

Document of
The World Bank

Report No: ICR0000987

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-34740)

ON A

CREDIT

IN THE AMOUNT OF SDR 19.9 MILLION
(US\$ 25.9 MILLION EQUIVALENT)

TO

GEORGIA

FOR AN

EDUCATION SYSTEM REALIGNMENT AND STRENGTHENING PROGRAM

December 31, 2008

Human Development Sector Unit
South Caucasus Country Department
Europe and Central Asia Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective December 15, 2008)

Currency Unit = GEL

GEL 1.00 = US\$ 0.64

US\$ 1.00 = SDR 0.66

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Loan (used also to refer to this Adaptable Program Credit)
CAS	Country Assistance Strategy
CPD	Continuous Professional Development
ECA	Europe and Central Asia
EMIS	Education Management Information System
ERC	Education Resource Centers
ICR	Implementation Completion Report
IDA	International Development Association
IMF	International Monetary Fund
ISR	Implementation Status Report
M&E	Monitoring and Evaluation
MoES	Ministry of Education and Science
MoF	Ministry of Finance
NAEC	National Assessment and Examination Center
NCAC	National Curriculum and Assessment Center
PCU	Project Coordination Unit
PDO	Project Development Objectives
PIRLS	Progress in International Reading Literacy Study
TIMMS	Trends in International Mathematics and Science Study
TPDC	Teacher Professional Development Center
WB	World Bank
XDR	Special Drawing Rights

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GEORGIA
Education System Realignment and Strengthening Program

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DATA SHEET

A. Basic Information			
Country:	Georgia	Project Name:	Education System Realignment & Strengthening Program (APL #1)
Project ID:	P055173	L/C/TF Number(s):	IDA-34740
ICR Date:	12/31/2008	ICR Type:	Core ICR
Lending Instrument:	APL	Borrower:	GOVERNMENT OF GEORGIA
Original Total Commitment:	XDR 19.9M	Disbursed Amount:	XDR 19.8M
Environmental Category: C			
Implementing Agencies: Ministry of Education and Science			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	06/22/1999	Effectiveness:	12/03/2001	12/03/2001
Appraisal:	04/24/2000	Restructuring(s):		10/12/2005
Approval:	03/20/2001	Mid-term Review:		05/17/2004
		Closing:	06/30/2005	06/30/2008

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	Satisfactory
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	43	50
Primary education	16	30
Secondary education	16	20
Sub-national government administration	9	
Tertiary education	16	
Theme Code (Primary/Secondary)		
Education for all	Primary	Primary
Improving labor markets	Primary	Primary
Social analysis and monitoring	Primary	Primary

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Shigeo Katsu	Johannes F. Linn
Country Director:	D-M Dowsett-Coirolo	Judy M. O'Connor
Sector Manager:	Mamta Murthi	James A. Socknat
Project Team Leader:	Richard R. Hopper	Yael D. Duthilleul
ICR Team Leader:	Zorica Lesic	
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F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The program seeks to improve the quality and relevance of primary and general secondary students' learning outcomes to better prepare them to meet the demands of a market economy and a democratic society. Phase 1 of the program would develop the policy and institutional

frameworks required for an effective realignment of the education system, and develop the capacity of the sector to meet these new objectives and manage its physical, financial, and human resources equitably, efficiently, and effectively.

Revised Project Development Objectives (as approved by original approving authority)

No changes were made to the PDOs.

During the supervision mission in fall 2007, the Bank team and the Government agreed to revise the Project Results Framework in order to better measure the originally intended outcomes.

The Bank team and the Government realized that the outcome indicator #2 (Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy development) was a higher level indicator, which could be achieved under Phase 2 or 3 but not under Phase 1, where the goal was capacity building essentially, therefore this indicator was dropped.

At the same time, in order to document achievements in the Higher Education Sector, which were supported under the Project and were directly related to the second PDO, the new outcome indicator was agreed (Share of students that perceive university entrance examinations as transparent) and several output indicators were redefined as well. This new indicator reflected the Government's major efforts to increase transparency and efficiency in the education system by the introduction of the University Entrance Examinations, which played a key role in the reduction of corruption at higher education system.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Share of teachers of primary and general secondary are familiar with new curriculum and assessment targets and begin to reflect those changes in teaching practices			
Value (quantitative or qualitative)	Teachers had not been trained for years; study conducted during project preparation describes outdated teaching methodologies and classroom practices used across the country.	75% of teachers of primary and general secondary are familiar with new curriculum and assessment targets and begin to integrate new approaches in teaching practices		Teachers and directors generally are familiar and satisfied with the new curriculum Framework. Teachers are familiar with the new formative evaluation goals of assessment system. 30% of teachers (21,769) have been trained as part of curriculum reform.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. %)	SUBSTANTIALLY ACHIEVED.			

achievement)				
Indicator 2 :	Society at large has positive opinion of initiatives undertaken in education.			
Value (quantitative or qualitative)	No significant reform in progress and, therefore, no societal opinion about the reforms formed.	Society at large has positive opinion of initiatives undertaken in education.		About 68% of respondents support ongoing education reform according to the opinion poll conducted by BCG research in fall 2007.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	SIGNIFICANTLY ACHIEVED.			
Indicator 3 :	Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy developments.			
Value (quantitative or qualitative)	Learning outcomes not adequately measured, reliable statistical information not collected, and policy making not based on either learning outcomes or reliable statistics.	Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy developments.		Data for general education for 2003/2004 has been collected and is being analyzed. The statistics unit for the MoES has been set up.
Date achieved	01/01/2000	06/01/2008		06/01/2007
Comments (incl. % achievement)	PARTIALLY ACHIEVED. Data for general education for 2003/2004 has been collected and the statistics unit for the MoES has been set up. However, when revising the Project Results Framework in late 2007, the MoES excluded this indicator from the matrix.			
Indicator 4 :	The administrative structure of the education system performs its functions more efficiently and effectively.			
Value (quantitative or qualitative)	Institutional assessment during project preparation shows the poor functioning of the education system.	The administrative structure of the education system performs its functions more efficiently and effectively.		93% of the surveyed directors think that ERCs in their districts are active enough to support professional development of teachers and school management. Only 49% of surveyed teachers agree that ERCs are active enough.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	PARTIALLY ACHIEVED.			
Indicator 5 :	Increase share of students that perceive university entrance examinations as transparent			

Value (quantitative or qualitative)	Admission system was highly corrupt as documented in all existing reports	Increased share of students perceive exams as transparent.		81% of students believe that University Entry Examinations will help to eliminate corruption in the university admission process. 78.2% of the respondents support University Entry Examinations.
Date achieved	01/01/2006	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED. This indicator was introduced in 2007. This new indicator actually helped to better measure achievement of Project Development Objectives.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	National curriculum for primary and general secondary education developed, disseminated among different education stakeholders, piloted, and published for grades 1-6 by 2005.			
Value (quantitative or qualitative)	Curriculum has been modified from that used in the Soviet time, but changes have been mostly cosmetic rather than the result of significant changes in structure, content, and learning outcomes.	National curriculum for primary and general secondary education developed, disseminated among different education stakeholders, piloted, and published for grades 1-6 by 2005.		National Curriculum Framework has been developed. Implementation of the new curriculum in grades 1, 7, 10, and 2, 8, 11 is underway in all schools across the country. Piloting of the new curriculum for grades 3 and 9 was launched in 2007 in 100 schools.
Date achieved	06/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED.			
Indicator 2 :	Results of national 9th grade examinations analyzed and disseminated by September 2004.			
Value (quantitative or qualitative)	No valid and reliable mechanisms to systematically assess the	Results of national 9th grade examinations		9th grade examinations in Math, Georgian

	quality of students' learning outcomes	analyzed and disseminated by September 2004.		Language, and Foreign Language were conducted twice in 2002 and 2003. Results were disseminated to schools and stakeholders.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED.			
Indicator 3 :	National assessment of 4th graders in selected subjects conducted by May 2004 and results analyzed and disseminated by September 2004.			
Value (quantitative or qualitative)	No valid and reliable mechanisms to systematically assess the quality of students' learning outcomes.	National assessment of 4th graders in selected subjects conducted by May 2004 and results analyzed and disseminated by September 2004.		The national sample-based assessment of 4th graders in Georgian language was conducted in September 2003 and in Math in May 2004. Results were widely disseminated with education stakeholders.
Date achieved	06/01/1999	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED.			
Indicator 4 :	At least 600 schools organized in networks; 4,000 teachers participated in initial school based training, and 600 school learning grants awarded by 2005.			
Value (quantitative or qualitative)	No major reform in place, teachers had not been trained for years.	At least 600 schools organized in networks; 4,000 teachers participated in initial school based training, and 600 school learning grants awarded by 2005.		In the pilot program, 210 schools were organized in networking program. 12,116 teachers received school based trainings in all regions of Georgia. Total of 423 were awarded with school learning grants on competitive basis.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED. Teacher training exceeded planned number of teachers trained. PARTIALLY ACHIEVED. Learning Grants Program: only 423 grants were awarded out of 600 planned grants. PARTIALLY ACHIEVED. Only 210 schools were organized in networking program.			
Indicator 5 :	Pilot textbook rental experience evaluated and generalization plan agreed by 2004.			

Value (quantitative or qualitative)	No rental scheme in place	Pilot textbook rental experience evaluated and generalization plan agreed by 2004.		The pilot textbook rental scheme was supported by the project in 54 schools.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	PARTIALLY ACHIEVED. The centralized pilot was not continued on a full scale. The Government decided to introduce more diversified approach. Now it is up to the individual school administration to decide which scheme to implement at the school level.			
Indicator 6 :	Second round of exhibitions completed and additional learning materials distributed to all schools by 2005.			
Value (quantitative or qualitative)	No additional learning materials developed.	All schools received additional learning materials.		Second round of exhibitions was completed in 2004; all schools had an opportunity to select learning materials for their school based on the defined requirements for their schools. All schools received learning materials.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED			
Indicator 7 :	Number/share of schools having access to additional learning materials in rural schools.			
Value (quantitative or qualitative)	Not applicable	Number/share of schools having access to additional learning materials in rural schools.		560 rural schools have received library packages as part of the project in 2006; 650 rural schools plus 33 schools from Abkhazia received library packages as part of the project in 2007.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED			
Indicator 8 :	EMIS operating effectively at central level by 2004: a) number of schools submitting data to EMIS b) annual publication c) number of education indicators reported d) EMIS strategy/action plan.			
Value	No EMIS system in place.	School		EMIS was developed

(quantitative or qualitative)		consolidation plan and methodology to assist local government implement it completed and approved by MoE by 2004.		and has been institutionalized in the new statistics department. School data has been collected for the last 3 academic years from all schools and is used by the Ministry. The first report was published in September 2007.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	PARTIALLY ACHIEVED. Although the EMIS was developed and has been institutionalized, it did not create data collection framework required for an effective realignment of the primary and general secondary system.			
Indicator 9 :	School consolidation plan and methodology to assist local government implement it, completed and approved by MoES by 2004. a) MoES decrees b) number of schools having merged			
Value (quantitative or qualitative)	Excessive number of schools operating in the country creating additional inefficiencies in the system, Government had no consolidation plan in place.	School consolidation plan and methodology to assist local government implement it, completed and approved by MoES by 2004.		The decree No. 448 triggered administrative mergers among schools. Approximately 1,000 schools have been merged administratively.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	PARTIALLY ACHIEVED.			
Indicator 10 :	HR and teachers' career strategy to improve efficiency and attract and sustain qualified professionals prepared and approved by 2004. a) MOES decrees/regulations b) STR			
Value (quantitative or qualitative)	a) no significant reform in place b) very low STR (10 to 1 national average)	HR and teachers' career strategy to improve efficiency and attract and sustain qualified professionals prepared and proposed MoES/MoF and Parliament by 2004		(i) New policies have been adopted to provide a basis to strengthen the qualifications, certification of teachers (decree 29). (ii) 11.8/1 national average
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments	PARTIALLY ACHIEVED.			

(incl. % achievement)				
Indicator 11 :	Proposals to improve efficient and equitable allocation of financial resources completed and approved by MoES/MoF and Parliament by 2004			
Value (quantitative or qualitative)	No equitable, efficient, and clear mechanisms for allocation of financial resources to schools, contributing further to regional disparities and existing inefficiencies.	Proposals to improve efficient and equitable allocation of financial resources completed and approved by MoES/MoF and Parliament by 2004		Per capita funding formula has been developed for primary and general secondary education and is being implemented by the Government of Georgia since 2005. For roughly 66% of schools, per capita is the sole source of financing.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	FULLY ACHIEVED.			
Indicator 12 :	EMIS operating effectively at central level by 2004: a) number of schools submitting data to EMIS b) annual publication c) number of education indicators reported d) EMIS strategy/action plan			
Value (quantitative or qualitative)	No EMIS system in place.	EMIS operating effectively at central level by 2004.		EMIS was developed and has been institutionalized in the new statistics department. School data has been collected for the last 3 academic years from all schools and is used by the Ministry. The first report was published in September 2007.
Date achieved	01/01/2000	06/01/2008		06/01/2008
Comments (incl. % achievement)	PARTIALLY ACHIEVED. Although the EMIS was developed and has been institutionalized, it did not create data collection framework required for an effective realignment of the primary and general secondary system.			

G. Ratings of Project Performance in ISRs

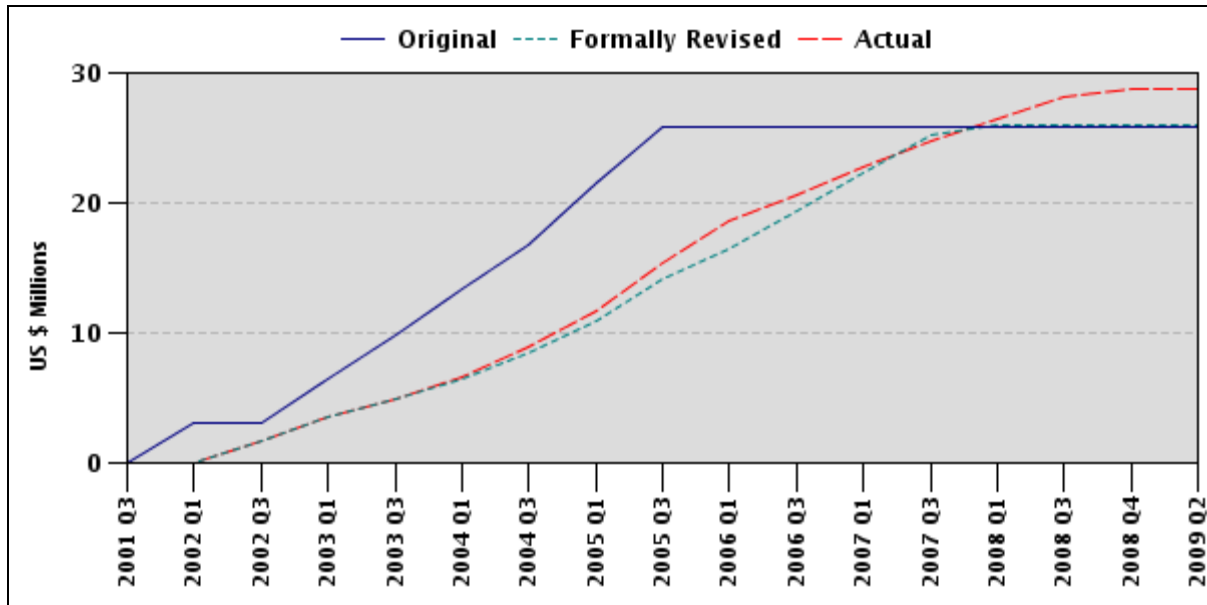
No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	06/19/2001	Satisfactory	Satisfactory	0.00

2	12/26/2001	Satisfactory	Satisfactory	0.00
3	06/23/2002	Satisfactory	Satisfactory	2.14
4	12/09/2002	Satisfactory	Satisfactory	4.00
5	05/29/2003	Satisfactory	Satisfactory	5.74
6	08/20/2003	Satisfactory	Satisfactory	6.42
7	06/02/2004	Satisfactory	Satisfactory	9.46
8	06/02/2004	Satisfactory	Satisfactory	9.46
9	10/05/2004	Satisfactory	Satisfactory	11.67
10	12/15/2004	Satisfactory	Satisfactory	12.96
11	04/08/2005	Moderately Satisfactory	Moderately Satisfactory	15.45
12	06/29/2005	Moderately Satisfactory	Moderately Satisfactory	16.88
13	11/16/2005	Moderately Satisfactory	Moderately Satisfactory	19.20
14	08/30/2006	Satisfactory	Satisfactory	22.81
15	05/30/2007	Satisfactory	Satisfactory	24.76
16	02/08/2008	Satisfactory	Satisfactory	27.92

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
10/12/2005		MS	MS	18.68	<p>The Project activities have been strengthened and the Project components restructured in late 2005. These changes enable those activities which have moved faster than anticipated to move ahead, while allowing more time for those activities which were not quite on track.</p> <p>The Development Credit Agreement was amended as of October 12, 2005 to reflect the changed Project description, closing date, as well as reallocation of credit proceeds.</p>

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

Country Background

Georgia declared independence from the Soviet Union in 1991. The first years of Georgia's independence were marked by internal armed conflicts, secessionist movements in South Ossetia and Abkhazia, and a brief civil war. The economy collapsed, real wages fell by 90 percent, health and education and poverty indicators worsened as a result of drastic cuts in public expenditures. In mid-1994, the Government embarked on a comprehensive reform program, with the support of the IMF and the World Bank. Since then, successful structural reforms had been undertaken to enable private sector development, accompanied by liberalization of prices and trade, downsizing of budget sector employees, small scale privatization, establishment of a basic legal framework, as well as land, banking, and energy sector reforms. Thanks to the combination of sound fiscal and monetary policies and important strides in the development of the structural reform agendas, real economic growth resumed in 1995 and exceeded 10 percent in 1997. However, the economic and financial situation deteriorated significantly in 1998 due to a combination of internal factors and external shocks. Economic performance did not pick up significantly thereafter and the governance situation worsened. By the early 2000s, there was a growing view that economic performance and governance were weaker than need be.

Sector Background

The collapse of GDP to 2.9 percent in 1999 from 10.5 percent in 1997, with a subsequent decrease to 1.8 percent in 2000 and the drastic fall in funding to education to less than 2 percent of GDP between 1998 and 2002 had put the education sector in Georgia under a serious challenge. Nonetheless, the Ministry of Education developed an ambitious program that was endorsed by the 1997 Education Law. The program had a strong focus on improving the quality and efficiency of primary and general secondary education, strengthening institutional capacity, and mobilizing public and private resources.

Through this program the Government aimed to address:

- (i) the misalignment of primary and general secondary education system objectives and the quality and relevance of student learning outcomes;
- (ii) inefficiencies in the use of financial, physical, and human resources;
- (iii) growing inequities; and
- (iv) weak governance and management capacity.

In spite of inconsistent and precarious funding, commitment to the sector had been shown in numerous initiatives undertaken by the Government to address those goals, particularly the efforts towards teacher certification, adjusting salary compensation to teacher qualifications, and development of new curriculum. The capacity to carry on these ambitious reforms as well as to introduce the required changes to have a more efficient, effective, and equitable system, was largely dependent on access to additional financial and technical resources that could provide a long-term strategic framework to the Government's efforts.

Rationale for Bank Assistance

The 1997 Georgia CAS indicated that one of the major risks to long-term growth was the deteriorating human capital stock as a result of unequal access and low quality of public education. Alleviating poverty through improving access and quality of services to vulnerable groups as well as improving efficient use of limited resources was one of the CAS main objectives. The CAS also indicated that achieving these goals would require higher spending for the social sector and assumed that curriculum reform for primary education would be completed by 1998. The CAS also expected the education program to develop a system for licensing and accrediting teachers and educational institutions and revise the scholarship system. The Project was directly supportive of CAS objectives and was to provide the Government the appropriate support to undertake a systemic reform while at the same time providing the flexibility to adjust and refine interventions on an on-going basis. The focus of the Project interventions would address primary and general secondary education (grades 1 to 11).

1.2 Original Project Development Objectives (PDO) and Key Indicators (*as approved*)

The Project constituted the first phase of a three-phase Program which has the objective of improving the quality and relevance of primary and secondary school learning outcomes to better prepare students to meet the demands of a market economy and a participatory society. The specific objectives of Phase 1 of the Program supported by this project are as follows:

- (i) Developing the policy and institutional framework required for an effective realignment of the primary and general secondary system;
- (ii) Developing the Borrower's capacity to meet those new objectives and manage its physical, financial and human resources equitably, efficiently and effectively; and
- (iii) Supporting project implementation.

Compliance with key performance indicators under Phase 1 of this Adaptable Program Loan (APL) would function as "triggers" for consideration of a second phase of Bank support. These triggers included (a) achievement of targets under project-related output indicators as well as; (b) satisfactory progress towards the design/implementation of a set of policy-oriented activities aimed at improving the efficiency in the use of resources and the quality of services provided; and (c) institutional indicators.

As mentioned before, the program has three phases of about four year each. The first phase was to develop the institutional conditions and local capacity to design and introduce required policies and interventions to realign system objectives and make more efficient use of resources. During the second phase, designed policies were to be introduced, interventions implemented, and policies to improve equity were to be developed. The final phase would seek the consolidation of policies and changes introduced generalization of interventions nationwide, and development of policies to address external efficiency.

Performance triggers under the three phases are:

Phase 1: An institutional framework for the effective realignment of system objectives and a more efficient use of its resources is developed.

Phase 2: New institutional and policy framework to increase efficiency and quality in primary and general secondary education is implemented; and equity policies developed.

Phase 3: Extension nationwide, consolidation, external efficiency issues begin to be addressed.

Outcome/Impact Indicators for Phase 1:

- (1) 75 percent of teachers of primary and general secondary are familiar with new curriculum and assessment targets and begin to reflect those changes in their practices.
- (2) Society at large has positive opinion of initiatives undertaken in education.
- (3) Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy developments.
- (4) The administrative structure of the education system performs its functions more efficiently and effectively.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

No changes were made to the PDOs. However, there was a revision of the related key indicators.

During the supervision mission in fall 2007, the Bank team and the Government agreed to revise the Project Results Framework in order to better measure the originally intended outcomes. The revision of the Project Results Framework was done by the exchange of letters between the Bank and the Minister of Education and Science. The revised Results Framework did not include outcome indicator #2 (*Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy development*).

At the same time, in order to document achievements in the Higher Education Sector, which were supported under the Project and were directly related to the second PDO, the new outcome indicator was added (*Share of students that perceive university entrance examinations as transparent*) and several output indicators were redefined as well. This new indicator reflected the Government's major efforts to increase transparency and efficiency in the education system by the introduction of the University Entrance Examinations, which played a key role in the reduction of corruption at higher education system.

1.4 Main Beneficiaries

The direct beneficiaries of the 2001-2013 project investments are children, teachers, and principals. More broadly, all children in primary and general secondary education have benefited indirectly from more efficient education services as a result of institutional strengthening activities supported under component 2. This currently represents about 715,000 students in grades 1-11.

Indirect medium term benefits of the program have accrued from improved efficiency and equity in the management and delivery of educational services. Through technical assistance provided under the program, the capacity for policy analysis, planning, and management have been strengthened at each level accordingly.

Long term benefits will be derived from the projected improvement in the quality of learning as a result of a better program of primary and general secondary education.

1.5 Original Components (as approved)

Component A: Realignment of the Primary and General Secondary System Objectives (baseline cost US\$20.20 million)

The objective of this component was to realign the objectives of the primary and general secondary system to deliver a quality and relevant education to its students and improve learning for all. The Component was to support:

- Development of national curriculum and related attainment targets for primary and general secondary education; and dissemination of national curriculum to education stakeholders;
- Development of national assessment and examination system;
- Professional Development of Educational Professionals (teachers, methodologists, and principals); and
- Improving access to quality learning materials

Component B: Strengthening Capacity for Policy and Management (baseline cost US\$5.09 million)

This component aimed to strengthen the management capacity at central and local level to make a more effective, efficient, and equitable use of human, financial, and physical resources; begin to implement interventions in a few districts to improve efficiency, and develop the required tools to improve decision-making, transparency, and accountability.

The Component was to support:

- Development of a new financing formula and funding mechanisms, new staff management policy, school mapping and consolidation plans, and new standards for school buildings and maintenance;
- Development of a teaching force restructuring and a strategy for its implementation; and
- Development and implementation of an effective and reliable EMIS.

Component C: Project Management Support (baseline cost US\$5.17 million)

The general objective of this component was to provide necessary support, through the provision of project management services and through implementation of public information/education strategy, to ensure that basic environment necessary for successful project implementation has been provided.

1.6 Revised Components

Most of the triggers for Phase 1 of the APL program had been met by mid 2005. Achievements include an outline of and beginning the implementation of systemic reform; the adoption of new legislation; the institution of new examination and assessment systems; refining the financing of

the general system; improving teacher performance and empowering schools. However, progress was not adequate in the areas of equity and efficiency under Component B and the disbursements were slower than anticipated. Therefore, a decision was made to restructure the Project and extend the Closing Date in order to tighten the program and move investments into a new phase. The Project activities were strengthened and the Project components were restructured in late 2005. These changes enabled those activities which moved faster than anticipated to continue, while allowing more time for those activities which were not quite on track. Thus, the Development Credit Agreement was amended as of October 12, 2005 to reflect the changed Project description, closing date, as well as reallocation of credit proceeds. The costing of revised components was based on and equaled to undisbursed Credit amount as of September 2005.

The revised components were:

Component A: Institutional System Change (baseline cost US\$0.45 million)

Objective: To ensure that the reorganization of the education system, as outlined in the Law on General Education, was implemented successfully and that policy decisions were made on the basis of accurate data.

This component was to complete the EMIS, teachers' personnel management, and per capita financing activities, and as well as activities on decentralization, data collection and budgeting.

The component was to support: (a) production and publication of annual statistical reports using data from EMIS for 2004/2005 and 2005/2006 school years; (b) seminars for MoES employees on data utilization; (c) training on financial management reporting for school level staff; and (d) development of a human resource strategy for the teaching force including revised pay and conditions of service.

Component B: Building Quality Assurance System for Secondary Education (baseline cost US\$5.70 million)

Objective: To ensure that an adequate system of monitoring and evaluation at all administrative levels of the education system was in place, and that the quality of teaching staff was even across the country (upgraded and qualified teachers were employed).

The component aimed at developing a coherent policy and strategy for the certification of teachers, as well as a clear cut mechanism for accrediting training courses and curricula offered by providers and initial teacher preparation programs at higher educational institutions. This was needed as mechanisms and regulations were out-of-date and could not motivate teachers for the change process.

The following activities were foreseen under this component: (a) development of draft standards and methodology for teacher certification; (b) development of draft standards and methodology for accreditation (in-service teacher training programs); (c) development of draft standards and methodology for accrediting training programs and curricula; and (d) design of and preparation for a National Center for Teacher Certification and Standards.

Component C: Impacting School Performance (baseline cost US\$4.20 million)

Objective: To ensure that an adequate system of implementation and monitoring the impact of the reform on school performance was in place.

The Component aimed at fostering the process of concrete implementation of the new education philosophy promoted by the MoES at grass-roots level. In this framework, the implementation of the new National Curriculum was seen as a key factor. Basically, this process was to integrate curriculum, school-based professional development of teachers and school-based formative assessment of students. This was why this new component should build on the results attained by restructuring.

Component D: Project Management Support (baseline cost US\$1.38 million)

This component was to continue support to PCU, MoES and their staff for the purpose of Project implementation, as well as to design and implementation of the long-term public awareness on education reforms.

1.7 Other Significant Changes

The Development Credit Agreement for the Project was signed on April 17, 2001, but the Project became effective, with significant delay, in April 2003. The closing date of the Project was extended three times from the original closing date of June 30, 2005 to June 30, 2008.

- At the time of effectiveness, the country went through the revolution, and after the revolution at the end of 2003, the new Government realized that the original closing date of June 30, 2005 was not realistic for achieving the PDOs. Therefore they requested the closing date extension. The first extension of closing date was approved in September 2004 with a new closing date of June 30, 2006.
- The Project was restructured and extended for the second time in September 2005 with a new closing date of June 30, 2007.
- The last extension was agreed in February 2007 to allow the Government to finalize rehabilitation works of a building where the National Examination Center, National Curriculum and Assessment Center, Teacher Professional Development Center, National Accreditation Center and National Science Fund will be located.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Comprehensive sector work was performed to prepare the project. In the process of completing the sector work and project preparation, a series of studies were conducted that included several instances of stakeholder consultation. Lessons learned from other World Bank-financed project were included, for example: (i) Borrower ownership and stakeholders' participation are essential to ensure the sustainability of projects; (ii) Institutional strengthening; (iii) Focus on teacher effectiveness and their professional development; and (iv) Focus on learning outcomes.

Given the scope and pace of education reforms, the three-phase, 12-year APL approach was chosen as an instrument for ensuring achievement of the operation's development objectives and long-term sustainability. The project was tailored to the needs of the country and its economic environment, focusing on primary and secondary education realignment and strengthening, inefficiencies, inequities, and weak governance and management capacities, but limiting the first phase to institutional framework development.

However, it was a complex project, supporting difficult system changes. Given that the Ministry's capacity was limited, especially given that it had limited prior experience in managing change, the 3-year implementation period was clearly insufficient for the first phase of this comprehensive reform. Thus, it was somewhat ambitious on the part of the Bank team to plan for a first phase of three years, particularly since this was the first project and the political situation was not stable.

At the same time, the Government was very committed to the Program and Project objectives and actively participated in the Project preparation. The opportunity to complete sector work prior to preparing this investment operation gave time to develop trust and constructive dialogue between the WB staff and MoES officials. In order to enhance collaboration and develop opportunities for capacity building and ownership, the MoES's designated representatives were included as part of the project preparation team.

Since the project was rated as High Risk at the time of preparation, the policy and sustainability issues, as well as mitigation measures, were properly identified.

The quality at entry was reviewed by a World Bank internal "Quality of Entry Assessment" (QEA) in May 2001 and was rated as "Satisfactory". The QEA panel highlighted strong aspects of project preparation, such as: good sector work performed to prepare the project; high quality preparation team that had excellent grounding in the Georgia education sector; and thoughtful attention to quality issues. The QEA panel also stressed the areas which needed improvements. These were: weak stakeholder (especially donor) participation; and Ministry's capacity to lead reform, especially given that it had limited prior experience in managing change.

It must be acknowledged that without the Rose Revolution, and the emergence of a very strong and committed Minister of Education at the helm of the Ministry, it would have been difficult to achieve all of the project's ambitious objectives. As it turned out, the Bank was extremely fortunate that the new Minister embraced the project's vision and actively used the project to help the new Government implement its reform program. The success of the project, and its satisfactory outcome, owe much to this unanticipated change of circumstance in the country.

2.2 Implementation

Although all project documents were developed and a solid ground for the implementation was prepared by Project Effectiveness in 2003, the Government was passive and not ready for implementation.

After the “Rose revolution” at the end of 2003, the changed political economy was more conducive to the Government undertaking a set of comprehensive reforms in the education sector. As a very strong evidence of Government’s commitments, the Georgians gave the Program a local name, the “Ilia Chavchavadze” Program, in honor of the famous Georgian intellectual.

After a relatively slow start, the Project, by mid 2005, produced some excellent results – particularly on the quality side. Links among the teacher training, grant program, and school network activities provided a solid core of financial and technical inputs to teachers, which were highly motivating. These provided a favorable climate for the implementation of the new curriculum. The new curriculum structure was sound and well thought through and much was accomplished in a short time. In addition, the activities of the National Assessment and Examination Center (NAEC) in developing and administering assessments tests and in piloting the new unified university entrance exams were very impressive. Most of the triggers for the Phase 1 of the APL program were met, with only a few policy issues outstanding.

Despite this technical progress, disbursements were slower than anticipated. The PCU had a particular problem with financial management at the beginning of implementation. Until late 2004, the PCU did not use to replenish Special Account on timely basis, or was replenishing it only partially, which several times led to the extremely low balance on the Special Account, and due to the lack of funds, certain planned activities had to be postponed. Although it was felt unlikely that all funds would be used by the new extended Closing Date of June 30, 2006, it was ironic that the majority of triggers for the Phase 2 were on track to be met. A decision to discuss restructuring and request a further extension (until June 30, 2007) was taken in order to tighten the program and move investments into a new phase.

After the restructuring, the Project moved faster partially due to the restructuring and partially due to the reenergized counterparts in the Ministry. The MoES took active steps to adjust the Project implementation arrangements as the overall education program expanded, including transitioning some consultants from the Project budget to the MoES budget.

By early 2007, most of the planned activities were on track, with total disbursements of 76 percent. However, there was a considerable delay related to the rehabilitation of a building to house the new agencies under the Ministry, due to the problem related to the final selection of the spaces to be allocated to the new centers (within existing building), the procurement process for the rehabilitation works of this building was launched after considerable delay. Therefore, a one year project extension (until June 30, 2008) was agreed in order to finalize rehabilitation activities.

Overall, the effectiveness of project implementation improved throughout the project period and this was primarily due to the MoES commitment to implement reforms and also due to the concerted efforts made by the Bank team to address problems and to maintain flexibility in the approach.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

M&E design: Comprehensive quantitative baseline data for key indicators was not collected before the commencement of the project. Except for the outcome indicator #2, which was dropped, the Phase 1 triggers, as well as the Project outcome and output indicators were appropriate in measuring the PDOs. In addition, as stated above, a new outcome indicator was added to reflect the Government's interest to support higher education.

M&E Implementation and Utilization: The ability to evaluate the project was gradually strengthened throughout the implementation. A Monitoring and Evaluation system for the overall project activities was put in place during the last year of project implementation. Only after restructuring, the PCU hired a project monitoring and evaluation consultant in order to develop the M&E capacity within the Ministry. The ICR benefited from the numerous studies and evaluation reports that had been conducted during Project implementation, such as: Evaluation of School Grant Program; Evaluation of Professional development Program, Social Assessments, Reports on the implementation of the Unified National University Entrance Examinations as well as from the comprehensive evaluation done by the Consulting Company PADECO in late 2007.

2.4 Safeguard and Fiduciary Compliance

The environmental category for this project is C. There were no major environmental issues during the implementation of the project given that no school repairs or construction of school buildings was envisaged. However, minor civil works to repair the MoES building and provide adequate office space to PCU staff were carried out during project implementation.

Project implementation was facilitated by the PCU, established within the Ministry of Education, to implement the project and staffed with experienced staff. In terms of financial audits, the project financial statements were audited on an annual basis by independent auditors and all audit reports were unqualified.

2.5 Post-completion Operation/Next Phase

Given that the Phase 2 Project was approved in April 2006, which became effective in February 2007, the sustainability of the project's post-completion operation is very likely.

- Continued support for the key project interventions for impacting school performance, such as curriculum and teacher reforms. The two new agencies, the National Curriculum and Assessment Center (NCAC) and the Teachers Professional Development Center (TPDC) have adequate capacity and resources to carry on the implementation of curriculum and teacher related reforms.
- Continued implementation of all activities supported under this Project for building a quality assurance system in education, such as participation in international assessments and holding transparent university entrance examinations is linked to a formal agency, National Assessment Center (NaEC), public legal entity under the Ministry of Education and Science. NaEC, initially supported by the APL I project, has developed excellent capacity in terms of human capital for carrying out assessment and examinations. The

center receives adequate budget from the state and also generates its own income at present.

- The MoES is committed to continue strengthening of policy and management capacity. The project supported the development and implementation of the new funding system for the secondary education system as well as the development of the initial EMIS system. Further fine-tuning of the per-capita financing formula and finalization of the EMIS is envisaged through the financial support under the new USAID education project and a Japanese grant that is accompanying the Phase 2 project.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

The project objectives of developing institutional and policy framework were and remained highly relevant and consistent with the country's development priorities, the education strategy and the 1997 CAS, as well as the follow on Country Partnership Strategy approved in 2005.

The Project addressed structural, quality, and financing reforms which have been reflected in the new legislation and supported implementation of these changes. The Project design reflected proper diagnosis of development priorities. Nevertheless, the fact that the Project was restructured in 2005 might put into question the relevance of the original project design. As already mentioned, the three phase APL approach was the best for addressing pace of systemic education reforms, but the planning of the initial phase – both in terms of duration and capacity building – was not appropriate.

The Bank's implementation assistance was responsive to changing needs and by strengthening project components and restructuring project activities so that the operation remained relevant to achieving project objectives.

Furthermore, parallel efforts supported by the Poverty Reduction Support Operations (PRSO) further strengthened and enhanced policy dialogue in the education sector of Georgia. The series of four development Policy Loans, from 2005 through 2008, supported the Government's efforts to improve the equity of access; financing, and quality of general and higher education; use of information to strengthen accountability, and policymaking; as well as management capacity. The progress in implementing the reform program has been impressive. A new financing system was introduced, the management of the education system was decentralized granting increased autonomy to schools, and a wide range of measures to improve the quality of education including transparent national examinations and a regular cycle of national and international assessments (PIRLS, TIMSS) was implemented.

3.2 Achievement of Project and Program Development Objectives

Achievement of Project Development Objectives:

Project objectives were: (i) to develop the policy and institutional framework required for an effective realignment of the primary and general secondary system, and (ii) to develop the

Borrower's capacity to meet these new objectives and to manage its physical, financial, and human resources equitably, efficiently, and effectively.

Objective 1: Policy and institutional framework required for an effective realignment of the primary and general secondary system developed.

Achievement level: Significantly achieved.

This objective is closely related to the first and second outcome indicators – the first outcome indicator is *75 percent of teachers of primary and general secondary is familiar with new curriculum and assessment targets and begins to reflect those changes in their practices.*

First outcome indicator was substantially achieved as evidenced by progress made against the following indicators:

- (a) Fully achieving output indicator 1: National Curriculum Framework has been developed. Piloting of the new curriculum in grades 1, 7, 10, and 2, 8, 11 was successfully piloted in 2005/2006 and 2006/2007 academic years and implementation is underway in all schools across the country. Piloting of the new curriculum for grades 3 and 9 was launched in September 2007 in 100 pilot schools. The second phase of the APL will continue to support the implementation of new curriculum in subsequent grades (4, 5, and 6).
- (b) Fully achieving output indicator 2 and 3: Institution for monitoring and evaluation of education quality has been established on a sustainable basis. Ninth grade examinations in Math, Georgian Language, and Foreign Language were conducted twice in 2002 and 2003. The national sample-based assessment of 4th graders in Georgian language was conducted in September 2003 and in Math in May 2004. Results were widely disseminated with education stakeholders.

In addition, the project successfully supported:

- (c) Implementation of the School Networking Pilot Program; school based teacher training; and school learning grants;
- (d) Provision of learning materials; and
- (e) Provision of library packets for rural schools.

By contrast:

- (f) Output indicator 8 was only partially achieved: although the EMIS was developed and has been institutionalized in the new statistics department, it did not create data collection framework required for an effective realignment of the primary and general secondary system - major shortcoming is the lack of an overall information infrastructure plan underpinning the EMIS. Currently, the EMIS includes only data on general secondary education and lacks a strategy on how to integrate the data across the other education levels (such as preschool, tertiary and vocational education). In addition, several large databases are operational in various departments of the Ministry (budget/expenditure data; National Examination Center data; National Accreditation Service on-line database) without a clear understanding on how to relate these databases in the future.

The second outcome indicator is - *Society at large has positive opinion of initiatives undertaken in education* - and this outcome indicator was fully achieved by:
 Survey evidence shows that 68 percent of respondents support ongoing education reform.

Objective 2: Borrower’s capacity to meet these new objectives and to manage its physical, financial and human resources equitably, efficiently and effectively developed.

Achievement level: Substantially achieved.

This objective is closely related to the fourth and fifth outcome indicators - the fourth indicator is *the administrative structure of the education system performs its functions more efficiently and effectively* - and this outcome indicator was substantially achieved as evidenced by progress made against the following indicators:

- (a) Partially achieving indicator 9: The Government developed basic criteria for merging schools and approximately 1,000 schools have been merged administratively.
- (b) Substantially achieving indicator 10: New policies have been adopted by the Government to provide a basis to strengthen the qualifications and certification of teachers as well as accreditation of ITE and TPD programs. Amendments were made to general education law, which provides for the development and implementation of teacher certification system. But student-teacher ration is still 11/1 average.
- (c) Fully achieved indicator 11: Per capita funding formula was developed for primary and general secondary education and is being implemented by the Government of Georgia. For roughly 66 percent of schools, per capita is the sole source of financing.

The fifth outcome indicator is – *Increased share of students that perceive university entrance examinations as transparent* - and this outcome indicator was fully achieved by:

Post-exam public opinion survey on attitudes towards the University Entry Examinations, conducted by Transparency International, showed that 81 percent of students believe that University Entry Examinations will help to eliminate corruption in the university admission process.

Public opinion poll conducted in fall 2007, showed that 78.2 percent of the respondents support University Entry Examinations.

Summary: The overall achievement of the project development objectives is rated as substantial.

The following table describes the relation between the two main Objectives, Outcomes, and Outputs:

Project Development Objectives	Objective 1: To develop the policy and institutional framework required for an effective realignment of the primary and general secondary system. Satisfactorily.	
	1) Share of teachers of	1) Based on survey data, ¹ teachers and directors

¹ Evaluation of “Ilia Chavchavadze” Program, Phase I, conducted by PADECO, August 2007.

<p>Outcome indicators</p>	<p>primary and general secondary is familiar with new curriculum and assessment targets and begins to reflect those changes in their practices. Satisfactory.</p> <p>2) Society at large has positive opinion of initiatives undertaken in education. Satisfactory.</p>	<p>generally seem familiar and satisfied with the new curriculum Framework. Teachers are familiar with the new formative evaluation goals of assessment system, but many of them still need further training in how to create and use new grading rubrics. Further, 30% of teachers (21,769) have been trained as part of curriculum implementation</p> <p>2) About 68% of respondents support ongoing education reform according to the opinion poll conducted by BCG research in fall 2007.</p>
<p>Output indicators</p>	<p>1) National curriculum for primary and general secondary education developed, disseminated among different education stakeholders, piloted, and published for grades 1-6 by 2005. Satisfactory.</p> <p>2) Results of national 9th grade examinations analyzed and disseminated by September 2004. Highly Satisfactory.</p> <p>3) National assessment of 4th graders in selected subjects conducted by May 2004 and results analyzed and disseminated by September 2004 and a regular cycle of national assessments introduced. Highly Satisfactory.</p> <p>4) At least 600 schools organized in networks; 4,000 teachers participated in initial school based training, and 600 school learning grants awarded by 2005. Satisfactory.</p>	<p>1) National Curriculum Framework has been developed. Piloting of the new curriculum in grades 1, 7, 10, and 2, 8, 11 was successfully piloted in 2005/2006 and 2006/2007 academic years and implementation is underway in all schools across the country. Piloting of the new curriculum for grades 3 and 9 was launched in Fall 2007 in 100 pilot schools.</p> <p>2) 9th grade examinations in Math, Georgian Language, and Foreign Language were conducted twice in 2002 and 2003. Results were disseminated to schools and stakeholders.</p> <p>3) The national sample-based assessment of 4th graders in Georgian language was conducted in September 2003 and in Math in May 2004. Results were widely disseminated with education stakeholders.</p> <p>4) During 2003/2004 school year, the School Networking Pilot Program was implemented. The manual "Schools Working Together" was produced. In the pilot program 210 schools were organized in networking program. Three schools from each district were included in this network. 12,116 teachers received school based trainings in all regions of Georgia. Total of 423 were awarded with school learning grants on competitive basis.</p>

	<p>5) Pilot textbook rental experience evaluated and generalization plan agreed by 2004. <i>Moderately Satisfactory</i></p> <p>6) Second round of exhibitions completed and additional learning material distributed to all schools by 2005. <i>Satisfactory</i></p> <p>7) Number/share of schools having access to additional learning materials in rural schools. <i>Satisfactory.</i></p> <p>8) EMIS operating effectively at central level by 2004. <i>Moderately Satisfactory.</i></p>	<p>5) The pilot textbook rental scheme was supported by the project in 54 schools. The centralized pilot was not continued on a full scale. The Government decided to introduce more diversified approach for raising the availability of textbooks for the school children, which along with rental scheme includes Used Book Fair, Charity, President’s Program, etc. It is up to the individual school administration to decide which scheme to implement at the school level.</p> <p>6) All schools received learning materials.</p> <p>7) 560 rural schools have received library packages as part of the project in 2006; 650 rural schools plus 33 schools from Abkhazia received library packages as a part of the project in 2007.</p> <p>8) EMIS was developed and has been institutionalized in the new statistics department. School data has been collected for the last 3 academic years from all schools and is used by the Ministry. The first report was published in September 2007.</p>
<p>Project Development Objectives</p>	<p>Objective 2: To develop the Borrower’s capacity to meet these new objectives and to manage its physical, financial, and human resources equitably, efficiently, and effectively. <i>Moderately Satisfactorily.</i></p>	
<p>Outcome indicators</p>	<p>3) Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy developments. <i>Moderately Satisfactory.</i></p> <p>4) The administrative structure of the education system performs its functions more efficiently and effectively.</p>	<p>3) Data for general education for 2003/2004 has been collected and the statistics unit for the MoES has been set up. However, when revising the Project Results Framework in late 2007, the MoES excluded this indicator from the matrix.</p> <p>4) (i) New law on secondary education devolves management authority to schools, supported by new education resource centers. (ii) School directors have a highly positive view toward and are satisfied with ERCs since ERCs have provided</p>

	<p><i>Moderately Satisfactory.</i></p> <p>5) Share of students that perceive university entrance examinations as transparent. <i>Satisfactory.</i></p>	<p>administrative trainings and bureaucratic information from the Ministry to school administration. 93% of the surveyed directors think that ERCs in their districts are active enough to support professional development of teachers and school management. However, teachers are less positive about this point: only 15% of surveyed teachers fully agree that ERCs are active enough to support school management, 34% of them partly agree ERCs are active enough, 28% of teachers do not think ERCs are active enough and 24% responded they do not know.² (iii) Series of training were held by Ministry and GEDA project since 2006; the types of trainings held for ERC are, but not limited to: financial management; election of BoT; Strategic planning; Ongoing Education Reform Trends, etc.</p> <p>5) New centralized University Entry Examinations were developed and successfully implemented for the first time. Based on post-exam public opinion survey on attitudes towards the University Entry Examinations, conducted by Transparency International, 81% of students believe that University Entry Examinations will help to eliminate corruption in the university admission process. Based on public opinion poll conducted in fall 2007, 78.2% of the respondents support University Entry Examinations.</p>
Output indicators	<p>9) School consolidation plan and methodology to assist local government to implement it, completed and approved by MoES by 2004. As evidenced by: <i>Moderately Satisfactory.</i></p> <p>10) HR and teachers' career strategy to improve efficiency and attract and sustain qualified professionals, prepared and approved by MoES/MoF</p>	<p>9) (i) The decree No. 448 triggered administrative mergers among schools. The Government also developed basic criteria for merging schools Decree No. 596. (ii) Approximately 1,000 schools have been merged administratively.</p> <p>10) (i) New policies have been adopted by the Government to provide a basis to strengthen the qualifications, certification of teachers (decree 29). Teachers Professional Development Center was established. Amendments were made to general education law, which provides for the</p>

² "Evaluation of "Ilia Chavchavadze" Program, Phase I" page 130; PADECO

	<p>and Parliament by 2004 with required amendments to laws and regulations completed. As evidenced by:</p> <p>(i) MoES Decrees and Regulations.</p> <p>(ii) Student Teacher Ratios (from 1/10 baseline to 1/14 target).</p> <p>Moderately Satisfactory.</p> <p>11) Proposals to improve efficient and equitable allocation of financial resources approved and implemented by MoES/MoF.</p> <p>Satisfactory.</p>	<p>development and implementation of teacher certification system.</p> <p>(ii) 11.8/1 national average</p> <p>11) Per capita funding formula has been developed for primary and general secondary education and is being implemented by the Government of Georgia. For roughly 66% of schools, per capita is the sole source of financing.</p>
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Achievement of Program Objectives

The overall Program objective to improve the quality and relevance of primary and secondary school learning outcomes to better prepare students to meet the demands of a market economy and a participatory society should be fully achieved by the end of the full three-phase Program implementation.

Progress under the Phase 1 of the project was such that the triggers for the second phase of the APL were met or exceeded, with the exception of the trigger on the action plan and incentives to increase the average student-teacher ratio to 16/1 by 2010.

Outcome/Trigger	Status
Objective 1: To develop the policy and institutional framework required for an effective realignment of the primary and general secondary system	
<i>New National Curriculum Framework for grades 1 to 12 finalized and officially approved; piloting in schools syllabi for grades 1, 7, and 10.</i>	<p>Trigger met</p> <p>By September 2005 - the national curriculum framework has been developed and adopted. New subject curricula have been developed for grades 1,7,10 and piloted in 100 schools.</p> <p>By the Project Closing Date, the new curriculum in grades 1, 7, 10, and 2, 8, 11 was successfully piloted in 2005/2006 and 2006/2007 academic years and implementation is underway in all schools across the country. Piloting of the new curriculum for grades 3 and 9 was launched in September 2007 in 100 pilot schools.</p>
<i>Reliable assessment of 4th and 9th graders performance in Math and Georgian language completed at least once and results analyzed and disseminated to schools,</i>	<p>Trigger exceeded</p> <p>The national sample-based assessment of 4th graders in Georgian Language was conducted in September 2003 and in Math in May 2004. 9th grade examinations in Math, Georgian Language and Foreign Language were conducted twice in 2002 and 2003. Results were disseminated to schools and stakeholders.</p>

Outcome/Trigger	Status
<i>community and education officials.</i>	In addition, NAEC launched preparation for participating in the international assessment in reading (PIRLS in May 2006) and mathematics and science (TIMSS in May 2007) and supported participation in these tests. Participation in TIMSS and PIRLS has allowed the benchmarking of Georgia relative to other countries in the area of education. PIRLS results are being analyzed and will be published in a report by the National Examination Center; “Literacy – Results of PIRLS 2006 in Georgia”) in 2008. TIMSS results will be available in December 2008. The ongoing monitoring of service quality and informal payments in schools, as well as other point-of-service delivery surveys is giving the Government tools for actively monitoring the impact of the reforms on the quality of and access to education.
<i>At least 600 schools and 3,000 teachers participate in school-based training.</i>	Trigger exceeded In 2002, approximately 5,000 teachers from 3,135 schools participated in workshops aimed at raising awareness of teachers in the need to change and reform teaching practices. In 2003-2005 more than 12,000 teachers from 1,800 schools were trained in the framework of the school based professional development program. The teachers were introduced to the new approaches of teaching and learning as well as to the tools for effective use of educational resources. By the Project Closing Date, 30% of teachers (21,769) in Georgia have been trained as part of curriculum implementation.
<i>At least 400 school learning grants awarded.</i>	Trigger met In 2004, 210 grants were awarded. An additional 213 schools have been awarded grants in November 2005. In 2003-2004, a School Network Pilot Program was implemented with the purpose of providing teachers access to the new methods of teaching and learning; to improve study programs and teachers professional development, support teachers in introducing modern pedagogical methods and jointly analyze problems, develop joint work plans and renovate study process. The manual “Schools Working Together” was produced.
<i>Supplementary learning materials distributed to all schools in the country.</i>	Trigger met Supplementary materials were distributed to all schools in 2002-2004 through exhibitions held twice in 2002 and 2004.
Objective 2: To strengthen policy and management capacity to improve the equitable and efficient use of financial, physical, and human resources.	
<i>New financing system and formula for primary and general secondary education developed and approved by the Government to be introduced during Phase 2, including required intergovernmental fiscal relations reforms with modern legal and institutional arrangements</i>	Trigger met A per capita funding formula was developed for primary and general secondary education and is being implemented by the Government of Georgia.

Outcome/Trigger	Status
<i>Expenditures for primary and general secondary education represent 60% of the consolidated education budget, salaries of teachers up to date, and arrears eliminated.</i>	Trigger met Teachers' salaries are up-to-date and all arrears have been eliminated. Expenditures for primary and general secondary education are approximately 58% of the national education budget.
<i>Methodology for more efficient use of school buildings and use of surplus developed and incentive plan to encourage local governments to consolidate schools ready to be introduced during Phase 2.</i>	Trigger met The decree No.448 triggered administrative mergers among schools resulting in 2,500 legal entities instead of 3,154 state schools.
<i>Action plan and incentives to increase average student teacher ratios to 16/1 by 2010 approved by the Government and ready to be introduced during Phase 2.</i>	Trigger partially met Per-capita financing, school autonomy, and change of curriculum provide incentives for reducing the teaching cadre. The Government will elaborate on its strategy as part of the Phase 2 project implementation taking into account the impact of above mentioned reforms. Pupil Teacher Ratio is currently about 11.8/1 as a national average, which is a slight improvement compared to 10/1 average in 2000.
<i>Amend laws and regulations for the education sector to provide for: (a) merit-based recruitment, (b) objective performance evaluation, and (c) revised and transparent pay.</i>	Trigger met New policies have been adopted by the Government to provide a basis to strengthen the qualifications and certification of teachers (decree 29). The Teacher Professional Development Center was established in May 2006 and has become the main agency to implement these policies during Phase 2. Further legal and/or other regulatory changes are likely to be required to instill a merit-based recruitment system and an objective performance evaluation system. A revised and transparent teacher pay scheme has been adopted, which takes into account teacher qualifications and work load.
<i>Action plan for phased increase of teachers' remuneration.</i>	Trigger met On average, salaries have doubled for all the teachers. In addition, the decree 576 provides a basis to remunerate teachers above the minimum threshold taking into account their qualifications and experiences.

As mentioned earlier, the achievement of PDOs were also supported by parallel efforts of the Development Policy Loans. The series of four development Policy Loans, from 2005 through 2008, supported the Government's efforts to improve the equity of access; financing, and quality of general and higher education; use of information to strengthen accountability, and policymaking; as well as management capacity.

Under the **first** PRSO, the following measures were achieved: (i) nationwide university entrance examinations were introduced to ensure accountability at the higher education level; (ii) the impact of examinations and assessments was expanded through the development of quality

assurance arrangements for the school system, including recommendations for classroom level, institutional level and national level methods of evaluating quality; (iii) the basis for a more efficient and equitable use of resources was established through improved legal and administrative arrangements for the introduction of a per capita formula for education financing, including the specification of accountability relationships, provisions for noncompliance and financial reporting procedures; and (iv) a new data collection system was put in place and data on enrollment, attendance, drop-out and completion rates in basic education at all territorial levels were collected for 2004-2005.

The **second** PRSO supported the following measures: (i) Georgia participated fully in the current TIMSS and PIRLS international assessments; (ii) national assessments were implemented in selected subjects in the 4th and 9th grades, and work was initiated to develop tools and guidelines for the schools for conducting interim and graduating examinations; (iii) satisfactory progress was achieved in developing prototype quality assurance arrangements for the general secondary system, including student assessments at the classroom level and the establishment of mechanisms for institutional and staff accreditation and licensing systems; (iv) a per capita financing formula was adopted and rolled out nationwide; (v) a monitoring system and a financial and performance monitoring report were being developed; and (vi) collection and the corresponding analysis of education data including MDG data, were under way and an action plan of targeted programs was being developed to identify issues and the corresponding remedial actions.

During the **third** PRSO, the Government developed an action plan aimed at (i) revising the per capita financing formula and (ii) adopting the necessary monitoring and accountability arrangements for the new system.

Under the **fourth** PRSO, the following was accomplished: (i) Systematic quality assurance arrangements under implementation for the entire school system, including: (a) transparent national examinations; (b) a regular cycle of national and international assessments (including the analysis of the preliminary results of TIMSS and PIRLS and the defining remedial actions as needed; and (c) the establishment of mechanisms for institutional accreditation and staff certification, which would provide the education community with reliable information about the quality of the system; and (ii) Action Plan under implementation for further improvement of the per capita financing scheme, which will accommodate the needs of various types of schools and provide for increased accountability and transparency in the system.

3.3 Efficiency

Net Present Value/Economic Rate of Return

The Project objectives of developing the policy and institutional framework and building capacity make it difficult to use a conventional efficiency argument about whether a given amount of money could be spent more wisely to achieve the same objective.

Nevertheless, the comprehensive reforms in the education sector appear to have contributed to improvements in the *efficiency* of using public funds for education. The achievements since 2003 include: (a) the administrative merge of schools process has reduced the number of school

administrations. The number of schools, as legal entities, was reduced from 3,154 to 2,331; and (b) the new per capita financing scheme has increased transparency and fairness in financial resources allocations.

The reform efforts have also contributed to improvements in *access* to education. The achievements here since 2003 include: (a) gross enrollment rates in basic education are almost universal at 96.4 percent; and (b) enrollment rates in postsecondary education increased from 45 percent in 2003 to 48 percent in 2006. Indeed, Georgia currently enjoys the highest enrollment rates for vocational and university education in the Caucasus.

The reforms have also contributed to improvements in the *quality* of education. The achievements here since 2003 include: (a) the share of children who were absent from school due to lack of heating at school decreased significantly from 37 percent to 15 percent; (b) only 35 percent of students between 9 and 10 years old mastered tasks that require the process of retrieving implicitly stated information from a certain part of a text, and interpreting and integrating ideas and information; this ranking increased to 45 percent (based on the comparison of PIRLS 2006 and national assessment in mother tongue in 2003); and (c) school approval rates for basic education improved from 53 percent to 57 percent.

It can be noted; however, that all this was achieved for a relatively small investment of US\$26 million and those outcomes far exceeded the costs.

3.4 Justification of Overall Outcome Rating

Rating: Satisfactory

The overall outcome is rated satisfactory for the following reasons. First, in terms of relevance, the project was highly relevant both in terms of the CAS and in terms of the Government's overall strategy and objectives. Second, in terms of achieving its stated objectives, the first objective was fully achieved, and the second substantially achieved. Taken together, the project achieved its objectives with only moderate shortcomings. Third, in terms of efficiency, the project did demonstrate that for a relatively small amount of money a lot can be achieved. Fourth, although the project's total expenditure over seven years make up a very small proportion of the total education budget, it affected every school in the country via per capita funding mechanism, as well as via curriculum development and teacher training.

3.5 Overarching Themes, Other Outcomes and Impacts

Institutional Change/Strengthening

The project was instrumental in building capacities for institutional change, particularly in the areas of finance and governance of education institutions. Some of the key activities and innovations supported by the project have been institutionalized into the new legislation promoting decentralized management and increased efficiency and transparency of the education system.

These include:

(i) Support for the development and implementation of the per student financing formula for secondary education system, which was adopted and implemented by the Government across the country converting schools to autonomous legal entities of public law with Boards of Trustees and flexibility in budget management.

(ii) Education Management Information System supported by the project continues to provide education data for the Ministry, relevant institutions, and stakeholders.

(iii) Support for the establishment of National Education Centers, such as National Examination Center (NaEC), the Teachers Professional Development Center (TPDC) and National Curriculum and Assessment Center (NCAC), public legal entities under the Ministry of Education responsible for carrying out the Ministry's policies in the areas of assessments and examinations, curriculum and teacher development. The NaEC is now financed by the State Budget and has adequate capacity to provide reliable information on student learning outcomes for informed policy making and guarantee transparent access to higher education through administering standardized national university entrance examinations.

4. Assessment of Risk to Development Outcome

Rating: Moderate

There is strong evidence that the priorities of the project will remain Government priorities in the future. Indeed, some of the key project benefits have already been mainstreamed in legislation adopted during the project life, as outlined above.

One indicator which suggests that risks to the sustainability of the PDOs are moderate is that strategy and action plan for further development of EMIS is still not in place. Furthermore, staffing of the EMIS unit continues to be inadequate in terms of numbers of staff and the available skill sets and knowledge.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Satisfactory

As mentioned earlier, given the scope and pace of education reforms in Georgia, a three-phase, 12-year APL approach appears to have been a very appropriate instrument for ensuring achievement of the operation's development objectives and long-term sustainability. Furthermore, the team completed solid sector work in preparation for the project, using wisely the advice from peer reviewers and paying thoughtful attention to quality issues, including a focus on classroom- and school-level issues. However, the initial delays and the three extensions of the Project Closing Date indicate that there should be more careful planning of the duration of each phase.

(b) Quality of Supervision

Rating: Satisfactory

The supervision of the project was not an easy task, particularly because there were frequent changes in the Bank Team Leaders and particularly given the very volatile and uncertain political environment in Georgia. In 2003, Georgia underwent the "Rose Revolution" at which time the project was just beginning to move forward. Therefore, the final achievements of the project are that much more substantial and the Bank's active and flexible role in the process helped to ensure this outcome. Throughout the project, the Bank team was proactive in supporting the main counterparts and the PCU in implementing the project. The permanent presence of the WB staff in the Country office provided for continuity and helped to support ongoing supervision of project implementation, as well as a continuous policy dialogue with main counterparts. Problem areas were identified and discussed realistically in Aide-Memoires and Implementation Status Results and Reports. Despite the setbacks, the funds were fully disbursed and, as discussed elsewhere, the objectives achieved.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

The Bank's overall performance during project preparation, appraisal, and supervision is rated as satisfactory. Good technical expertise was provided and the client was appreciative of the advice and guidance. The team successfully overcame some significant obstacles and provided practical solutions to ensure that the project's objectives were met.

5.2 Borrower Performance**(a) Government Performance**

Rating: Satisfactory

The performance of the Government varied significantly between the early and later stages of the project. There were shortcomings in the Government's performance in the early stages of the project demonstrated in the Ministry's micro-management and problems and delays with counterpart funding. Nevertheless, with the new Government in 2003, the cooperation and coordination between the political leadership and project management was strengthened and improved. The Government demonstrated its full commitment to program objectives by accelerating implementation of the project and moving forward rapidly with the important sector wide reform agenda achieving good results. Particularly noteworthy was that the project was integral part of the Government's vision and reform agenda.

(b) Implementing Agency or Agencies Performance

Rating: Satisfactory

The Implementing Agency's performance was also varied between the early and later stage of the project implementation. During the initial years, both the MoES and the PCU lacked sufficient capacity in management and coordination. Furthermore, disbursements were slow due to lack of capacity and experience resulting in several extensions of the project.

However, after the MTR, the staffing of the MoES and the PCU has been strengthened significantly; and the PCU managed the project well and provided effective communication between the World Bank and education institutions involved in the project.

The performance of the MoES is rated as satisfactory by this ICR. The implementing agency managed the Project well and provided effective communication between the World Bank and education institutions involved in the project.

(c) Justification of Rating for Overall Borrower Performance

Rating: Satisfactory.

Overall, this ICR's assessment of the Borrower's performance is rated as satisfactory.

6. Lessons Learned

Reflecting on the overall project, the key lessons that have been learned and/or reinforced during project implementation are as follows:

Given the scope and pace of education reforms, the three-phase, 12-year APL approach has been shown to be an appropriate instrument for ensuring achievement of the operation's development objectives and long-term sustainability, however, there should be better planning of the duration of each phase.

Good sector work and competent technical assistance at the initial stage are crucial when fundamental reforms are expected.

The proper combination of investment operations and policy support is a powerful tool for reform support and systemic changes.

The Government commitment, as well as clear vision and reform agenda, are a key for the achievement of project objectives.

However, greater attention should be paid to achieving public consensus on reform issues. In order to assure successful implementation of reform initiatives, especially the ones characterized by inconsistent societal support, substantial attention should be paid to formation of public opinion. Therefore, a project of similar pace and scope should have included a well-thought and consistent public relation policy assuring wider public dialogue on reform issues, which on its side should have been supported by clear evidences drawn from quality research.

Proactive and timely supervision by the Bank's team are crucial for project success.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

The following comments, received by the Implementing Agency, have been incorporated in the final ICR.

“Following your letter dated December 18 2008, wherein you presented a draft version of the Implementation Completion and Result Report for Georgia Education System Realignment and Strengthening Program (ICR), we would like to communicate to you our approval of the report overall and suggest a few corrections iterated below.

The Implementation Completion and Results report provided by your party offers an exhaustive analysis of Georgia Education System Realignment and Strengthening Program implementation. The appraisal of the indicator achievement was highly objective as well as the performance of both parties. The report also provides a very accurate account of project implementation process. The availability and comprehensiveness of the project interim and final evaluation reports made it possible for the two sides to make comparable judgments on the results achieved throughout the program implementation. Achievement made in most of the project development objectives were appraised as satisfactory, few were evaluated as moderately satisfactory or partly satisfactory. Both sides rated Georgian Government and the Bank performance as satisfactory. While the sustainability of the achieved objectives is safeguarded by the existence of formal agencies, the areas in need for continued support have been addressed either under the APL # 2 (curriculum and teacher related reforms) and other donor interventions (voucher financing formula and EMIS).

We would also like to submit our comments for your consideration in the completion of the final version of the Report.

1. Context at Appraisal

1.1. Education expenditure figures to be revised

In the ICR document, where project context is thoroughly analyzed, it is stated that the expenditure on education fell to 2% of GDP between 1990 and 1994.

1.1. Comment: We would like to suggest using later dates for reference. This suggestion is based on two considerations. Firstly, we would think that using later dates which are closer to the program launching would be more appropriate. Secondly, earlier figures on education expenditure as a percentage of GDP are more controversial than later ones. Taking into account these considerations, we would like to suggest using the data about public expenditure on education for years between 1998 and 2002 which is 2% of GDP. We might also need to consider that the rate of GDP growth in 1999 fell to 2.9% from 10.5% in 1997, with a subsequent decrease to 1.8% in 2000. Inflation in 1999 surged to 19.2%, but decreased to 4% in 2000. Suggestion: The above stated considerations should be accommodated in the report in order to make the information provided on the context of the program initiation more comparable.

2. Lessons learned

2.1 Greater attention should be paid to achieving public consensus on reform issues.

2.1. Comment: Taking into consideration the level of achievement on indicator 2, which measures the societal disposition towards the reform initiatives, we would like to suggest adding one statement as a lesson that we have drawn from the program implementation. In order to

assure successful implementation of reform initiatives, especially the ones characterized by inconsistent societal support, substantial attention should be paid to formation of public opinion and full understanding of intentions of the reform implementing agencies among reform target groups as well as the wider public. Therefore, a project of similar pace and scope should have included a well-thought and consistent public relation policy assuring wider public dialogue on reform issues, which on its side should have been supported by clear evidences drawn from quality research.

2.2. Baseline research was not included in the program.

Paragraph 2.3 on Monitoring and Evaluation in the ICR describes the formal monitoring and evaluation procedures for the activities carried out within the scope of the project.

2.2. Comment: Comprehensive quantitative baseline data for key indicators was not collected before the commencement of the project. Due to the absence of such data, findings from the evaluation of Phase 1 of the project could not be effectively used to measure the progress and the scope of changes after the project onset. These findings can serve as baseline for further studies and evaluation of the following phases. At the same time, the need for collecting baseline data for every project component should be emphasized.

2.3. Program final evaluation was incorporated in the program on the request of the Borrower.

2.3 Comment: The final evaluation was not initially included in the program. However, on the request of the Ministry of Education and Science, the Bank made necessary amendments in the program and a study was carried out on the completion of the program. The evaluation served as a very useful tool for acquiring data to measure the program outputs and outcomes according to previously set indicators. Another lesson that could be drawn from the same experience is that maintaining flexibility in the course of the program is very important to assure that the program adequately responds to newly emerged or identified needs.

2.3. Suggestion: The above suggested comments should be considered for including them in the lessons learned. We are submitting our comments for your consideration and hope to have them incorporated in the final report.

(b) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

(e.g., NGOs/private sector/civil society)

Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
1.1 CURRICULA DEVELOPMENT (SUBCOMPONENT)	2.45	6.68	273%
1.2 ASSESSMENT & EXAMINATION (SUBCOMPONENT)	2.79	11.29	405%
1.3 PROFESSIONAL DEV. & TRAINING (SUBCOMPONENT)	7.90	7.26	92%
1.4 LEARNING MATERIALS (SUBCOMPONENT)	7.06	4.07	58%
2.1 POLICY	3.69	1.13	31%
2.2 EMIS	1.40	0.77	55%
3.1 PROJECT MANAGEMENT- PCU	3.39	4.15	122%
3.2 PUBLIC INFORMATION AND EDUCATION CAMPAIGN	1.78	0.78	44%
Total Baseline Cost	30.46	36.13	119%
Physical Contingencies	0.14	0.00	0%
Price Contingencies	1.32	0.00	0%
Total Project Costs	31.92	36.13	113%
Front-end fee	1.15	1.15	100%
Total Financing Required	33.07	37.28	113%

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Recipient		4.80	4.80	100%
International Development Association (IDA)		25.90	23.9	92.28%
Local Govts. (Prov., District, City) of Borrowing Country		1.22	7.43	609%
Total Project Costs		31.92	36.13	113%

Actual costs are calculated based on actual funds spend for each project activity before and after restructuring of the project.

Annex 2. Outputs by Component

The annex will focus on outputs of restructured Components at the end of the Project, but will consider expected outputs as originally designed. Actual costs of restructured Components are calculated based on funds spent for each project activities from the beginning of the project.

Component A: Institutional System Change (actual costs US\$1.90 million)

Establishing Personnel Policies and Incentives Structure for Teachers

The achievements of this subcomponent were significant.

New policies have been adopted by the Government to provide a basis to strengthen the qualifications and certification process of teachers. The Teachers Professional Development Center was established. Amendments were made to the general education law, which provide for the development and implementation of teacher certification system. Teachers had long suffered from their meager wage level, which was exacerbated by the frequent and often prolonged delay in disbursement. As part of the reform, the Ministry introduced the new teacher pay scheme to calculate the minimum level of remuneration for each teacher with the aim of raising the general salary level of teachers in Georgia in order to retain and attract qualified and competent teachers.

The new pay scheme for teachers has been in effect for three years now. As a result, the minimum salary level almost doubled with the current average salary at 200 GEL. The Ministry intends to increase this figure in response to the changing social and economic circumstances in the country.

Notwithstanding the above increase in remuneration, teachers remain unsatisfied with the salary levels as shown in the evaluation report by the PADECO team. The current salary level is still viewed as unsatisfactory as compared to other public sector occupations.

Implementing Per Capita Financing Formula

The achievements of this subcomponent were significant.

Georgia conducted a massive school network consolidation process in preparation for and as a precursor to the implementation of per student financing. In conjunction with decentralizing several aspects of school management down to the school, the closure and opening of schools was defined as one of the functions of the Ministry of Education. Therefore, prior to introducing per student financing in the country, the Ministry began a process that remains ongoing on a smaller scale of reducing the number of schools from 3,153 in 2005 to a target of 1,800 schools (the number of schools in 2007 was down to 2,227). The target total number of schools was established based on criteria for network optimization. Examples of these criteria include proximity to a large school (especially in the cities), unsustainable small schools with possibility to transport students to a larger school (in particular, availability of roads in the mountains and countryside), and small primary schools (which were transformed into affiliated schools

subordinated to a larger full secondary institution). In this regard, the Ministry purchased a number of buses for transportation of children to consolidated schools.

Per capita funding system of general schools was introduced with the aim to ensure a more transparent and fair allocation of funds to schools and efficient spending, as well as to make the financial status of schools comparable across school sizes and school types.

- The introduction of the per capita funding system has had positive effects on the financial status of schools;
- The system was introduced at the same time as the overall increase of funding for general education. It is difficult, therefore, to evaluate the effects of this system separately;
- Schools are receiving funding without delays and distributing staff salaries without delays as well;
- Compared to the old system, schools now have capacity to spend more on non-salary expenditures: for the improvement of learning environment and for physical maintenance of schools;
- Most schools are paying incentive bonuses or more than minimal salaries to teachers;
- Schools in most cases are not spending per capita funding for capital repairs;
- The ratio of salary/non-salary expenditure has become more comparable now across urban, rural and mountainous schools as well as across school sizes. However, sizeable disparity still remains;
- Small schools that are receiving small school subsidies are still spending in most cases the whole amount of per capita funding on staff salaries. Their financial status has not improved as of the rest of the schools; and
- Schools in rural and mountainous areas are far less experienced in applying for funds from outside sources.

Implementing Education Management Information System (EMIS) and Ensuring that Reliable Data are Available for Policymaking

The achievement level of this component was low: in many ways. This component was the least successful of the project because it failed to support both of the project's objectives.

It did not create data collection framework required for an effective realignment of the primary and general secondary system - major shortcoming is the lack of an overall information infrastructure plan underpinning the EMIS. Currently, the EMIS includes only data on general secondary education and lacks a strategy on how to integrate the data across the other education levels (such as preschool, tertiary, and vocational education). In addition, several large databases are operational in various departments of the Ministry (budget/expenditure data; National Examination Center data; National Accreditation Service on-line database) without a clear understanding on how to relate these databases in the future. An overall information infrastructure plan is needed to integrate the various databases into compatible modules of the EMIS.

Therefore, the subcomponent failed to develop the Borrower's capacity to meet these new objectives and to manage its physical, financial, and human resources equitably, efficiently and effectively.

Using EMIS-data, the first report, “Secondary Education in Georgia: Education Data and Trends,” was published in September 2007. The report provides data on ten education indicators related to general secondary education. However, the reliability of the data presented and the coverage of education related indicators in the report are questionable. Primary enrollment and completion rates are indicated at nearly 100 percent, which stands in contrast with other international sources on the same indicator (UNESCO, IMF) and recent report elaborated by the Government to join the Fast Track Initiative.

Furthermore, frequent turn-over of staff in the department and lack of institutional memory have been additional constraints.

Component B: Building Quality Assurance System for Secondary Education (actual costs US\$11.29 million)

The achievements of this component were significant.

Within the framework of the program, the Ministry set up the assessment component. The staff of the component was sent to the Netherlands, where they did the professional training and participated in preparing the program. Initially, there were two subject groups in the component (Georgian Language and Mathematics), which were assigned to prepare National Examinations for primary schools. A Modern Foreign Language (English, German, French, and Russian) group was added later. In 2001, a nationwide piloting of the Examination tests was carried out in all three subjects. In 2002, the National Examinations were carried out in Georgia for the first time. In 2003, new centralized examinations were piloted in two regions of Georgia. The NAEC was established in 2002.

Although the capacities to carry out national assessment were fully developed within the NAEC, the MoES decided to transfer responsibility for the assessments to the National Curriculum and Assessment Center (NCAC) in 2005.

This decision was highly criticized by the Bank at that time. The NCAC does not have the capacity or strategy to properly carry out assessment activities. Furthermore, the assessment function should be separated from curricula development to avoid the situation where the same institution creates the system and evaluates its own creation.

However, the National Examination Center, as a well established institution, continued to be in charge of international assessments (Georgia participated in PIRLS 2006 and TIMSS 2007), School Principals’ Exams, Teacher Certification Exams, and as a main activity, the University Entry Examinations.

The University Entry Examinations has been conducted for the first time in 2005. Based on Transparency International reports, this activity was one of the biggest achievements of the Project in supporting reforms in governance and anti-corruption policies. Related PDO indicator was introduced in 2007.

Participation in TIMSS and PIRLS has allowed the benchmarking of Georgia relative to other countries in the area of education. PIRLS results are being analyzed and will be published in a report by the National Examination Center; “Literacy – Results of PIRLS 2006 in Georgia”) in 2008. TIMSS results will be available in December 2008. The ongoing monitoring of service quality and informal payments in schools, as well as other point-of-service delivery surveys is giving the Government tools for actively monitoring the impact of the reforms on the quality of and access to education.

Component C: Impacting School Performance (actual costs US\$18.01 million)

Development, piloting and implementation of a national curriculum and related attainment targets for primary and general secondary education

The achievements of this subcomponent were significant.

The National Curriculum Framework has been developed. The new curriculum is outcomes-oriented, designed to encourage active learning rather than mechanical transfer of knowledge. The new curriculum in grades 1, 7, 10, and 2, 8, 11 was successfully piloted in 2005/2006 and 2006/2007 academic years and implementation is underway in all schools across the country. Piloting of the new curriculum for grades 3 and 9 was launched in September 2007 in 100 pilot schools.

Teachers acknowledge that availability of new textbooks oriented on integrated learning and practical tasks enables students to work more independently than before the reforms. They also stated that the level of collaboration in the classroom have improved among students of different performance levels during the lesson. The new curriculum enables more opportunities for an interactive classroom.

Evidence is suggestive that student learning outcomes have improved as a result of implementing the new curriculum and introduction of new methods during the last 2 years. Eighty-seven percent of teachers (survey by PADECO consulting team) stated that they agree or strongly agree that student learning has increased using the new methods. Teachers also note that pupil involvement has increased when using the new methods. Parents pointed out that students are more motivated and that they observe improvement of their children learning outcomes. The survey reinforced the above statement based on teachers’ responses. Most teachers (81 percent) agreed that student learning outcomes improved while implementing the new curriculum during last 2 years.

One potential area of concern with the new national curriculum is whether smaller schools, particularly those in mountainous areas that are unlikely to consolidate, recognize sufficient flexibility in the grade-by-grade approach to the curriculum to become more efficient. For small, mountainous schools, potentially greater efficiency could take on the nature of using a phased curriculum across a few grades each year and teaching multiple grades in the same classrooms.

Another issue of concern is that upper grade students headed to the university are studying only for the university entrance tests.

Textbooks and Learning Materials (renamed to Improving Learning Environment in Schools):

The work under this component provided significant contribution to the development of standards, mechanisms, and procedures for textbook and teaching and learning materials provision.

Prior to restructuring, the component provided supplementary materials to all schools in 2002-2004 through exhibitions held twice in 2002 and 2004. All schools had an opportunity to select learning materials for their school based on the defined requirements for their schools. Piloting of textbook rental scheme in 54 districts was also supported under this component. The pilot was only partially successful and the Ministry is supporting schools who wish to run such schemes under their own self-government.

At a later stage, the component was merged with the curriculum component and played a key role in the development of new textbooks. Piloting of the new national curriculum encompassed an integrated process of textbook development through working closely with the publishers and teachers throughout the entire pilot year. A wide range of teacher materials (such as, videos on “Student Centered Teaching”; bi-monthly bulletins; training materials) were developed to support teachers to gain adequate skills and knowledge to successfully deliver the new curriculum.

The component also financed provision of primary level of libraries to a selected number of schools as well as provision of mobile science labs to all Education Resource Centers across the country.

Teacher Training, School Grants and School Networking

The achievements of this subcomponent have been significant.

The results indicate considerable successes from the school-based teacher training efforts and the training efforts for new curriculum given how far they have come in very few years.

School-based Teacher Professional Development: By 2005, significant number of teachers in the country has been trained through cascade training. The cascade trainings of teachers were the first attempt to really bring to schools some innovation and to attempt to divert from the teaching methods prevalent in the Soviet Era. The school-based teacher training process started successfully with the initial training by 100 “top trainers.” However, direct mechanism for the spread of learning to teachers who were not trained was not designed explicitly. The project provided an annual regional conference for teachers involved, sharing their experiences and exhibiting their examples for project participants and non-participants who chose to attend. Further, all participating schools received a copy of all training materials in addition to those provided to the trained cohort. Directors were not explicitly required or encouraged to attend the trainings.

School Networking/Resource Centers: The School Network Program, as a part of the school-based Teachers Professional Development Program was designed and implemented to promote

collaboration and information sharing among schools. The schools that succeeded in the School Grant Program Phase 1, were involved in both the school-based teachers professional development cycle and establishment of school networks. The idea was to support fostering further professional development of teachers within and across school communities.

One of the main tasks was to encourage as many teachers at school as possible to become part of the school network initiative and start communicating and sharing their ideas how to overcome different challenges associated with the teaching and learning process. The duration of the program was a year. The number of schools was not expanded after the initial involvement, and no formal follow-on activities were designed, although anecdotal evidence indicates that some schools continued networking activities.

The School Grant Program: The Program was established as a related program to the School Network Program. Its goal was to assist schools with teaching and learning within the school as a part of teachers professional development effort through providing grants that would allow the schools to develop novel learning programs. Two hundred ten schools received school grants of \$1,000 for the improvement of quality of teaching and learning as a result of participation in the first round of the School Grant Program and additional 213 schools were awarded with grants of \$3,000 during the second round of competition. These grants provided the potential for small improvement of material conditions for teaching and learning in those schools.

By the establishment of the Teacher Professional Development Center in 2005, the Teacher Training component went to two directions: Curriculum Reform-based Teacher Professional Development and Teacher Certification.

Curriculum Reform-based Teacher Professional Development: One of the key challenges for the curriculum reform has been supporting teachers to gain adequate skills and knowledge to successfully deliver new curriculum. The curriculum-focused training built on the capacity developed under the earlier school-based teacher professional development. Furthermore, it also added more discussion on theories of learning, assessment, standards for each subject, portfolios, and outcome-based learning added to curriculum training.

Teacher Certification and accreditation of initial and continuous teacher professional development programs: Within the framework of secondary educational reform, the Ministry of Education and Science of Georgia has assigned the Teacher's Professional Development Center to develop and implement the Teacher Certification System. The TPDC has developed the draft teacher professional development standards, which defines the key skills and competencies for teachers and serves as a basis for teacher certification. The TPDC is supported by the National Examinations Center, which is in charge of conducting the teacher certification examinations. For this purpose, the Center hired several experts and prepared a relevant project, which determines the principles and forms of teacher certification examinations. Based on these standards, the Center should develop unified and objective methods for teacher certification examinations. The works for creating teacher certification tests are under way and the examinations are supposed to take place in 2010. The TPDC, in close collaboration with the National Accreditation Center, is making good progress in the development of standards for the accreditation of the initial and continued professional development programs.

Continued support to teacher certification and accreditation of teacher education programs is ensured under the APL II project.

Component D: Project Management Support (actual costs US\$4.93 million)

The achievements of this component were substantial.

A project coordination unit was established to ensure timely execution of procurement, and to coordinate between the World Bank and the MoES and component heads. Some difficulties were encountered at the outset since this project was the first IDA-funded education project in Georgia.

Annex 3. Economic and Financial Analysis

As discussed under Section 3.3 Efficiency in the main text.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Supervision/ICR			
Alexandru Crisan	Consultant	ECSHD	
Sophie Devnosadze	Operations Analyst	ECCGE	
Olena Fadyeyeva	Operations Officer	SECPS	
Kari L. Hurt	Operations Officer	ECSHD	
Elene Imnadze	Sr Public Sector Spec.	ECSPE	
Plamen Stoyanov Kirov	Procurement Specialist	ECSPS	
Nino Kutateladze	Operations Analyst	ECSHD	
Nicole L. La Borde	Office Manager	MNSHD	
Carmen F. Laurente	Senior Program Assistant	ECSHD	
Marlaine E. Lockheed	Consultant	QAG	
Aleksandra Posarac	Lead Economist	ECSHD	
Jesus Renzoli	Senior Procurement Specialist	ECSPS	
Karl Skansing	Consultant	ECSPS	
Rosita Maria Van Meel	Sr Education Spec.	ECSHD	
Arman Vatyan	Sr Financial Management Specia	ECSPS	
Anna L Wielogorska	Senior Procurement Specialist	ECSPS	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY98		15.54
FY99		166.53
FY00	58	148.08
FY01	41	130.77
Total:	99	460.92
Supervision/ICR		
FY01	6	7.71
FY02	28	93.98
FY03	31	109.50
FY04	48	134.40
FY05	48	170.40
FY06	65	106.69
FY07	39	75.37
FY08	34	77.07
FY09		0.00
Total:	299	775.12

Annex 5: Beneficiary Survey Results

Not applicable

Annex 6. Stakeholder Workshop Report and Results

Not applicable

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Ministry of Education and Science of Georgia

Education System Realignment and Strengthening Program

Introduction

Reforming and improving the education system has long been a top priority for the Government of Georgia. The transition from a centrally-planned economy to a market-based economy has rendered many aspects of the educational system inherited from the former Soviet Union obsolete. In a rapidly changing global labour market, an educational system should be able to prepare students that are flexible, innovative and critical thinking members of the society. Through the Education System Realignment and Strengthening Program (ESRS), the World Bank has provided central support to the reform agenda of the Government. The first phase of the ESRS, launched in 2001, was part of a three phase Adjustable Program Loan (APL). The Program's broad goals were to improve the quality and relevance of general secondary students learning outcomes to better prepare them to meet the demands of the market economy and the democratic society. The first phase of the Program was planned to support 1) the development of the policy and institutional framework required for an effective realignment of the system objectives, and 2) development of capacity to meet those new objectives and manage physical, financial and human resources more equitably, efficiently and effectively.

Objective, Design and Implementation

The project emerged to address the pressing need to realign Georgian education system. The objective of the project is to improve the quality and relevance of learning outcomes of primary and general secondary students to better prepare them to meet the demands of a market economy and a democratic society.

The project was designed to be implemented in three phases. The first phase of the program, now complete, began to develop the policy and institutional framework required for an effective realignment of the system, develop its capacity to meet those new objectives and manage its physical, financial and human resources equitably, efficiently and effectively. Phase one supported two broad components, realignment of the primary and general secondary system objectives and strengthening capacity for policy and management. Implementation of the first component was planned by developing a national curriculum for general education, creating a national system to assess the student learning outcomes, providing training to teachers and principals for the attainment of those targets, and providing basic learning materials to support such attainment. This objective supplemented by interventions aimed at strengthening the policy and management capacity to improve effectiveness and efficiency in the use of physical, financial and human resources and guide the design of interventions in subsequent stages. The focus was on development of new financing formulas, school consolidation initiatives and strategies aimed at restructuring the teaching force.

Project implementation was coordinated by the Project Coordination Unit (PCU) established at the Ministry of Education and Science of Georgia (MoES). Within PCU, various groups of experts were working on different components of the projects: development and implementation of national curriculum, development of a national assessment and examination system, professional development of education professionals, strengthening capacity for policy and management. These groups later transformed into separate agencies under the MoES – National Curriculum and Assessment Center, National Examination Center and Teacher Professional Development Center.

A crucial factor in securing the success of the reforms undertaken within the framework of the project was political situation in the country which was highly conducive to implementing radical and ambitious reform program.

Project Achievements

School-based Teacher Professional Development

The school-based teacher professional development (TPD) program was designed to respond to the growing need to change teaching practices. Baseline studies conducted as part of the project preparation had shown that teaching in Georgia was largely teacher centered: teachers emphasized didactic presentation of facts, rote learning and memorization rather than encouraging active engagement and participation of students in the class to help them develop analytic, problem solving, and critical thinking skills. The main areas of the school-based professional training program included creating effective teaching environment; monitoring, evaluation and review; creating an effective teaching culture; classroom management. The model chosen for the 2003-05 school-based teacher trainings envisioned initial trainings by 100 “top trainers” for a cohort of 5 teachers (2004-05) or 10-15 teachers (2003-04) per school across different subject types every other weekend. Overall, 1800 schools were covered within the framework of the initiative.

The training covered a wide variety of areas some with limited breadth. They included theories of learning; class management; establishing an effective learning environment; monitoring, assessment, evaluation and review; materials and resources to support active learning; extracurricular resources and class visits;

Moreover, the project supported an annual regional teacher conference where training recipient teachers shared their experience and lessons learned with the rest of the participating teacher community. Further, all participating schools received a copy of all training materials in addition to those provided to the trained cohort. Directors were not explicitly required or encouraged to attend the trainings.

Curriculum Reform and Curriculum-based Teacher Professional Development

Development and implementation of the new nationwide curriculum for general schools was initiated during the first phase of the project. The new curriculum is outcomes oriented designed to encourage active learning rather than mechanical transfer of knowledge – the practice characteristic of the old educational system. The new curriculum is first piloted in a selected

number of schools and implemented all over the country the next year. Introduction of the curriculum is currently underway with 3/4 of all school students (grades 1, 2, 3, 7, 8, 9, 10, 11 and 12) already studying according to it.

Introduction of the new curriculum is accompanied by the development of new textbooks. Textbook development is a part of the curriculum piloting process with authors working closely with teachers and NCAC throughout the pilot year incorporating changes and comments received. Together with the implementation of the new curriculum grading system has been changed to 10-point scale, Followed with the introduction of the concept of the GPA and of Formative Assessment.

Curriculum-focused training efforts were the first formal efforts that followed on the school-based teacher professional development. Curriculum-based teacher training is focused on teaching new curriculum standards in each subject; new assessment system; class projects and reflective practice. The curriculum-focused training built off the capacity built under the earlier school-based teacher professional development. It also attempted to improve through building upon some of the lessons learned by those involved. It also added more discussion on theories of learning, assessment, standards for each subject, portfolios and outcome-based learning added to curriculum training. In support of the new curriculum new textbook development system including the training of the publishers, textbook piloting and evaluating mechanisms have been set up. The system has enabled to develop new textbooks for every new curriculum and syllabi introduced in Georgian schools. In support of the raising of the quality of teaching and learning following major activities have been undertaken: a) provision of the supplementary teaching and learning materials to the schools b) provision of the library packages to app 1100 schools of Georgia and c) provision of the mobile science labs to the Educational Resource Centers for the schools to lend out.

Unified National Admissions Examinations

One of the biggest achievements of the project was the introduction of unified national admission examinations. The new type of examinations played a key role in the reduction of corruption prevailing in the old system and reform of higher education admission system. The examinations were first held in 2005 and they are using sophisticated testing methods across a range of subjects. The exams are administered by a new agency, the National Examination Center. Along with the subjects taught at general schools, exams in general aptitude testing assessing verbal and quantitative reasoning skills of students were introduced. Students can apply for 7 faculties of one higher education institution or of several HEDs;

Together with introducing changes in admission system, higher education funding changed as well. Students receiving the highest scores on the entrance exams receive a state grant they can redeem as tuition at any state institution or accredited private college of their own choosing.

The conduct of the examinations has been monitored by Transparency International. In its report on the 2006 examinations, together with the American Councils for International Education, the testing process was judged to be well organized and transparent. Wide support for the new

system was found throughout the country, and a large majority of test takers, parents and administrators felt confident that it would help to eliminate corruption in university admission.

The School Network Program

The School Network Program, as part of the school-based Teachers Professional Development program, was designed and implemented to promote collaboration and information sharing among schools. This was designed to begin to break down the barriers of inter-school isolation that characterized the Soviet and early independence period. The schools that succeeded in the School Grant Program Phase One were involved in both the school-based teachers' professional development cycle and establishment of school networks.

The School Grant Program was established as a related program to the School Network Program. Its goal was to assist schools with teaching and learning within the school as part of teachers professional development efforts through providing grants that would allow the schools to develop novel learning programs. The TPDT found it was necessary to assist schools in developing appropriate project proposals. 420 schools received school grants of \$1000 on a competitive basis for the improvement of quality of teaching and learning as part of the School Grant Program. Special manuals were provided to granted schools for managing their grants as well as developing other project proposals. These grants provided opportunity for minor improvement of material conditions for teaching and learning in those schools.

Education Management Information System (EMIS)

The Ministry of Education and Science Education Management Information System (EMIS) was established within the framework of the project. The aim of the EMIS is to promote systemic reforms in the education system. The purpose of EMIS to provide data and information for informed policy – making, which is essential for monitoring the outcomes of the reform as well as overall performance of the sector against pre-determined performance criteria.

Data on the number of students and personnel at general public and private schools segregated by grade, gender, age, language, location and material-technical conditions of these schools are being collected through education resource centers. Data is transferred from resource-centers to the EMIS where the data is checked and processed. EMIS receives data on higher education indicators from the National Accreditation Center

The data collected, aggregated and analyzed by EMIS is being used by the MoES for planning the medium and longer-term strategies and activities in the field of education. The data are crucial in developing budget projections. EMIS data is accessible for all the stakeholders in education, other ministries and all interested parties.

Per Capita Funding System and New teacher Pay Scheme

The financing principle of general schools underwent a fundamental change as well. New funding scheme for general secondary education was elaborated by the team of experts as part of the project. After the introduction of per capita funding model in October 1, 2005, schools now

receive funding based on the number of enrolled students. Funds are transferred from the central budget through the Ministry of Education and Science to schools, which have been established as public legal entities. Per Student allocations are defined by the special MoES decree, which sets criteria for determining amount of student vouchers per type of school (urban, rural, mountain). The objectives of the change was to improve transparency and equality in the distribution of education financing across different schools in the country, and at the same time to encourage schools to offer more diversified and quality educational programs so that to attract more students. The per capita financing formula is currently based on a simple single criterion: geographical location of schools. Urban schools are getting the lowest rate of per capita funding, rural schools receive medium rate and highest rate is set for the schools in high-mountainous regions. Such differentiation in funding rates was planned to make the financial status of schools of different geographic characters more comparable and equal. Since per capita formula has not taken into account the difference in size of schools, small size schools with experiencing financial difficulties are entitled to receive additional subsidies to supplement the amount from per capita financing.

Together with the introduction of per capita financing, the Ministry of Education and Science introduced a new teacher salary scale and calculation formula that raised the teacher wage level significantly – on average twice as much. The minimal salary level was set equal to the minimum of state employee. The new formula was based on three coefficients: years of professional experience, educational qualifications, and the size of class taught. Following recent changes in the teacher pay scheme class size coefficient is no longer included as a variable in calculating teacher salary. The formula only calculates the minimum salary amount for each teacher, which all the schools are obliged to maintain. Apart from this minimum level regulation, schools are empowered to determine individual teacher salary based on the available school budget or incentive bonuses.

Achievement of Project Objectives and Rating of Key Performance Indicators

Project development objective: The program seeks to improve the quality and relevance of primary and general secondary students learning outcomes to better prepare them to meet the demands of a market economy and a democratic society.

This development objective is **achieved** by the project as explained below by the status of PDO indicators.

Outcome/impact indicators:

- (a) *75 % of teachers of primary and general secondary education are familiar with new curriculum and assessment targets and begin to reflect those changes in their teaching practices*

Satisfactory: the results of the project evaluation conducted by an external evaluator show that based on self-reports of teachers all over the country most of them are familiar with national curriculum and assessment targets and have changed their teaching practices accordingly (PADECO, 2007).

(b) Society at large has positive opinion of initiatives undertaken in education

Moderately satisfactory: although generally agreed that reform efforts were necessary to undertake, in many cases people do not approve of particular components of the reform. It should also be noted that studies conducted thus far to measure the satisfaction of society by reforms lack appropriate level of validity. (BCG, 2007).

(c) Policy makers and education stakeholders use learning outcomes and reliable statistics in their policy analysis and strategy development

Moderately satisfactory: a recent report on the further developments of Georgian EMIS mentions that MoES lack data and information necessary for decision-making. While data and information may exist within the system it is not yet available for decision-makers within the Ministry. Neither do schools nor education resource centers (ERCs) benefit from the data and information (Abillama, 2008). Although not fully sophisticated to provide all the necessary inputs for informed decision-making, EMIS is already providing inputs for the per capita financing allocations.

(d) The administrative structure of the education system performs its functions more efficiently and effectively

Satisfactory: the project evaluation report calls reforms undertaken in school management and financial capacity “unprecedented in their scope and ambition”. Certain components are evaluated as successful, although for many aspects it is yet to early to judge. Public schools were converted from local-government budget organizations to autonomous Legal Entities of Public Law or LEPLs, with Boards of Trustees and flexibility in budget management. Local education departments have been replaced by Education Resource Centers, which facilitate but do not control schools’ educational activities.

Output indicators:

(a) National curriculum for primary and general secondary education developed, disseminated among different education stakeholders, published and piloted for grades 1-6 by 2005

Satisfactory: by academic year 2005-06 new curriculum and textbooks for grades 1, 7 and 10 were already piloted and being implemented throughout the country and were being piloted for grades 2, 8 and 11.

(b) Results of national 9th graders examinations analyzed and disseminated by 2004

(c) National assessment of 4th graders in selected subjects conducted by May 2004 and results analyzed and disseminated by September 2004

Satisfactory: the assessment of 1-4 graders in Georgian language and mathematics was conducted in 2003 and the results were published in 2004 by the assessment group of the project.

On this particular indicator initial objectives were exceeded through the participation in two international assessments – TIMSS and PIRLS.

(f) At least 600 schools organized in networks; 4,000 teachers participated in initial school-based training, and 600 school learning grants awarded by 2005

Moderately satisfactory: 1,800 schools participated in schools-based teacher trainings, about 200 schools which received schools grants during School Grant Program Phase I were part of the school networks and the total of 420 schools received schools grants within the framework of the project.

(g) Pilot textbook rental experience evaluated and generalization plan agreed by 2004

(h) Second round of exhibitions completed and additional learning material distributed to all schools by 2005

Satisfactory: the second exhibition of supplementary learning material was held under the education project in October-November 2003 in Tbilisi. 71 local and 10 foreign organizations expressed their wish to participate on the exhibition.

Within the scopes of the School Library Program about 600 schools were provided with books. The resources were mostly focused on rural schools due to equity considerations.

(i) EMIS operating effectively at central level by 2004

Satisfactory: from 2004 EMIS is collecting and processing data on general schools. However there exist concerns about the reliability of the data.

(j) School consolidation plan and methodology to assist local governments

Partially satisfactory: Consolidation of schools was the major effort taken for improving efficiency of physical, financial and human resources. Within the scope of the two-stage optimization procedure the number of public schools in Georgia was contracted by approximately one thousand.

As schools became autonomous units with their own governing bodies assisting local governments in schools management was no longer a project priority

(k) Proposals to improve efficient and equitable allocation of financial resources completed and approved

Satisfactory: the new school funding scheme developed within the framework of the project has been widely perceived as successful and highly efficient compared to the previous funding system although further changes in funding formula are envisaged.

Performance of the Borrower

The Government of Georgia has since the initiation of the Project, remained committed to the objectives laid out in the Project founding documentation and the strategies to achieve them. The total estimated Government contribution to the Project implementation has amounted to USD 7,403,184.94.

In terms of performance the project implementation course can be divided into two periods: before and after 2003. Prior to 2003 project activities were not accompanied by wider system-wide reform efforts. Starting from the end of 2003 education system at large has been subject to radical and comprehensive reforms which took place within a relatively short span of time. The system-wide reforms were crucial in ensuring that project objectives were achieved. Radical changes were introduced at legislative and operational levels.

The Law on Higher Education adopted in December 2004 and the Law on General Education adopted in April 2005 both facilitated the process of the implementation of some of the key project initiatives such as the introduction of national unified admissions examinations, introduction of new curriculum at schools, introduction of teachers' standards, etc.

Also, the conventional approach of school management and funding has been entirely altered. The new funding schema developed within the Project has been put into effect by the Government and its operation guaranteed by the Law. Decentralization of management and equipping schools with autonomy have been instrumental in implementing all project activities.

Because the reforms were so comprehensive and wide-ranging, the MoES ensured that the activities implemented within the framework of the Project were regularly coordinated with other initiatives implemented through other agencies, particularly with Georgia Education Decentralization and Accreditation – a USAID funded project.

The work of the Project Coordination Unit (PCU) was very effective. PCU staff was composed of professionals who coordinated their work within various units and with the MoES. At the later stage of the implementation, in 2005 and 2006 the three groups within PCU working on the teacher professional development, examination and assessment and curriculum were established as separate agencies under the MoES.

Performance of the Bank

The Bank has been very effective during the implementation of the project, namely in the identification of the needs before launching the Project, designing appropriate responses to those needs, providing thorough supervision to the implementation of project activities.

The Project was designed to respond not only to the needs identified by the Bank, but also to the general priorities of the Government of Georgia. While designing the implementation plan the capacity of the Government, technical needs and necessities were taken into account. The organizational structure of the project was designed to ensure efficient and effective institutional arrangements for the administration of project activities, as well as to ensure effective coordination with government, community institutions, and the donor community.

In terms of supervising the implementation the Bank's performance was effective as well. The financial and human resources allocated to this were sufficient to carry out effective supervision and monitoring. Aide memoirs were regularly prepared by the task team and the team communicated any new information with the PCU as well as the MoES.

Future Operation of the Project

The second phase of the Project is composed of two components: improving the pedagogical environment and improving physical learning environment. The first component consists of two sub-components: National Curriculum and Student Assessment System Development and Professional Development of Teachers. The agencies directly responsible for implementing these will be National Curriculum and Assessment Center (NCAC) and Teacher Professional Development Center (TPDC) respectively. The Project will support building the capacity of the staff of these agencies, as well as support in the implementation of regular activities.

The objective of the second component is improving physical learning environment, especially at schools in emergency conditions and help the Government make sure that no children are studying at schools that are considered unsafe and that school maintenance system is in place. In cooperation with the Municipal Development Fund the construction of eight new schools is also underway within the framework of the second phase of the project.

Final Remarks

The scope and pace of education reforms launched within the Education System Realignment and Strengthening Program by the Ministry of Education and Science of Georgia have been unprecedented and ambitious. Financial and technical help and expertise of the World Banks together with other international donor organizations support of the education stakeholders around the country and the commitment of the reform team at the MoES, as well as politically highly favourable situation in the country made it possible for the majority of the reform efforts to turn out successful. However there are indications that some components of the project did not fully achieve objectives and further actions need to be taken to achieve them.

The Development Objective of the second phase of the project, currently ongoing, is to increase the quality and efficiency of primary and secondary education in Georgia through the implementation of the institutional and policy framework developed under APL 1. The project is divided into two components: improving pedagogical environment and improving physical environment at schools.

Annex 8. List of Supporting Documents

Project-related documents:

- National Examination reports (2003, 2004)
- National Exam report 2005
- Quarterly Project Progress reports by MoES
- Evaluation of School Grant Program – Final Report
- School Grant Program Phase 2 report
- Evaluation of the Ilia Chavchavadze Program in Reforming and Strengthening Georgia’s Schools, PADECO, August 2007
- Reports on the implementation of the Unified National University Entrance Examinations (2005 & 2006)
- Education Policy Note prepared by the independent consultant Mr. Martin Godfrey

World Bank documentation:

- Project Appraisal Document on a Proposed Adaptable Program Credit in the Amount of SDR 19.9 million (US\$ 25.9 million equivalent) to Georgia for an Education System Realignment and Strengthening Program,” February 22, 2001, Report No. 20952-GE.
- Development Credit Agreement (dated April 17, 2001)
- Amendment to the Development Credit Agreement (dated September 27, 2005)
- Letter agreeing revised Results Framework, addressed to His Excellency Temur Samadashvili from Roy Southworth (dated January 31, 2008).
- Georgia Poverty Assessment, Report No. 4440-GE, June 2008
- Implementation Status Results and Report (16 reports prepared from June 2001 through the project’s completion).
- Aide Memoires following World Bank missions.

