER).

TVET institutions in the agro-food sector and in healthcare professions have a double subordination to MECR and to their line ministries (Ministry of Agriculture, Rural Development and Environment (MARDE) and Ministry of Health, Labour and Social Protection (MHLSP)).

TVET Centre⁵⁶ (TVET Centre) and Methodical Training Center⁵⁷ (MT Centre) are supposed to provide a solid technical support to TVET system, MECR and MARDE. Their objectives include promoting TVET policies, analysis of the situation; development of policy documents; to assist MECR/MARDE in developing the regulatory and normative framework; elaboration of the curricula, development of methodologies, carrying out training in career guidance and counseling; coordination of the continuous training of the teaching/managerial staff, through conferences, seminars, round tables, etc. However, these entities face difficulties to fulfill their attributions due to the lack of financial and human capacities and both entities are understaffed because the wages are very low.

The role of social partners, SC (sector committees), CCI, Organization for Small and Medium Enterprises Development (OSMED), business associations, NAE is essential to approach labour market demand and TVET offer by improving the acquired professional skills. They mainly have a consultative role in TVET. Social partners are involved in the process of SO and qualification development, facilitate the transition to the labour market, strengthen the link between private sector and TVET system, etc.

In spite of good progress in reforming the **legal framework**, the implementation of the new legal provisions lags behind, which seriously hinders reaching the set policy results and policy integration. This is to a large part due to weak institutional capacities, understaffed institutions but also to **poor coordination** and cooperation between key TVET stakeholders, in particular in the context of the National Coordination Council for TVET, but also in terms of multi-level and multi-stakeholder governance.

E.1.3 Governance reforms

E.2 Involvement of non-state actors

E.2.1 Distribution of responsibilities between state and non-state actors in VET

Social partners, civil society and TVET providers are consulted in the process of development, implementation and monitoring the new strategies and policies. They participated in the development or validation of the policies, strategies, regulatory documents. Among the key stakeholders with a consultative role in VET governance and policy making are the CCI⁵⁸, SSC, Employer's Organizations, Trade Unions, Council of VET students, donors (LED, ADA, GIZ, SDC) and bilateral development agencies. The OSMED is active in policy implementation, with training projects focused on developing entrepreneurial skills. International stakeholders (ETF, USAID, UNDP, WB, ILO) provide technical support for capacity building and VET reform implementation. The development of NQF (National

⁵⁶ Under MECR

⁵⁷ Under MARDE

⁵⁸ In accordance with the legislation in force, dual training programmes are shared between dual partners VET institutions and economic agents. In the process of organizing, deploying and monitoring quality, responsibilities are shared between the MECR and the CCI, as responsible for training within the economic agents, according to the Regulation <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=373978>

Qualification Framework) is coordinated by MECR in collaboration with other line ministries, SC, VET institutions, employer' organizations.

Other important actors are to be SC. In November 2017, the Parliament approved the *Law on sectoral committees*, adopted by the Parliament. The need for this document was dictated by the lack of legal personality of SC, which hindered their interaction between the VET system and the labour market.

SCs are set up at the level of the branches of the economy for general consultations and negotiations. SC aim to boost the correlation between TVET offer and requirements of the labor market. Some of the envisaged functions of the SCs include:

- providing a platform for communication and cooperation between the social partners and public authorities and VET providers;
- contributing to the development of the normative framework on VET;
- elaborating and revision of OS,
- participating in the elaboration, development and updating of the qualifications;
- participating in the elaboration of the NQF;
- promoting and encouraging the participation of employers, employees in IVET and CVET;
- encourages the participation of social partners, other physical and legal persons in the promotion and development of VET;
- participating in the qualification exams, the certification of prior learning;
- engaging in skills needs analysis and anticipation;
- make proposals for updating the Occupational Classifier,

However, SC are not yet in a position to play these roles efficiently.

In 2014 MECR approved the concept of the "Social dialogue platform in TVET" aiming to strengthen and maintain an effective dialogue and partnership relations between business environment and TVET system. In December the same year, the National Coordination Council for VET (VET NCC), is set up by the Government as an advisory body targeting to create the platform for dialogue in TVET. The mission of the Council⁵⁹ is to ensure the synergy between VET, labor market and national economy. The Council has to meet at least four times a year or whenever necessary and has the following powers:

- coordinates the process of developing, implementing, monitoring, evaluating and reviewing reform policies;
- makes recommendations on strengthening the partnership, modernization of TVET institutions and content of study programmes, the system for evaluation and certification of qualifications;
- promotes collaboration between ministries, other central administrative authorities, employers and trade unions;
- perform and monitor the reforms of VET;
- contributes to increasing the transparency and relevance of reforms, etc.

Although the Council contributed to a better cooperation between the key VET, there is still a deficit of active business involvement in TVET and the dialogue with social partners cannot be classified as being strong. The existing 6 SC have a limited role due to the lack of capacities. The collaboration between VET stakeholders lacks coordination, systematic and systemic approach because there is no entity that would fulfill the role of the Secretariat of VET NCC, to facilitate the relationship between the key stakeholders.

E.2.2 Policies in support of participation of non-state actors

In 2018, in order to motivate economic agents to provide apprenticeship places and to train apprentices in dual programs, changes were made in the fiscal legislation, namely by Law no. 172/2018, the Tax

⁵⁹ The Council consists of permanent members, representatives of the Ministry of Economy, MECR, MHLSP, the board of TVET directors, Trade Union, National Confederation of Employers, CCI, Organization for Development of Small and Medium Enterprises Sector (ODSMES), a representative of civil society and alternate members – Ministry of Finance, MARDE, SC and other members.

Code was adjusted, and by Government Decision no. 693/2018 defined the expenses related to the organization and carrying out of the dual programs as tax deductible.

In order to improve the regulatory framework for SMEs, for 2019, the Ministry of Economy and Infrastructure has planned the elaboration of a Government Program for the approval of measures to support and encourage social entrepreneurship.

This program aims to create conditions and facilitate the development of economic activity aimed at improving living conditions and providing opportunities for people from disadvantaged categories of the population.

In order to strengthen the economic and social cohesion, including at the level of the local communities, employment and the development of social services in the community interest, including the increase of social inclusion, the Law no. 223/2017 for the amendment and completion of some legislative acts, which recognized the social entrepreneurship activity.

At the same time, in order to achieve the objectives set in this field, when developing the Sectoral Medium-Term Expenditures Strategy, new actions / policy measures on the private sector development sector, estimated financial means for the period 2020-2022 amounting to 30,000 , 00 thousand lei, for the implementation of a social enterprise support program (Article 365 paragraph (2) letter c) Law no. 845/1992 on Entrepreneurship and Enterprise).

In order to support the economic agents implementing the dual education, facilities have been approved for the deductibility of the expenses incurred by them in the field of practical training at the workplace, see the link: <https://chamber.md/facilitati-for-agentii-economici>.

E.3 VET budget

E.3.1 Expenditure planning, VET budget formation and execution

TVET institutions are public law institutions whose financial activities are based on the principles of the Public Finance Act and the fiscal-fiscal responsibility no.181 / 2014. Thus, according to its provisions, the main stages in the process of budgeting are:

- Development and approval of the medium-term budgetary framework (hereinafter MTBF);
- Issuance of the annual circulation on the drafting and presentation of the draft budget;
- Drafting and presenting the draft budget;
- Organizing consultations on the draft budget with PCA;
- Presentation of the draft state budget law to the Government;
- Examination and approval of the draft law by the Government and submission to the Parliament for approval;
- Adoption of the Annual Budget Law by Parliament.

The provisions of Article 48 of the Prenotated Law stipulate that the CBTM is developed by the Ministry of Finance jointly with the specialized public authorities (hereinafter CPA). Until May 15, CBTM will be submitted to the Government for approval, the deadline being June 1.

In the process of drafting CBTM, the central public authority (CPA) is responsible for developing and presenting sectoral spending strategies. At the same time, in the process of preparing the sectoral spending strategies, the CPA specializes with other CPAs, which manage budgetary resources within the respective sector. Sectoral spending strategies ensure the correlation of policy priorities with the volume of planned / sectorally planned budget resources at sector level.

According to the timetable of the actions for the elaboration and approval of the state budget for the following year, the Ministry of Finance issues the circular on drafting and presenting the draft budget, the term being 1 June, which is transmitted to the CPA. Based on the circulation of the Ministry of Finance, PCAs issue their own circular institutions that set specific requirements and spending limits on institutions.

Subordinate budget institutions therefore draw up and present budget proposals within the limits set by the hierarchically superior authority and product and program performance indicators. The CPA organizes and conducts the process of examining and consulting budget proposals with the subordinated institutions, then aggregates them, evaluates output indicators, and prepares the budget proposal, which it submits to the Ministry of Finance by 1 July.

Consultations on budget proposals with the CPA are organized on the basis of a schedule established by the Ministry of Fine Arts between 1-15 August and the annual state budget bill and social partners will be consulted by 1 September.

The Ministry of Finance presents the state budget bill for consideration and approval by the Government until September 15. Following the examination of the draft law at the Government meeting, the Ministry of Finance adjusts the draft, after which the Government issues the decisions approving the draft annual budget law and presenting them to Parliament until October 15.

The draft law is first scrutinized in parliamentary committees and later in Parliament's plenary sessions, after which Parliament ensures the adoption of the annual budget law by 1 December.

Following the publication of the state budget law, the Ministry of Finance communicates to the PCA the annual approved budget allocations, which are then allocated to the subordinate institutions. The budgets allocated to the budgetary authorities / institutions serve as the basis for initiating budget execution.

It is also noted that the general resources of TVET institutions are calculated on the basis of the standard cost per pupil, including personnel costs, goods and services expenses, stocks of commodities, commodities, according to the provisions of the Government Decision no.1077 / 2016 "On cost-per-pupil-based financing of public institutions of vocational technical education".

In addition to the costs included in the cost of training per pupil, the institution also benefits from scholarships and social scholarships, the maintenance of dormitories, the maintenance of orphans and those under guardianship, as well as the expenses for the institution's development, according to the performance indicators respecting the limit of the allowances planned budget.

During the budget year, TVET institutions can collect revenues from the provision of services and the execution of works, according to the Service Nomenclature, approved by the Government.

In addition, it is mentioned that according to art.61 of the Law no.181 / 2014, the annual budget law can be changed no more than 2 times, which is submitted to the Parliament, not later than 1 July and no later than 15 November, and according to the provisions of art. 63, the receipts and payments of the budgets of the budget.

E.3.2 Policies to improve expenditure planning and budgeting in VET

Building on the ones outlined in the "Expenditure planning, budgeting and budgeting in TVET", a solution to improve spending and budget planning in the TVET system would be the decision-making freedom of TVET institutions by modifying the method of management and management of funds budget and own accumulated.

As a result of these needs, as of October 1, 2018, TVET institutions operate under financial and economic self-management, hold accounts in the treasury's single account of the Ministry of Finance, and the provisions of the Government Decision no.1077 / 2016 are modified in this context. Thus, TVET

institutions benefit from allocations from the state budget for the execution of the state order, and their financing is based on a service contract.

Prior to these changes, the revenues accumulated by the TVET institutions were distributed and reflected in the State Budget Law and the cash balances formed at the end of the year were paid into the state budget in order not to generate the increase of the budget deficit which threatens the stability of the budget .

Thus, in the State Budget Law 2019 no.303 / 2018 financial allocations were provided only for the execution of the state order within the TVET institutions. The mode of planning, training and execution of expenditure from general resources is described in code E3.1. The basis for the calculation of these allocations is the volume of general resources approved in the previous year, adjusted with existing policies and normative acts (baseline) and other factors that influence the volume of expenditures as well as new policy measures (eg increase of the reference value on calculation of base salary, exchange rate, etc.).

The bookkeeping of TVET institutions will be made in accordance with the overall chart of accounts in the corporate system. In this context, through the Order of the Minister of Finance no.28 of 12.02.2019, the Methodology for the passage of the Accounting Accounts Plan in the budgetary system to the General Chart of Accounts in the Corporate System was elaborated.E.4 Mobilisation of resources for VET

E.4.1 Sources and mechanisms of funding for VET

The funding sources of TVET institutions are:

- general resources (allocations from the state budget according to the State Order approved by the Government);
- own income;
- the resources of projects financed from external sources;
- other revenue allowed by law.

The general resources of VET institutions are allocated from the specialized CPA budget, based on the cost per pupil and other expenditures, according to the provisions of art.145 of the Education Code no.152 / 2014 and the Methodology of financing based on cost per pupil of public institutions vocational education, approved by the Government Decision no.1077 / 2016.

The revenues of the VET institutions include income from the provision of services and the execution of the works, according to the Service Nomenclature, approved by the Government. These income consist of study fees, services provided and works executed, rental, rent or lease of public patrimony, donations, sponsorships and other money means legally entered into by VET institutions.

Estimates of incomes are carried out and confirmed by calculations in strict accordance with the fees for services rendered, approved by the Board of Directors.

Income from tax-based studies and incomes from training, staff training are forecast based on the average student, auditor / listener quota established at the beginning of the study year and the amount of study fees approved by the Government.

The amount of study fees should represent the actual cost of training of specialists in educational institutions by specialties and training fields. Thus, according to the provisions of the legal framework in force, the amount of the study fees will be approved by the Board of Directors.

Income from accommodation fees in hostels is estimated according to the provisions of the Government Decision no. 99/2007 "Regarding the accommodation fees in the homes of state institutions of secondary technical education, post-secondary technical and higher education and in the field of science and innovations".

Revenues from the lease of public property were projected according to the number of contracts concluded and on the basis of the regulation on the lease arrangement approved by Government Decision no. 483/2008 "On the approval of the Regulation on the way of leasing the unused assets".

Resources related to projects financed from external sources shall be administered in accordance with the provisions of those agreements within the limits of the approved budgetary allocations and unused

money means by the end of the budgetary year shall be available for the same purposes in the following budget year, budgets.

Other revenue allowed by law includes, for example, income from entrepreneurial activity, which is accrued and managed separately from other income, donations, sponsorship, etc.

Money obtained from entrepreneurial activities can now through the modification of government decision Nr. 1077, 23.09.2016 (modification Nr.844, 12.09.2018), allowing for financial autonomy of VET institutions, be accumulated over the years and used for the institution's development.

E.4.2 Diversification and mobilisation of funding for VET

E.5 Allocation and use of resources in VET

E.5.1 Patterns of resource allocation

Budget allocations are broken down into functional groups, by sub-programs, economic activities and categories.

Financial resources in economic terms are:

- Staff expenditure
- current expenditure (goods and services, social benefits)
- capital expenditures (fixed assets and capital investments)

The staff costs are estimated according to the provisions of the Government Decision no.1234 / 2018 "On the conditions of remuneration of the staff of the educational institutions functioning under the regime of financial and economic self-management". They are calculated on the basis of updated structures, taking into account the possible changes in the staff structure over the respective years and based on the rights of the persons actually employed (length of service, degree / category of qualification, salary level, didactic degree, scientific degree, etc.) .

Current spending is estimated according to previous years' consumption and adjusted prices for the current year. When estimating capital repairs, CPA / Institutions will focus financial resources to complete the work on the ongoing objectives.

In preparing capital expenditures, the CPA is to be governed by the provisions of the Government Decision no.1029 / 2013 "On public capital investments", the Order of the Ministry of Finance no.185 / 2015 "On the approval of the Instruction on the management of the capital investment projects "And subchapter 4.7" Particularities specific to the capital investment planning "of the Methodological Set approved by the Order of the Minister of Finance no.209 / 2015.

At the same time, the transition of TVET institutions into the economic financial self-management regime changed the way of reflecting the expenditures in terms of the economic classification. In this context, budget allocations, funded under the Education Service Contract for State Order Execution, are reflected in the economic codes as follows;

- 2812 "Scholarships", which include the costs of paying scholarships and social scholarships;
- 2818 "Financing of self-education institutions", which includes expenditure on the activity of the institution, provision of students' food, maintenance of dormitories, etc .;
- 3912 "Capital investments in current assets".

At the same time, the institutions benefit from the state budget and allowances for the maintenance of pupils with orphan status and those under guardianship.

In conclusion, the transition of TVET institutions into a financial and economic self-management regime gives TVET institutions greater freedom in the management of financial resources, their accumulation and distribution, respecting the basic principles and the provisions of the normative acts in force.

E.5.2 Policies to ensure adequacy of resources for VET and equity in their allocation

ACRONYMS

AF	Analytical Framework
ETF	European Training Foundation

CVET	Continuing vocational education and training
VET	Vocational education and training
IVET	Initial vocational education and training
NQF	National qualifications framework
FA	Financing Agreement
ANACIP (NAQAPE)	National Agency for Quality Assurance
NEA	National Employment Agency
NBS	National Bureau of Statistics
TA	Technical Assistance
WB	World Bank
NBM	National Bank of Moldova
MTEF	Medium-Term Budgetary Framework
CCI	Chamber of Commerce and Industry
NCCVET	National Coordination Council for Vocational Education and Training
CoE	Centers of Excellence
EC	European Commission
NQF	National Qualification Framework
OCRM	Occupational Classifier of the Republic of Moldova
RCVED	Republican Centre for Vocational Education Development
SSC	Sector Skills Committee
ADA	Austrian Development Agency
LED	Liechtenstein Development Service
Kulturkontakt	Kulturkontakt Austria în Moldova
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Agency for International Cooperation)
SDC	the Swiss Cooperation Office
GM	Government of the Republic of Moldova
ISCED	International Standard Classification of Education
TVET	Technical Vocational Education and Training
LLL	Lifelong Learning
QM	Quality Management
MDL	Moldovan Leu
MAREE	Ministry of Agriculture, Rural Development and Environment
MECR	Ministry of Education, Culture and Research
MEc	MEc Ministry of Economy
MHLSP	Ministry of Health, Labour and Social Protection
MTRI	Ministry of Transport and Road Infrastructure
ILO	International Labour Organization
GDP	Gross Domestic Product
SPSP	Sector Policy Support Programme
ECTS	European Credit Transfer System
OS	Occupational Standard
IT	Information Technologies
ICT	Information and Communication Technologies

UNESCO	United Nations Educational, Scientific and Cultural Organization

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