

Bulgaria: Improving the quality and relevance of education for all

Education Sector Reform Policy Note

September 2009¹

Main messages

- Bulgaria has recently introduced **sweeping reforms of its secondary education system to promote more autonomy and accountability of schools for better learning outcomes**. Positive results are already showing but more remains to be done to reap the full benefits of the reforms.
- **Per-student-financing and delegated budgets have led to a wave of school closures** that had become essential in the wake of a dramatic decline in student numbers. Their closure has resulted in larger schools, with more opportunities to pool education resources (e.g. to provide students with better facilities), create larger class sizes and, in the future, attract and retain higher quality teachers. As opposed to the previous centralized system, **school-based management with a considerable degree of decision-making power of the school principal has set the stage for schools to better adjust to local needs** and opportunities for a better education. **External student assessments are now routinely conducted**, which have substantially improved the evidence base for education policy-making.
- However, **concerns remain as to the accountability of schools** to the local community. While principals are accountable to the municipal authorities for the use of financial resources, parents have little formal ways of holding principals accountable for learning outcomes.
- The **reform was launched in the face of dramatic challenges in terms of unsatisfactory learning outcomes, early school leaving and considerable inequities in the education system**. Bulgaria's participation in international student assessments on the eve of the reform has laid out the extent of the challenge. For example, PISA revealed that more than 50 percent of Bulgarian 15-year-olds perform at the lowest reading literacy level or below, while too many young Bulgarians are leaving the education system early and without the skills needed in the knowledge-based labor market.
- Moreover, **Bulgaria's vocational education and training system remains un-reformed**, and there are concerns with regard to the quality and relevance, with few formal communication channels to the labor market. The **higher education system, meanwhile, is characterized by low participation relative to other new EU Member States**, and the system of occupationally-oriented colleges, an important part of higher education across the EU, remains underdeveloped relative to academically-oriented universities.

¹ This note was prepared by Juan Manuel Moreno and Lars Sondergaard with input from Christian Bodewig.

Policy Directions

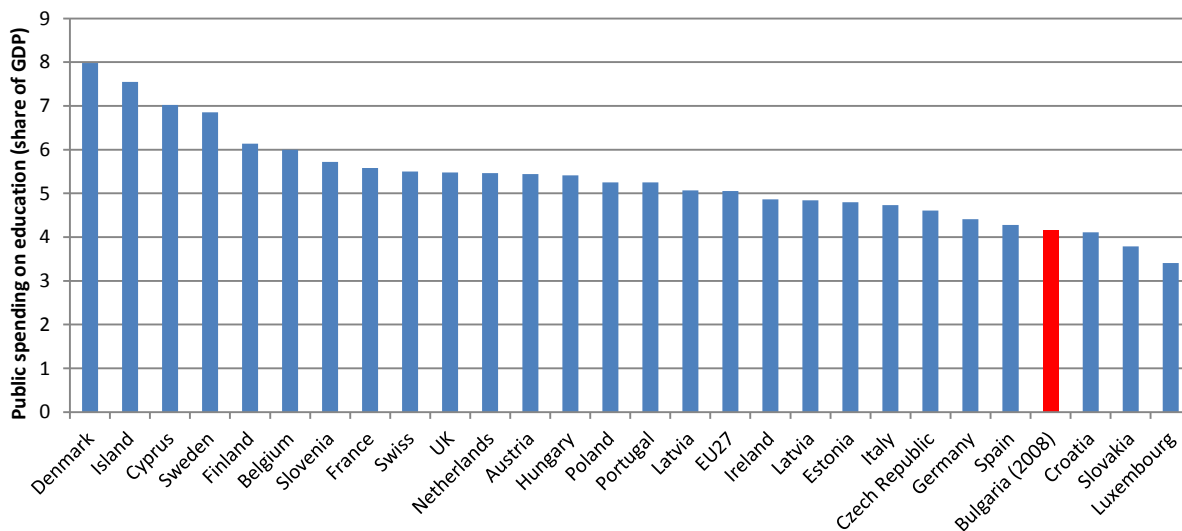
- The **economic crisis and associated fiscal pressures should not lead to cuts in the education budget**. Rather, the crisis is the appropriate time to invest in education, but do it well. This requires continued efficiency savings in the school system to target funds to programs that focus on enhancing the quality of education for all children and retaining in school children who are at risk of dropping out.
- **Promoting accountability for learning outcomes and results is the key policy direction for both secondary and tertiary education**. In secondary education, school principals need to become more accountable to parents and local communities for how well their students learn, for example through empowered school councils. In tertiary education, recently introduced boards of trustees in universities need to be empowered, and university deans should become accountable to them rather than the faculty.
- **Teachers are the key determinant of the quality of education**. While school-based management allows principals to decide on the teacher staffing and reward by performance, policymakers need to ensure that measures are in place to attract, train and reward effective teachers – including through creating a strong pipeline of well-trained future teachers and attractive training opportunities for existing teachers through a revamped teacher training institute.

Education Sector Reform Policy Note

Introduction

Bulgaria's neighbours are investing more in their future labor force than Bulgaria. On average, EU Member States devote just over 5 percent of GDP of their public resources on education, and many spend substantially more than that. In addition, parents and students – especially at the tertiary level – add additional resources on top of what the public sector allocates. By comparison, spending in Bulgaria is more modest: public spending amounts to around 4 percent of GDP, with very limited private spending. While spending more is no guarantee for better learning outcomes (and more graduates), the fact that Bulgaria's neighbours are spending more could signal that they place a higher priority on raising their competitiveness by trying to heighten the quality of their labor force. If they succeed, Bulgaria would be left at a competitive disadvantage and its challenge of achieving income convergence would be an even greater one.

Figure 1: Public expenditure on education in 2006 (except Bulgaria 2008)



Source: Eurostat and Bulgarian Ministry of Finance

Achieving income convergence with the advanced economies in the EU and supporting a growing number of retired people, every worker in the future will have to be much more productive than today's worker. They will need to be more productive because achieving the same standard of living as in the rest of Europe will be a task that will fall on the shoulders of fewer Bulgarians. Creating more productive workers for the future implies investing in heightening the quality of the education that every child receives today. Bulgaria simply cannot afford to have as many socio-economically children – in particular Roma children – drop out of school as is currently the case. And Bulgaria cannot afford that 50 percent of its 15-year-olds can barely read, according to the latest PISA international student assessment.

The ongoing economic crisis places strains on the available public resources but Bulgaria cannot afford not to prioritize education. However, crucially, this will imply spending public resources more wisely. In

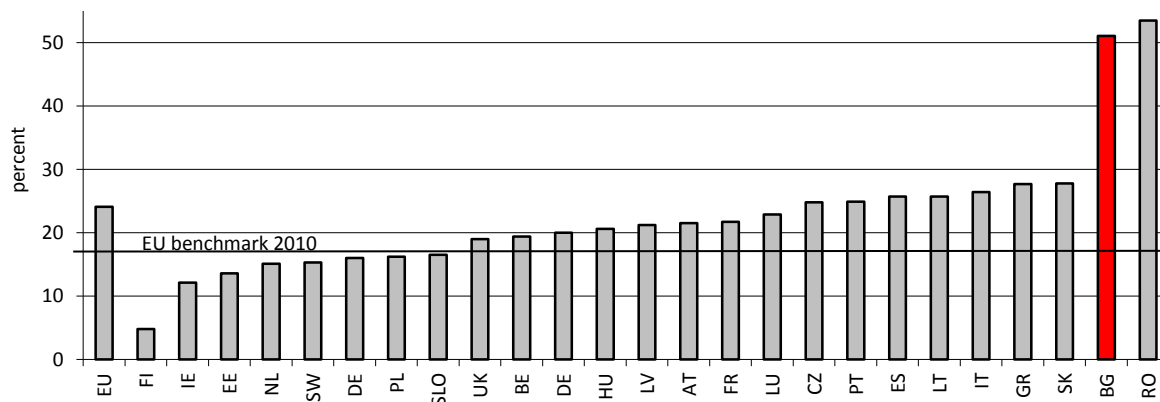
essence this means one thing: where possible, pushing local authorities and school principals to increase class sizes (from their currently very low levels at 22, on average across all types of schools and regions). Especially in large urban schools, there is every reason to suspect that class sizes can be further increased without impairing the quality of education.

This policy note highlights the main challenges facing the education sector in Bulgaria and, for each of the challenges, presents a range of concrete policy instruments to address those challenges. The policy note also summarizes the achievements made so far and the remaining challenges with regard to the recent changes to the way schools are financed and managed.

Improving quality and relevance of Bulgaria’s education system

Many Bulgarian secondary school students leave education insufficiently prepared for the knowledge economy. While too few young Bulgarians are staying on in education, especially at higher levels, many who *do* stay in education do not acquire the necessary skills and competencies to compete in a high innovation economy and meet skill needs from employers – marketable, often vocational, qualifications which would guarantee a job. But this also holds for generic, transferable skills increasingly needed in an era of fast technological change where learning to learn competencies become crucial: For example, as shown in Figure 2, more than 50 percent of Bulgarian 15 year olds scored very low on the PISA 2006 reading test – a significantly higher share than elsewhere in the EU – new and old Member States alike – and other developed economies. This suggests that Bulgarian youth may be graduating from school unprepared for the needs of the knowledge economy.

Figure 2: **Bulgaria’s 15 year olds are behind in reading literacy**, *Percentage of students with reading literacy proficiency at the lowest level of the OECD’s PISA reading literacy scale (level 1 and below), 2006*



Source: OECD PISA database, presented in European Commission (2008), *Progress towards the Lisbon objectives in education and training, Indicators and Benchmarks, Commission Staff Working Document*.

Bulgaria can prepare its graduates better for the needs of the knowledge-based labor market through the following policy measures:

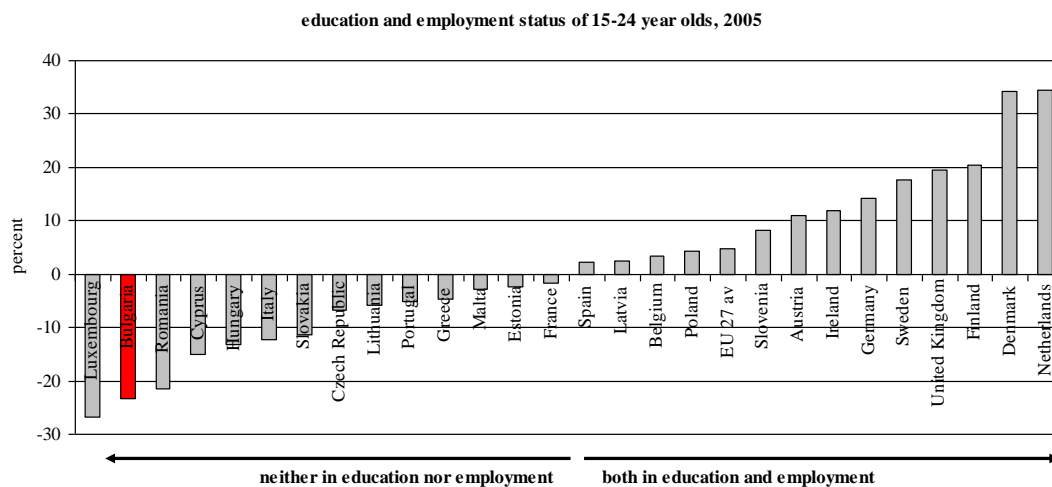
- ***Placing a greater focus on developing good student assessment systems to track performance of the system at the school and classroom level.*** Bulgaria has been building up systems of data collection, including on external student assessments. The challenge now is to ensure that the systems are effectively used to provide timely feedback on the education system overall, but also on how individual schools and teachers are doing and guide school improvement plans. The new, decentralized Bulgarian education system with school-by-school student assessment allows easier identification of poorly performing schools to enable policy makers to design targeted interventions to tackle these problems. This would also enable schools to become more accountable for their results, not just to Regional Inspectorates and to municipal authorities but to parents, employers and other stakeholders in civil society. And it could also help teachers identify strengths and weaknesses in their teaching.
- ***Adopting active measures to attract, train, retain and reward effective teachers.*** Over the last two years, important efforts have been made to rethink the teaching career in Bulgaria, including performance incentives for teachers and a renewed offer of professional development opportunities. Furthermore, a parallel initiative has been successfully implemented with regard to school directors. It is urgent now to finish this agenda, first by consolidating the role of the Institute of Directors and the career development system of school directors; and second by monitoring the initial outcomes of the differentiated payment scheme introduced a year ago by the Ministry of Education. The closure of the National Pedagogical Center, anticipated by a Ministerial Decree in June 2009, clearly leaves a vacuum in the teacher policy framework of Bulgaria that the new government will have to immediately address.
- ***Moving to a competency-based approach in curriculum and learning.*** Curriculum reforms across the world are introducing elements of a competency-based curriculum with emphasis on problem solving and teamwork, creative use of knowledge and information, and building the basis for continuous life-long learning. This requires a redefinition of curriculum content, tasks and standards, more geared towards “situated” learning and less focused on disciplinary knowledge and absorbing “raw” information. Bulgaria has rolled out a new curriculum for basic education which needs to be systematically evaluated. In particular, the proposed reform of the 8th grade – with its narrow focus on foreign languages and IT – needs to be seriously reconsidered as it may have unexpected negative effects on the quality and relevance of education and on student retention rates in upper secondary education.
- ***Strengthening the system of external support to schools, emphasizing counseling and guidance services to deal with students’ low performance and learning difficulties.*** The new context of increasingly autonomous schools calls for a solid system of external support which can bring to schools specialized expertise to deal with individual and institutional challenges that can easily go beyond the capacity of the staff. In particular, it is important

that external support services are available to support school staff in addressing issues of low performance and learning difficulties, ensuring that there is early intervention – and prevention – when these problems arise. There is a very high potential impact of this early intervention on the quality of learning outcomes for any given school, and certainly for those in more vulnerable areas or with students from ethnic minorities.

Improving Access and Equity

Too many Bulgarian youth drop out of school early without enrolling in training or joining the labor market. In 2005, close to 25 percent of Bulgarian 15-24 year olds were neither in employment, education nor training (NEET), as evident from Figure 3. Contrast that with the Netherlands where 35 percent of the youth population was *both* in the labor market and education at the same time. Bulgaria is not the only new EU Member State with a NEETs problem – it appears to be widespread across the region. The message is that lacking part-time employment opportunities and low youth participation in the labor market in Bulgaria appears to go hand in hand.

Figure 3: Too many Bulgarian youth leave education early, but not to join the work force



Source: Eurostat

This challenge could be met through the following policy measures:

- Promoting early childhood education and development (ECED) interventions to promote school readiness**, particularly for children from marginalized backgrounds such as Roma. There is strong international evidence that investments in ECED interventions, including health and educational programs, have a substantial impact on subsequent education outcomes in primary and secondary schooling and yield greater returns than later investments². While such programs play an important role in raising human capital across the population, they are particularly important for children from marginalized backgrounds. Recognizing the importance of ECED,

² Cunha, F., Heckman, J., Lochner, L. & Masterov, D. (2005), Interpreting the evidence on life cycle skill formation (North Holland, Amsterdam).

Bulgaria has already introduced one year of free and mandatory pre-school and raised its pre-primary enrollment rate from 66 to 77 percent between 2000 and 2005. However, the mandatory year remains not fully implemented, in particular among the more marginalized children such as Roma. And, although pre-primary enrollment rates have increased they are still low in comparison to the advanced EU countries where it is above 90 percent. Further promoting the ECED agenda will involve developing new child welfare services aimed at children aged 0-3 focused on community outreach and parental training as well as expansion of the supply of crèches/nursery and kindergarten places for the 3-6 year olds.

- ***Intensifying efforts to prevent early school leaving and boost retention in education and training.***
 - *Introducing measures focusing on incentives to keep youth in school for longer.* Several OECD countries have introduced measures focusing on incentives to promote retention in school beyond compulsory school age, and there are examples for positive and negative incentives: (i) cash incentives for youth from low income families to stay in school post compulsory age, such as the Education Maintenance Allowance (EMA) Program in the UK, or (ii) the extension of mandatory schooling until the completion of upper secondary education or until the age of 18, as recently introduced in the Netherlands. Cash incentives could be provided through raising the individual eligibility threshold for Guaranteed Minimum Income (GMI) for those youth between 15 and 18 who remain in school beyond compulsory schooling³.
 - *Promoting early outreach through school counseling and professional orientation to identify and counsel those youth at risk of drop out.* Prevention of early school leaving and retention in formal education and training requires early outreach to and advisory services for those at risk of drop-out. Bulgarian child protection services at the local level could more proactively, and in a more formalized manner, support schools in engaging youth at risk and counseling them.
 - *Introducing more varied, alternative and flexible pathways to education and training and more choice for youth beyond the compulsory school age.* Many OECD countries have introduced programs that combine work and training for young people who do not wish to remain in formal schooling beyond the compulsory school age. For instance, the UK is moving towards a policy mix of (i) guaranteed place in education or training program after age 16, (ii) a broadening of learning options ranging from formal schooling through diploma programs linking academic and vocational learning, apprenticeships to work-based learning programs, and choice with respect to providers, including schools, colleges, private providers or accredited employer-provided training. The aim is to ensure that all youth

³ However, given the large variance in schooling outcomes between schools (as opposed to within schools), as documented in the OECD PISA 2006 assessment, Bulgaria needs to also focus on improving school quality, in particular for children from marginalized backgrounds. If schools are bad, efforts to keeping young people in school for longer will not result in improvements in education outcomes and skills.

participate in education and training until they are 18 or achieve a formal qualification (whichever is earlier)⁴.

- *Eliminating the 7th grade examination.* Already in 2008, the number of candidates taking this examination was smaller than the number of available places in profiled upper secondary schools for which the examination is meant to serve as a selective device. This clearly points to the fact that the long tradition of selective profiled schools in Bulgaria has led to student (and family) self-selection at a very early stage. This, in turn, implies lower expectations from the education system and a higher chance of drop-out for a staggering 70 percent of students of that grade. The elimination of the 7th grade examination could be the visible move towards a more inclusive and more relevant secondary education system in Bulgaria.
- ***Transforming VET from a relatively low quality, second-choice learning option into a set of high quality learning opportunities.*** After far-reaching reforms in primary and secondary education in the last three years, Bulgaria's agenda of modernizing its education system is now addressing the system of Vocational Education and Training (VET) – to refocus the overall purpose and concrete objectives of the system. The challenge is to raise the capability of the Bulgarian VET system to provide students with the skills required in the knowledge economy while at the same time offering inclusive alternatives to non-academic individuals.
 - *Adopting a renewed VET strategy is urgent.* It could be the result of the reform vision shared by key stakeholders and promoted under the Pact for Economic and Social Development of Bulgaria, signed by the Government and the social partners on September 26, 2006.
 - *Establishing a National Qualifications Authority* modeled after similar agencies in other European Union Member States. This Authority would consist of a body of 15-20 members appointed by the Ministry of Education and Science, by other relevant Ministries and by key stakeholders in the sector. This Qualifications Authority would be responsible for all awards made within the national qualifications framework.
 - *Establishing Regional Integrated VET resource centers.* Since the modernization of VET is mainly a matter of institutional innovation, especially at the local community level and through the development of local partnerships, a network of integrated regional VET resource centers could be a key contribution to the modernization agenda in education and training in Bulgaria. The establishment of new integrated VET institutions would provide new avenues for students in compulsory education to access educational opportunities at the secondary level and to continue at the tertiary level, in new and promising occupational areas demanded by the growing knowledge economy.

Bulgaria has an unusually wide dispersion in student performance, indicating acute inequalities in access, participation and returns to education. There is a high achievement gap between the top and bottom 20 percent of the student population and, as importantly, a large between-schools variation in student performance. In other words, there are many high quality schools but also many failing schools.

⁴ OECD (2008) Jobs for Youth: United Kingdom, OECD: Paris

This is consistent with anecdotal knowledge of vast underperformance of schools in socially excluded Roma localities. Although socioeconomic variables are obviously accounting for this dispersion, there are of course school and classroom factors which also contribute to its explanation. A study on the determinants of learning carried out by the World Bank in 2008 shows that the performance of students does not seem to be determined by the qualifications of teachers but rather by the size of schools (with smaller schools doing worse, controlling for other factors) and the instructional time students spend at learning a particular subject, as well as students' time spent on working on assignments.⁵

Overcoming the abnormal high dispersion in performance among students and between schools could be addressed as follows:

- *Training teachers and school authorities to become customer/student oriented and improve their level of confidence and sense of belonging to the school.* In addition to a quality pre-service and in-service teacher training system, the availability of external support services, already mentioned above, and of pedagogical counselors at the school level, is crucial to help build a school culture which successfully includes all students and provides them with relevant opportunities to learn. Those pedagogical counselors were also trained by the National Pedagogical Center, which means that the Ministry of Education will urgently need to find new providers of training for that important role in the school system.
- *Creating more space for students to access a diversity of learning opportunities.* For example, by having a teacher(s) assigned to students with low performance and/or learning difficulties; or by strengthening the offer of extra-curricular activities provided by the school. The ongoing anti-drop-out program implemented by the Ministry of Education includes measures in this regard whose impact needs to be carefully monitored and evaluated.
- *Learning from best practices of successful schools and set up a dissemination system which allows low performing schools to effectively adopt them.* This would be one of the functions of a well-functioning external support system to schools. In addition, a program offering incentives for teachers and principals from successful schools to move to low-performing schools (even for a short-time assignment) could also be a potentially effective measure.

Developing a modern tertiary education system

	2000	2007
Bulgaria	44.4	49.5
Slovakia	28.7	50.8
Czech Republic	29.4	54.8
Romania	24.0	58.3

⁵ Husein Abdul-Hamid (2008): Assessing Bulgaria's Performance in 2006' PISA and PIRLS Studies, World Bank mimeo.

The participation rate in tertiary education in Bulgaria is lagging behind other EU Member States. As can be seen from Table 1, the gross enrollment rate in tertiary education shows a troubling trend in the enrolment in tertiary education in Bulgaria: since 2000, Bulgaria is the only country among the new EU member states whose enrollment rate has been virtually flat. To a

Estonia	55.6	65.0
Average, exc. Bulgaria	43.0	66.4
Poland	49.7	66.9
Hungary	36.7	69.1
Latvia	56.3	71.3
Lithuania	50.3	75.6
Slovenia	55.7	85.5

Source: UNESCO

considerable extent, inequities in access to education have limited participation rates in Bulgaria. With the EU accession, and growth of the economy, the demand for tertiary education among disadvantaged groups should grow as it has in the other new EU member states countries. The limited institutional diversity of tertiary education is probably limiting the participation of disadvantaged minorities. Most of the institutions are traditional institutions belonging to the university sector, and there are few colleges offering occupationally-oriented programs. More occupationally-oriented colleges would be better suited to the academic qualifications, needs, and aspirations of disadvantaged groups and also more responsive to the needs of the labor market.

This challenge could be met through the following policy measures:

- **Promote tertiary education participation** by increasing the pipeline of qualified upper secondary graduates and offering more pathways to tertiary education.
 - *Enhancing and diversifying options for financial support for university students.* Boosting tertiary participation will also require the provision of financial support, through student loans (recently introduced as a public guarantee on private lending but, until now, with no interest in participating in the scheme from private banks) and scholarship programs for financially constrained students.
 - *Improving the quality of secondary education in non-profiled schools, delay early selection of students and open multiple pathways into tertiary education.* International experience suggests that delaying streaming of students out of general education into vocational education contributes to raising performance. Delaying the currently early selection into profiled and non-profiled schools (after 7th grade) and delaying the streaming of students into vocational education until after the completion of compulsory general education may contribute to raising the effective cohorts qualified to enroll in tertiary education. This would also involve developing curricula for vocational secondary schools that balance vocational and general skills (in particular mathematics, science and language skills) and introducing pathways from vocational secondary schools to universities.
 - *Expanding the number of occupationally-oriented tertiary colleges.* A part of Bulgaria's low tertiary participation overall can be explained by the fact that it has a much smaller share of

occupationally oriented short-cycle tertiary colleges compared to many EU neighbors. These colleges offer degree programs in more applied and vocational subjects⁶.

- *Easing alternative entry routes into higher education for adults and to continuing education programs provided by universities.* Linked to the point on the recognition of qualifications obtained through informal and non-formal education through a National Qualifications Framework, efforts to introduce and ease alternative entry into higher education for adults is an important avenue to boost adult education. Such special entry routes would build on qualifications obtained through prior formal education, but also qualifications obtained through work.
- ***Consolidating the new Matura Examination as the prevailing instrument for university admission.*** The introduction of a new Matura examination with a double function as secondary graduation and university entrance is generally considered as one of the most important and audacious breakthroughs in the recent history of education in Bulgaria. While there is wide consensus on the use of Matura results as a sufficient criterion for university entrance, there are still many specialized faculties in selected universities which are keeping their own admission examination. Accounting for that is, on the one hand, the argument that the Matura is still too “basic” and therefore does not discriminate enough among applicants; on the other hand, the deeply-rooted private tutoring for specific admission examinations, offered mainly by university professors as a way to increase their income, is openly acknowledged as the main underlying reason for the Matura still not being the prevailing instrument for university admission. The result is, once again, that there is a bottleneck in the admission to higher education in Bulgaria which requires a combined financing and governance reform. A quick and viable measure could be for the Government to impose a certain quota of students who should be admitted to those faculties only on the basis of their Matura scores.
- ***Enhancing labor market relevance of university degree programs by promoting competition among tertiary institutions.*** Bulgarian universities already face increasingly stiff competition from universities abroad, evident in the large and growing share of Bulgarian university students moving to study abroad. However, greater labor market relevance of university studies need more domestic competition to expand, diversify and modernize degree programs. Bulgaria may wish to move to a system of empowered demand, i.e. a system where students have greater choice, and universities compete for students. This would require, in particular, changes to university governance to promote accountability for results⁷.

⁶ For more, see World Bank (2007). "Accelerating Bulgaria's Convergence: The Challenge of Raising Productivity", World Bank: Washington DC.

⁷ Ibid.

Toward a new education system for Bulgaria: raising autonomy and accountability

Recognizing the challenges outlined above, Bulgaria has already undertaken impressive reforms to strengthen the way the education system is financed and managed. For instance, starting in 2007, a three-stage sweeping reform was initiated to improve the management of schools: (i) a change to the way municipalities receive their funds for education to a per capita financing scheme with a unified standard that covers all recurrent costs – both wage and non-wage; (ii) the introduction of delegated budgets to schools and mandate that municipalities finance school using a per student formula; and (iii) the introduction of school-based management, evident in greater decision-making at the school level and freedom of resource use by the school principals. The three-stage reform package was aimed at moving from a highly centralized system with little school autonomy to a system of self-managing schools operating within a framework of centrally determined learning standards. The logic behind empowering local authorities and school principals with greater decision-making authority and more flexible financing was that they would become more active partners in the difficult task of heightening the quality and relevance of education for all of Bulgaria's youth. And this task included the immediate challenge of identifying and implementing local solutions to downsize the large, oversized network of schools. Already by mid-2009, there are signs that the reforms have already generated positive results but there are also signs that much remains to be done. Before reviewing these signs, it is important to note that the important results in education – improving learning outcomes and increasing completion rates – take time to improve. For instance, the TIMSS 2007 scores (released at the end of 2008) which showed a further drop in Bulgaria's performance (on top of drops in 1999 and 2003) cannot be used to assess whether the reforms have had an impact: the Bulgarian 8th grade students who took the test in March-June 2007 – merely three to six months after the per capita finance reforms were introduced – started their schooling in the fall of 1999.

On the positive side, both local authorities and school principals have actively and quickly embraced their new roles and increased flexibility to undertake the largest wave of school closures in Bulgaria's history. In the two years since the reforms began, around 400 schools have been closed or transformed, more closures than in the previous six years combined. Many of these schools had been built during a very different era with much larger rural student populations. Many were located in villages with virtually no students left in them, were still housed in large dilapidated school buildings and fueled by inefficient heating systems. These closures have helped increase average class sizes and increase student-teacher ratios, bringing them closer to OECD averages. As painful as the process has been for teachers, students and parents involved, maintaining these schools indefinitely simply did not make sense from either an educational or a financial perspective. Their closure has resulted in larger schools, with more opportunities to pool education resources (e.g. provide students with better chemistry labs, bigger libraries, higher quality sports facilities etc), create larger class sizes and, in the future, attract and retain higher quality teachers.

However, there remain gaps in the implementation of the reform, and there are immediate and more medium-term issues which require policy attention. In terms of immediate challenges, the rapid implementation of the reforms implies that some important issues were left unclear and ambiguous,

leaving principals and municipal education teams with unnecessary uncertainty. Three visible – and substantively important – examples of this confusion are: First, can school principals retain revenue generated from renting out school property or does this have to be returned to the municipality? Second, if a municipal school generates a surplus at the end of the school year, does it have to return it? Third, is a municipality allowed to provide its smaller schools with a higher per student amount than its larger school? The answer to all three of these questions should be “yes” (to be consistent with the overall logic of the reforms), but conversations with municipal education officers and school principals suggest that there has been widespread confusion during 2008 and, still, in 2009. Such confusion creates unnecessary uncertainty and worrying and, in the case of the confusion regarding the surplus, led to a – likely wasteful – spending spree in the last days of 2008.

Promoting stronger systems of accountability for learning outcomes and results in schools is the key policy direction in the medium term. In particular, for the reforms to lead to better quality and more relevant education, policy makers in the Ministry of Education and Science (MES) need new instruments to hold school principals and mayors accountable for the added value of schools, particularly for student learning outcomes. That is, the increase in school closures show that mayors and principals have responded to the offer of a new partnership: They have become actively involved in thinking about how to better use their resources. The question which is still unclear is: will they become active partners in identifying and implementing innovative solutions to improve the quality of education for all Bulgarians?

These challenges could be met through the following policy measures:

- ***Placing even greater focus on provide hands-on training and timely updates to municipal education teams, mayors, and school principals to avoid further confusions.*** Successful implementation of these reforms hinges on these officials, all located outside of Sofia. Continuing to send out officials from MOF and MES to provide hands-on training – as was the case in 2008 and 2009 – seem essential.
- ***Signaling to municipalities and school principals that a more active partnership is desired regarding finding innovative solutions to heightening the quality of education*** by considering different options tried in other countries:
 - *setting learning targets for schools and reward schools that deliver results* (e.g. as is being piloted in Brazil). Given Bulgaria’s large variation in student learning outcomes, defining such targets in terms of the school’s value added – taking into consideration the specificities of the student body – is essential;
 - *setting requirements for local authorities to demonstrate improvements in learning outcomes* (according to an agreed upon metric) and, again, in terms of the value added in learning the school provides;
 - *introducing empowered local school councils* representing parents, local communities and municipal officials who review the school’s annual program and hold school principals accountable for learning outcomes; and

- *shifting funding from financing an enrolled student (the current “per student financing”) to financing a student graduating (e.g. as is done in the tertiary institutions in Denmark).*
- ***Acknowledging that changes to the financing system, degree of autonomy granted and accountability structure is a continuous process that will require constant adjustments.***

Bulgaria wisely granted its schools more autonomy and created more flexible financing scheme but these types of reforms are never one-time reforms. Rather, each change reveals new challenges and will likely require further changes. Therefore, MES and MOF need to continue to review and analyze whether the chosen funding model – with the country separated into just four municipal groupings – can be improved upon. Changes should be based on rigorous analysis and, ideally, piloted within a framework that would allow policy makers to carefully assess the impact of proposed changes.