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RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
THE EDUCATION MODERNIZATION PROJECT  
TO THE  
REPUBLIC OF TAJIKISTAN

February 20, 2011

***Tajikistan Education Modernization Project and Additional Financing  
Restructuring Paper***

**Reallocation of Proceeds**

1. Proceeds for *Tajikistan, Education Modernization PROJECT, (Credit No. 3759/Grant No. H037), P069055* will be reallocated as follow:

Category of Expenditure	Amount of the Credit Allocated (Expressed in SDR equivalent)		Amount of the Grant Allocated (Expressed in SDR equivalent)		% of Expenditures to be Financed	
	Current	Revised	Current	Revised	Current	Revised
<b>(1) Works</b>						
(a) For new schools under Part C of the project	600,000	870,000			70%	70%
(b) For Parts A 1(b) and 2(b) of the project			1,800,00	1,880,000		
(c) For other parts of the project	2,150,000	1,950,000				
<b>(2) Goods</b>	5,600,000	6,200,000	350,000	420,000	100%	100%
<b>(3) Consultants' services including audit</b>			1,250,000	1,700,000	100%	100%
<b>(4) Project Grants under Parts A.1 (a) and A.2(a) of the Project</b>			900,000	945,000	100%	100%
<b>(5) Training</b>			700,000	255,000	100%	100%
<b>(6) Incremental Operating Costs</b>	350,000	480,000			100%	100%
<b>(7) Unallocated</b>	800,000	0.00	200,000	0.00		
<b>Total</b>	<b>9,500,000</b>	<b>9,500,000</b>	<b>5,200,000</b>	<b>5,200,000</b>		

2. The Project is performing satisfactorily and its development objectives have already been almost entirely met through the successful completion of all components except for one—publishing of new textbooks. Implementation progress of the Project has been satisfactory. The Project has already contributed to a substantial increase in community and local school participation in decision making and promotion of education. During a beneficiary survey taken in June 2009, many parents, principals, and

teachers confirmed the complementarities between the school grants and other interventions aimed at making improvements in schools. In addition to the linked approach, responding to immediate, high priority issues such as textbook distribution and school rehabilitation have been essential to the Projects' success so far.

3. The project has supported modernization of the curriculum for primary grades, development and trial of the new textbooks and teachers guide based on the modernized curriculum. These activities are completed. However, planned publishing of the developed new textbooks and teachers' guide based on new curriculum is suspended due to move to the new system of education envisaging 1 year expansion of primary, basic and full general education from 4 to 5, from 9 to 10 and from 11 to 12 years accordingly (adopted by the Parliament in May 2010). The Ministry of Education (MOE) plans to revise newly developed textbooks accordingly and publish them in 2013.

4. The proposed reallocation is for the proceeds from the original Credit/Grant [this excludes the proceeds from the Additional Financing of US\$2 million equivalent approved on May 25, 2010]. The reallocation is necessary to accommodate project savings occurred due to XDR-USD exchange rate variation and reflect more accurate funding needs by category. The requested reallocation does not involve any changes to the Project's Development Objective or associated outcome targets.

5. It bears mentioning that the revised Financing Plan and Disbursement Estimates in the Data Sheet include proceeds from the Additional Financing.