

Ministry of Education, Science, Culture and Sports of Georgia

Georgia Innovation, Inclusion and Quality Project (I2Q)

PROGRESS REPORT

For the period of January-June, 2020

Submitted by:
Project Management Unit

Date of Submission: July 10, 2020

Project Information Sheet

Project Title: Georgia Innovation, Inclusion and Quality Project (I2Q)

Project Number: Ministerial Decree 338

For: The World Bank Group

Project Duration: March 5, 2020- March 5, 2026

ABBREVIATIONS AND ACRONYMS

ASA	Analytical and Advisory Services	M&E	Monitoring and Evaluation
CIF	Competitive Innovation Fund	MELQO	Measuring Early Learning Quality and Outcomes
CIS	Commonwealth Independent States	MESCS	Ministry of Education, Science, Culture and Sport
CPF	Country Partnership Framework	MICs	Middle-Income Countries
DCFTA	The Deep and Comprehensive Free Trade Agreement	MRDI	Ministry of Regional Development and Infrastructure
DFID	Department for International Development	NAEC	National Assessment and Examination Center
DPO	Development Policy Operation	NCEQE	National Center for Education Quality Enhancement
ECA	Europe and Central Asia	NGOs	Non-Governmental Organizations
ECEC	Early Childhood Education and Care	OECD	Organization for Economic Co-operation and Development
EMIS	Education Management Information System (EMIS)	PAD	Project Appraisal Document
EOIs	Expressions of Interest	PDO	Project Development Objective
ESIDA	Education and Science Infrastructure Development Agency	PIRLS	Progress in International Reading Literacy Study
ESMF	Environment and Social Management Framework	PISA	Programme for International Student Assessment
ESMP	Environment and Social Management Plan	PMU	Project Management Unit (under MESCS)
EU	European Union	PMT	Project Management Team (under MDF)
FM	Financial Management	PIE	Project Implementing Entity (MDF)
GDP	Gross Domestic Product	PPAs	Power Purchase Agreements
GEL	Georgian Lari	PPSD	Project Procurement Strategy for Development
GITA	Georgia Information and Technology Agency	PPPs	Public-Private Partnerships
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	SCD	Systematic Country Diagnostic
GoG	Government of Georgia	SOEs	State-Owned Enterprises
GRM	Grievance Redress Mechanism	SORT	Systematic Operations Risk-rating Tool
GRS	Grievance Redress System	SRP	School Readiness Program
HCP	Human Capital Project	STEP	Systemic Tracking
HES	Higher Education System	STEAM	Science, Technology, Engineering, Arts, and Mathematics
IBRD	International Bank for Reconstruction and Development	STI	Science, Technology and Innovation

ICT	Information and Communication Technology	TIMSS	Trends in International Mathematics and Science Study
IDA	International Development Association	TOR	Terms of Reference
IMF	International Monetary Fund	TPDC	Teacher Professional Development Center
IFR	International Financial Reporting	TTL	Task Team Leader
IPF	Investment Project Financing	UNICEF	United Nations International Children's Emergency Fund
IRR	Internal Rate of Return	USAID	United States Agency for International Development
LMIS	Labor Market Information System	USD	United States Dollar
MCC	Millennium Challenge Corporation	VET	Vocational Education and Training
MDF	Municipal Development Fund of Georgia	WBG	World Bank Group

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Section I: Introduction

The Government of Georgia has signed the Loan Agreement for financing the implementation of Innovation, Inclusion and Quality Project (I2Q Project) from the World Bank. The Project development objectives are to (i) expand access to preschool education; and (ii) improve the quality of education and the learning environments and enhance relevance of higher education programs. The loan amount is 90 mil Euros with two major categories:

Loan agreement N8955, Section III, Withdrawal of Loan Proceeds

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works, Goods, non-consulting services, consulting services, Operating Costs and Training for the Project except for Parts 1(c), Part 2(a) and Part 5 (a) for the Project	29,775,000	80%
(2) Works, Goods, non-consulting services, consulting services, Operating Costs and Training under Part 1(c), Part 2(a) and Part 5(a) for the Project	60,000,000	80%
(3) Front-end Fee	225,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	90,000,000	

According to the Project Appraisal Document, loan will be dedicated to the 1) the improvement of the quality of and access to early childhood education and care; 2) fostering quality teaching and learning in general education; 3) strengthening financing options and promoting internationalization in higher education 4) system strengthening and stakeholder communication and 5) Project Management, Monitoring and Evaluation.

Table below represents proposed project financing:

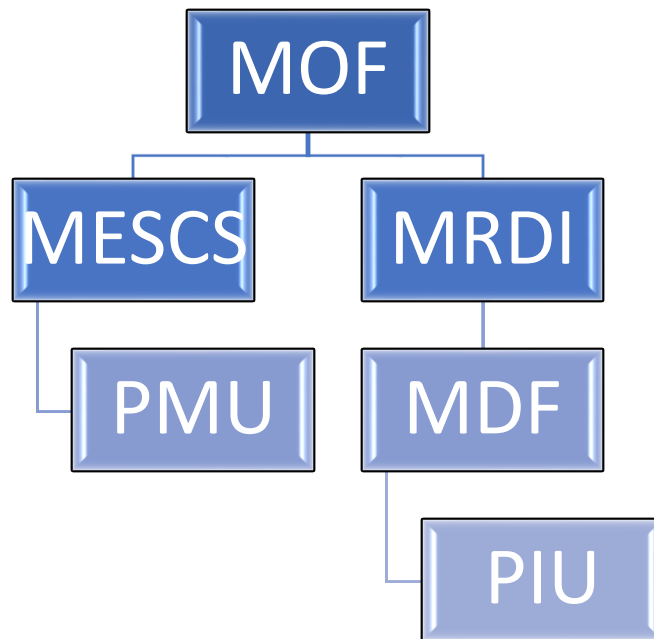
Project Components	Project Cost (US\$)	IBRD Financing	Percent Financing
1. Improving Quality of and Access to Early Childhood Education and Care (ECEC)	16,950,000	16,950,000	100.0
2. Fostering Quality Teaching and Learning in General Education	53,400,000	53,400,000	100.0
3. Strengthening Financing Options and Accreditation in Higher Education	7,500,000	7,500,000	100.0
4. Boosting Behavioral Change towards Quality and Innovation in Learning and Teaching	7,000,000	7,000,000	100.0
5. Supporting Project Management, Monitoring, and Evaluations	1,000,000	1,000,000	100.0
Total Costs	85,850,000	85,850,000	100.0
Total Project Costs			100.0
Front-End Fees			0.0
Total Financing Required			100.0

Important Project dates:

- The Loan agreement was signed in June 18, 2019
- Project was ratified by Parliament in October 16, 2019
- Loan became effective in November 27, 2019
- Official project launch event was held on March 5, 2020
- Project implementation period: 2020-2026

The I2Q Project will be implemented over a six-year period by the Ministry of Education, Science, Culture and Sport of Georgia (MESCS) and its subordinate government agencies and by the Municipal Development Fund of Georgia (MDF). Both entities will form project management units with the dedicated and professional team.

Project Implementation structure:



Key sectoral developments relevant to the project

Ongoing reform initiatives

MESCS implements the whole school improvement approach through piloting “new school model” program which aims at establishing a student-oriented educational environment at general education institutions that will enable students to realize their potential. Implementation of this mission requires adaptation of student-oriented educational vision to general education management mechanisms, formation of positive school culture and development of school-based curriculum. The goal of the program is to develop positive school environment in all schools of Georgia, improve the quality of teaching and learning. MESCS already piloted the program in 165 schools across the country.

I2Q project focuses on quality and inclusiveness of general education in Georgia and supports GoG’s initiative to implement whole school improvement approach in order to strengthen and modernize teaching and learning practices. After the evaluation of the pilot envisaged on the initial stage of the Innovation, Inclusion and Quality project (I2Q) project and in accordance with evaluation results MESCS shall plan further development of the program and gradual engagement of all schools in Georgia.

MESCS through National Assessment and Examination Center is developing the new concept of national assessment framework as part of the Innovation, Inclusion and Quality project (I2Q). Revised assessment system shall aim at implementing census-based and diagnostic e-assessment for the general education institutions of Georgia. Diagnoses of students’ achievements towards the national curriculum in literacy and numeracy together with other relevant data collected from teachers, parents, corresponding schools and educational authorities shall be used for school

support and development, enhancing the quality of teaching and learning as well as supporting data-driven decision-making processes on individual, classroom, school and national level.

MESCS continues to have a dialogue with all the actors involved in the early childhood education to ensure that legal obligations are met by various state institutions all of which support development of healthy and safe environment at pre-school institutions and works towards enhancing the quality of preschool education.

MESCS facilitates the continuous discussion with the higher education institutions regarding new initiative of modernizing and reforming financing model of HEIs. Enhancing the quality of higher education instructions through internationalization in certain disciplines is the basis for this reform which is supported by appropriate project component.

Influence of COVID-19 on Education reform

COVID-19 pandemic situation prevented the normal operation of all state institutions across the country causing delays in implementation of their reform agendas. MESCS according to the GoG's special instructions operational during quarantine moved to remote working mode that in turn caused material changes in the operational arrangements. For health and safety purposes, Government of Georgia closed schools, TVET and higher education institutions for the spring semester and offered alternative ways of teaching and learning. Distance education requires specific readiness in terms of technical equipment as well as ICT skills, resources, environmental conditions for both learner and the teacher (such as working conditions at home, work station, etc). MESCS moved to online learning by offering Microsoft Teams and other resources for schools. Considering existed challenges such as limited access to internet, computers, poor ICT skills of teachers as well as students, limited online resources, MESCS started special education project on public media named "Teleschool" which offers all subjects to all graders envisaged by national curriculum. Although this format allows for increased access for learners, it does not ensure all students' involvement, does not provide feedback, cannot track and monitor student progress, is limited in terms of teacher-student interaction which is essential for knowledge construction.

Later, in June 2020, due to Covid-19 pandemic GoG initiated the state budget reduction process that was approved by the parliament of Georgia in June 29th. As a result the state budget for 2020 has been reduced by GEL 547 ml (GEL 199.5 ml operational and GEL 347.5 ml capital expenditures). MESCS's budget has been reduced by GEL 127.7 ml).

Project implementation context

I2Q project became effective on November 27, 2019. After its effectiveness, MESCS started forming the Project Management Unit (PMU) as defined in the Loan agreement N8955. MESCS recruited Project Manager, Procurement Specialist and Finance Specialist. In February 2020 changes in Ministry's leadership took place. Subsequently, since March, 2020 the project has new coordinator, Deputy Minister in charge of pre-school and general education.

Shortly, Spread of Covid-19 affected the whole world including Georgia. GoG was obliged to announce the state of emergency in the country which was followed by strict restrictions and lock down rules. The focus of attention shifted towards health and safety, causing delays in many areas, including I2Q project. Project staff recruitment process was estopped which in turn hindered start-up and all planned project activities. PMU plans modification of the project activities, timeline and budgetary arrangements, including initiating request for changing budget allocation percentages fixed in loan agreement.

General project progress made and key issues

Approving project by Ministerial decree

The loan agreement #8955 identifies MESCS as the Implementing entity, therefore, it was critical to identify legal framework of PMU operation. Series of discussions were held with the MESCS legal department and was agreed to approve I2Q program (goals and operation principals) by Ministerial decree.

Based on the PAD and POM, PMU developed program that was reviewed by all relevant departments within the Ministry and approved by ministerial decree # 338 on March 9th. (program number #3213). Later, the program was reviewed and approved in April 4, 2020 (Minister order # 340717). The program incorporates following areas:

- Program description
- Program goals
- Program implementation strategy
- Program beneficiaries
- Program outcomes
- Program budget
- Program outcome indicators
- Risks and mitigation strategies
- Section II:
 - o Scope of Works
 - o Rules for selection of project consultants

Project launch workshop

Official project launch event was held on March 5th, 2020 at the Ceremonial Palace of Georgia. More than 100 people attended the event. Minister of Education, Science, Culture and Sports of Georgia Mr. Mikheil Chkhenkeli and Regional Director for South Caucasus Mr Sebastian Mollineus opened event and welcomed honorable guests. Mr. Harry Anthony Patrinos, gave the presentation regarding Global Challenges and Policy Responses in education followed by Ms. Nino Udzilauri's presentation regarding project content and implementation stages (see Annex I: project launch event agenda).



On March 4th and 6th high level World Bank delegation meetings were held at the MESCS. Donor coordination meeting was organized at the Ministry which was chaired by the Minister and co-chaired by World Bank regional director for the South Caucasus. The World Bank representatives delivered project presentation to the donors and discussed potential ways of collaboration (see annex II: agenda for the WB mission).

Agreeing and Approving Procurement Plan

Procurement plan (PP) has been developed and agreed with the first deputy Minister after multiple discussions with the relevant Ministry department and its agencies. Priority areas were identified and logical sequence of the project was defined. Procurement plan is built on the idea where all interventions are based on the analytical works or studies. Initial procurements were identified for all project components, such as: Component 1: Assessment of existed pre-school services: access, quality and needs; Component 2: Evaluation of ongoing pilot of whole-school improvement approach; Component 3: Development of the new options for higher education financing; Component 4: Diagnostic assessment of EMIS and other educational databases. Therefore, the first year of the project was recognized as crucial for shaping future activities. Agreed PP was sent to the World Bank via STEP for no objection in January 2020 and the World Bank issued its no objection in February 2020.

Section II: Project progress by project components

Component 1 – Improving Quality of and Access to Early Childhood Education and Care

Within the component 1, priority areas were defined jointly with the Ministry which will ensure logical implementation of the Early Childhood Education related activity and achievement of results. All above mentioned priority areas are derived from the Law of Georgia on Early and Preschool Education; Specifically:

Chapter II. Powers/Obligations of State Authorities and Municipalities in the Field of Early and Preschool Education

Article 7. Powers/Obligations of the Government of Georgia in the Field of Early and Preschool Education

- Ensure the universal availability of early and preschool education programs, including the school readiness program, within the scopes of the legal regulation of the rights of children and their parents and/or legal representatives;
- Establish rules for the authorization of Institutions;
- Approve the rules for maintenance of a register of institutions by municipalities, as well as a list of data and indications to be included in such registers, based on the recommendations of the Ministry of Education and Science of Georgia, the Ministry of Labor, Health and Social Affairs of Georgia, the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Agriculture of Georgia;

Article 8. Powers/Obligations of the Ministry of Education and Science of Georgia in the Field of Preschool Education

- Develop a monitoring system, carry out monitoring and evaluation activities and prepare respective recommendations in order to introduce, develop and improve preschool education and care standards at Public Institutions;
- Elaborate a list of education resources and prepare methodological resources based on the principles of inclusive education and ensures access of municipalities to these resources;

Chapter VIII. The Final and Transitional Clauses

Article 28. Transitional Clauses

- Before October 1, 2017, the Government of Georgia shall adopt a normative act setting the limits for the basic remuneration of caregiver-pedagogues;

Initial meeting was initiated by the MESCS, where main actors participated who are involved in implementation of the early childhood education under the project. Mainly: Representatives from the MRDI, MOF, ESIDA, Pre-school Management Agency of Tbilisi. Participants of the meeting discussed existing urgent issues concerning early childhood education and were informed about the new WB supported I2Q project which will serve as a platform for collaboration and cooperation to ensure that obligations and timeline of the relevant legislation approved by the parliament are met.

PMU intends to work with all the stakeholders having primary duties defined in the Law of

Georgia on Early and Preschool Education; those are: Government of Georgia, MESCS, Municipalities/local Government, MOH, NFA, National Statistics Office Of Georgia and Educational Institutions/Kindergartens.

Component 2 – Fostering Quality Teaching and Learning in General Education

PMU held orientation meetings and delivered I2Q targeted project presentations to the relevant structural units and agencies of MESCS who are expected to take part during the project implementation. Namely, project presentation was delivered to:

- MESCS Strategic department
- MESCS early childhood and general education development department
- MESCS Public relations department
- National Assessment and Examination Center
- Education Management Information System

PMU will continue working with relevant stakeholders and partners of the project to ensure that project is well aligned with the ongoing general education reform agenda aiming at improving the quality and access to general education. All relevant agencies and departments within the MESCS are expected to contribute to the design of project activities. In addition PMU will collaborate with other donors to ensure that various investments are well coordinated and complement each other.

Sub-Component 2.1 Improving the educational infrastructure to support learning School selection criteria

This sub-component will support the construction of 5 to 8 new model buildings as well as support the full rehabilitation of up to 60 selected public general education schools¹ using the revised standards and design blueprints developed by the MESCS as part of sub-component 2.2. This will also encompass best practice OECD-EU climate, environment and energy efficient standards. This activity will be supported by supervision services for construction and rehabilitation as well as trainings for school personnel on school maintenance based on new standards. Selection of rehabilitation schools is MESCS's responsibility. Therefore, objective criteria were identified for school selection. Following steps were undertaken:

- 1) MESCS working group was established which consisted from the representatives of: ESIDA, MESCS General education development department, EMIS, I2Q PMU.
- 2) School selection criteria were identified.

¹ Per school rehabilitation cost is estimated at USD 600,000 assuming avg school size of 428 students, per square meter cost of USD 191 and space allocation / child of 15 square meter based on MCC estimates thus estimating 52,000 beneficiaries over 2 years. The MCA program invested USD 57million in the full rehabilitation of 91 schools affecting 39,000 beneficiaries.

- 3) Based on its importance, each criterion was given the weight. (i.e. Most important criteria such as school infrastructure condition and number of students were given the biggest weight).
- 4) The list of criteria was sent to the Bank for No Objection. (see annex III- school selection criteria)
- 5) After receiving no objection from the Bank, the schools were selected and weighted based on the criteria (236 schools qualified for the school rehab).
- 6) Taking account that it is envisioned to rehabilitate up to 60 schools within the project, geographical equity was considered as the next step for determining the actual list;
- 7) For each region, number of schools were identified based on equal geographical distribution.
- 8) Considering geographical distribution, most highly weighted schools were selected.
- 9) Each selected school (+some reserve schools, which were next in line based on the weights and geography) were checked by ESIDA engineers to see if Facility Condition Index which measures school infrastructure condition corresponded reality. 13 schools from the original list were substituted by reserve schools either because they were recently renovated by municipalities or school has to be demolished because of the severe foundation issues. Brief descriptions provided by ESIDA engineers is included in the list (column F).
- 10) As a result, shared list includes 57 schools (160 reserve school list has been prepared as well in case replacement will be needed. Those schools need to be checked by ESIDA engineers). Based on the geographical equity, 2 schools will be rehabilitated in Racha-Lechkumi Kvemo Svaneti region, although because of the particular selection criteria (number of students above 169) none of the schools qualified. Ministry will discuss this issue further and decide how to approach this issue. Options might be either to request form the Bank no objection for this particular region to include them in the rehab list. This approach will require amendment of one criteria by allowing Racha Lechkumi Kvemo Svaneti region to have less students or propose alternative 2 schools in different region. One school belongs to the Adchara region, but prior including in the list, infrastructure condition should be checked by engineers.
- 11) The list was shared with the MDF. MDF reviewed the list and provided their feedback about on each listed school. In some schools MDF already rehabilitated toilets or plans to rehabilitate. In some cases, MDF already announced tender for rehab works.

Proposed next steps:

As a next step PMU plans to organize working meetings with MDF and ESIDA representatives to finalize the list and afterwards share with the Bank for No objection.

Subcomponent 2.4 Development of a National Assessment Framework

MESCS through National Assessment and Examination Center carries out the project - Assessment for Development - as part of the Innovation, Inclusion and Quality project (I2Q). NAEC fulfills subcomponent 2.4 Assisting the development of a national assessment framework, namely by developing a National Assessment Framework.

This sub-component will include updating the national assessment framework and methodology, particularly aimed at the development and effective use of formative continuous assessments. Diagnoses of students' achievements towards the national curriculum in literacy and numeracy together with other relevant data collected from teachers, parents, corresponding schools and educational authorities shall be used for school support and development, enhancing the quality

of teaching and learning as well as supporting data-driven decision-making processes on individual, classroom, school and national level.

It is an attempt to administer the assessments electronically using the digital platform. Thus, the project actions shall include development of e-assessment system.

In 2019 NAEC draft framework and corresponding e-tests in literacy and numeracy for 4th and 6th graders. Two pilot phases has been planned for 2020 in order to try-out the content of the tests, to develop the technical platform and business processes for the e-assessment.

The first pilot took place in February, 2020. The items were created and assembled in the tests:

- 5 tests for the numeracy in the 6th grade. Each test comprised 20 items. The items were developed based on the national curriculum of the 6th grade math;
- 4 tests were developed for the 4th grade numeracy, with 25 items each. The items were developed based on the national curriculum of the 4th grade math;
- 10 texts (with 14 items in each text) were developed to test literacy skills in the 4th grade.
- 10 texts were developed to assess 6th grade literacy skills, each text included 8-9 items to assess reading and writing skills for the 6th grade, as defined by the national curriculum of Georgian language and literature.

Project team at NAEC analyzed existing test authoring and delivery platforms. TAO testing open software was identified as potential option. TAO was installed on the local EMIS servers and set to host up to 6 000 students. The tests were constructed and published on TAO platform. 6 000 students from 59 schools registered and participated in the pilot in order to try-out the items and TAO authoring and delivery platform. Students' responses were analyzed by the psychometricians. At the moment, the items are edited based on the psychometric analysis, and set of the tests will be assembled for the second phase of the pilot.

The second pilot is planned to involve 200 public schools of Georgia. After the pilot, the study will be organized to explore how the e-reporting module meets school community requirements. Further development of e-reporting and human scoring module, as well as development of TAO open source, will be planned based on the pilot analysis and the study with the school community. Also, business processes and assessment framework will be finalized.

NAEC conducted analysis of available platforms and consulted with multiple countries who have experience in administering national assessments electronically. Based on research and multiple consultations, NAEC decided to use open source e-assessment platform – TaoTesting. Tao platform enables to create traditional and technology-enhanced items (TEIs) and ensures complete content interoperability. It offers: item authoring, test creation, scheduling and delivering tests online on a nation-wide scale, managing test-takers and user access, collecting and saving students responses, automatically grading candidates' responses (closed questions) and exporting the data for further use. TaoTesting platform has been used by international

assessment program PISA, as well as for the national assessments in France, Italy, Denmark, Brazil, Portugal, Lithuania and other countries.

There are several arguments why TAO platform was chosen: a) it is free source and can be installed and used without any charges; b) It is the only computer-based assessment software built as an open source and with open standards. It gives opportunity to customize and develop the soft in line with the project needs and assessment objectives; c) TAO is built using Question and Test Interoperability (QTI) standards. QTI represents assessment content and results in such a format that can be easily exchanged between authoring and delivery systems, repositories or learning management systems. It enables to migrate the data from TAO to any other platform as needed by the project; d) TAO platform is already in use by the ministries of education in different countries. NAEC is the member of an international community, to discuss and share challenges and success stories with community members, and further develop the project and its expertise in e-assessment. As a community member NAEC has opportunity to contribute to the TAO open source development by composing extensions for the platform (e.g. portable computer interaction for the development of different interactive technology-enhanced items, reporting features for the platform, offline version for test delivery and etc.). NAEC can work on certain extensions in cooperation with other countries, thus sharing the budget for the development, or exchange already developed extensions free of charge.

Therefore, PMU is working on procuring consulting services from OAT which envisions capacity building of NAEC staff in administering TAO platform. Contract negotiation process is ongoing during this reporting period.

Component 3 – Strengthening Financing Options and Promoting Internationalization in Higher Education

With respect to Component 3, higher education financing reform is considered as the top priority for the MESCS. It is important to highlight that changing the funding formula shall affect the united national examination format and content. Higher education component lead shall design comprehensive ToR for the consultant services and agreed with the Bank.

Component 4 – System Strengthening and Stakeholder Communication

The objective of this sub-component is to improve the capacity of the overall education system to collect, analyze, and disseminate data and information for monitoring and decision-making purposes and interventions, including among others, gender disaggregate information. This component will support a diagnostic of the current EMIS system and data needs in Georgia to identify areas of further system development and upgrading. Based on the diagnostic assessment of the existing EMIS database, this sub-component would support the development of a data integration policy, strategy and action plan from preschool to higher education. EMIS diagnostic assessment is planned in 2020. Since ICT/data integration manager shall take a lead in developing ToR for EMIS diagnostic assessment.

Component 5 – Supporting Project Management, Monitoring, and Evaluations

Procurements

- Requests for Expression of Interests were announced and evaluation reports were prepared in order to hire the following Individual Consultants:
 1. Executive Director
 2. General Education Component Lead
 3. Higher Education Component Lead
 4. Early Childhood Education and Care’s Component Lead
 5. Administrative Manger
 6. ICT/Data Integration Manager
 7. Consultant for Distance Education
 8. Procurement Specialist
 9. Disbarment/Accountant Specialist

As a result, the following Contracts were signed:

1. Executive Director
2. Higher Education Component Lead
3. Early Childhood Education and Care’s Component Lead
4. Administrative Manger
5. ICT/Data Integration Manager
6. Consultant for Distance Education

The remaining Contracts will be signed in July of 2020.

- Contract Negotiations conducted with the Consultant - OAT for “Delivery of TAO Administrative and Technical Training to Support the National Assessment and Examination Center (NAEC) with the Project Implementation”.

Next steps:

Once executive director and component leads are on board, PMU shall work on the revision of procurement plan which will be send to the Bank for the No objection. Procurement plan will reflect the timeline as well as priority areas in ongoing education reform.

Project finances

The financial and administrative support for the Project as well as procurement management under the Project in accordance with the Loan Agreement and the World Bank (IBRD) rules and procedures is performed by the Project Management Unit under MESCS. The PMU maintains the Project financial management system in line with the World Bank requirements, performs disbursement of the loan proceeds and counterpart funds. For successful implementation of the Project preparatory work has been carried out by PMU with coordination of Economic Department of MESCS.

Following work has been conducted to establish project financial transactions are in alignment with WB rules and regulations:

- Designated Account for the Project was established as well an Account in Local currency for co-financing funds;
- The functions and the rights of access for the users of e-treasury system were written and sent to Treasury, Authorized persons were approved by the State Treasury;
- Close communication with Management of Economics Department of MESCS. Several meetings were held, where financial management issues of the project were discussed;
- Project Budget for the year 2020 was prepared;
- A letter was sent to the Ministry of Finance of Georgia requesting the registration of Authorized Signatories of loan funds;
- Authorized Persons were registered in the Client Connection electronic system;
- In March 11, 2020 I2Q project received the first Advance on Designated Account amounting to EUR100,000 as well GEL65,000 co-financing for the Project implementation;
- In June 16, 2020 project received EUR215,000 on Designated Account, balance on account is EUR277,513.08.

Commitments and Disbursement Projections (from the approved Procurement Plan) (in EUR)

Category	Allocated amount	Signed contracts	Disbursed amount (IBRD)	Disbursed amount (Co-Financing)	Committed signed balance	Uncommitted contracts to be signed
Works, Goods, Non-Consulting Services, Consulting Services, Operating Costs and Training except 1c,2a,5a for the Project	29,775,000.00	339,743.09	50,351.12	12,587.78	276,804.19	285,200.00

Next steps:

As a next steps PMU plans to:

- Proceed and speed up with the procurement related to ongoing project activities which are in line with the MESCS reform agenda including but not limited to finalizing the rehab school list, staffing process and logistical issues, developing selection criteria for schools which should be constructed by MDF
- Meanwhile identify critical activities for each component and sub-component for the project lifetime and develop 2 year detailed work plan with outcomes, performance indicators and the timeline. Detailed 2 year workplan will be developed by September 2020. Based on the detailed workplan, procurement plan and budget will be revised and agreed with the Bank;
- Map out main partners and stakeholders of the project and establish relevant thematic working groups for their engagement
- Establish project steering committee for better coordination of project activities

Monitoring and evaluation and Gender and Inclusion

Monitoring and evaluation plan as well as such cross cutting themes such as Gender and Inclusion will be submitted to the WB during next reporting period.

Section III: Results Framework

Results framework of the I2Q project will be reviewed and submitted to the WB in September 2020.

Annexes:

Annex I Georgia Innovation, Inclusion and Quality Project (I2Q) Project Launch Conference Agenda

Georgia Innovation, Inclusion and Quality Project (I2Q)
Project Launch Conference
Ceremonial Palace of Georgia
Address: 1 Malkhaz Abdushelishvili St, Tbilisi
March 5, 2020

12:00- 12:30	Welcome coffee
12:30- 13:00	Opening remarks <ul style="list-style-type: none">• Mr. Mikheil Chkhenkeli, Minister of Education, Science, Culture and Sports of Georgia• Mr. Giorgi Shengelia, Director of Municipal Development Fund of Georgia• Mr. Sebastian Molineus, Regional Director for the South Caucasus
13:00-13:40	Global Challenges and Policy Responses Mr. Harry Anthony Patrinos , Education Global Practice Manager, World Bank
13:40-14:00	Q&A
14:00 -14:30	Presentation of Georgia Innovation, Inclusion and Quality Project Ms. Nino Udzilauri , PMU project director
14:30- 14:45	Q&A
14:45 -15:30	Lunch
15:30- 16:30	Panel Discussion: Main Highlights of Education Reform in Georgia from Preschool to Higher Education and Role of I2Q Project Discussants: Deputy Ministers of Education, Science, Sports and Culture: Ekaterine Dgebuadze, Nunu Mitskevich; Deputy Director of Municipal Development Fund of Georgia, Nutsa Datuashvili; The World Bank representative: Soren Nellesmann; UNICEF representative: Mako Kuparadze Facilitator: Manana Kavtaradze
16:30 -16:45	Q&A
16:45- 17:45	Fiduciary Panel: Environmental and Social Safeguards, Financial Management and Procurement in The World Bank Supported Project; The World Bank Team
17:45-18:00	Q&A / Closing Remarks

Annex II I2Q project Implementation Support Mission

Georgia Innovation, Inclusion and Quality Project (I2Q)

Implementation Support Mission

March 4-6, 2020

Wednesday, March 4

- 10:00-11:00 am** Meeting with the World Bank Regional Director for South Caucasus, Mr. Sebastian Molineus
Venue: World Bank office Georgia, 5A, Nino Ramishvili Str.
- 13:00- 14:00 pm** Meeting with the Deputy Minister of Education, Science, Culture and Sports, Ms. Ekaterine Dgebuadze, Ms. Tamar Kitiashvili, Ms Nunu Mitskevitch
Venue: Ministry of Education, Science, Culture and Sports (52 Uznadze street)
Room 218 (second floor)
- 14:00 -15:00 pm** Time for Lunch
- 15:00-16:00 pm** Meeting with the Minister of Education, Science, Culture and Sports, Mr. Mikheil Chkhenkeli
Venue: Ministry of Education, Science, Culture and Sports (52 Uznadze street)
Room 218 (second floor)
- 16:30-18:00 pm** Donor coordination meeting led by Minister Mr. Mikheil Chkhenkeli and co-chaired by World Bank
Venue: Ministry of Education, Science, Culture and Sports (52 Uznadze street)
Conference room

Thursday, March 5

- 12:00- 19:00 pm** Project Launch Workshop (separate agenda)
Venue: Ceremonial palace of Georgia
- 19:30- 21:30 pm** Dinner with the Minister Mr. Mikheil Chkhenkeli (hosted by MESCS)
Venue: Kopala

Friday, March 6

- 12:00-13:00 pm** Meeting with the Ministry of Finance, Deputy Minister Mr. Nikoloz Gagua
Venue: Ministry of Finance
- 13:00 -14:00 pm** Time for Lunch
- 15:00- 16:00 pm** Meeting with the Municipal Development Fund (MDF)
Venue: MDF
- 17:00-18:00 pm** Meeting with PMU Director Nino Udzilauri
Venue: World Bank Office

Annex III School Selection Criteria

During revision of the list for the schools that qualify for the complete rehabilitation works, representatives of MESCS General and early childhood education developmental department, as well as staff from ESIDA and EMIS have agreed that in order to establish more context-adjusted evaluation criteria for school selection, current specifications should reflect the following changes:

1. The first criterion is the **ratio of the school size (square meter) to the total number of students**. This criterion gives opportunity to measure how busy the school facility is. According the EU standards, the normal ratio of square meter/student is 15. Since, in Georgia EU standards do not apply at this particular point, we took 30 square meters as a reasonable measure as the first criterion for the school selection.
2. The second criterion is the **total number of students from grade 1 through 12**. School that have less than 170 students are categorized as small (“deficit” schools as referred in the voucher funding); according to the respective regulation. Therefore, only those schools that have more than 169 students will be included in the primary list of schools. Scores from 1 (the lowest) to 5(the highest) will be distributed as reflected in the table below;
3. The third criterion will still represent **technical conditions of school buildings**. MESCS will apply a standardized measure for diagnostics of schools’ technical conditions - the facility condition index (FCI). The FCI is an internationally used measure and is primarily used to support asset management. It provides a benchmark to compare the relative condition of a group of facilities. ESIDA and other agencies that work on school rehabilitation projects in Georgia apply FCI index for diagnostics of school construction conditions. It comprises the evaluation of the following technical parameters:

For the evaluation of schools’ technical condition within the frames of this project, five benchmarks are set for FCI (given that schools that have a score of FCI 0.3 or less require rehabilitation, however are not in urgent need, therefore are given standardized score of 1, whereas those schools that have FCI score of 1.33 – get standardized score of 5, as they need to be urgently rehabilitated). Please, note that some schools in Georgia have FCI score that exceeds 1.33, however, it means that rehabilitation of those schools is not cost-efficient and replacement of the school building is needed. Consequently, those schools that have FCI score higher than 1.33 will not be included even in a primary list for school selection.

4. Fourth criterion according to the current rubric is **the share of vulnerable groups and disadvantaged population**. In order to clarify, how “vulnerable groups” are defined”, MESCS outlines, which five categories are considered in this category: (*Social allowance recipients, IDPs, students with disabilities, students with special educational needs, ethnic minorities*). In order to differentiate among 5 scoring categories (score 1 – the lowest; 5 – the highest), Natural Breaks Classification method has been applied. This classification method seeks to minimize the average deviation from the class mean while maximizing

the deviation from the means of the other groups. The method reduces the variance within classes and maximizes the variance between classes.

- The fifth criterion intended to measure *demographic sustainability*. As these rehabilitated schools are aimed to integrate pre-school services (age5-6 students), it is important to control the amount of potential stakeholders for pre-school institutions. Therefore, fifth component of the rubric reflects *Number of students aged 5-6 by years 2022 and 2023* (assumed dates for the completion of the major part of school rehabilitation works).

Table 11. Selection criteria for rehabilitation of secondary schools

Criteria	Selected Schools' Conditions against the Criteria				
	1 point	2 points	3 points	4 points	5 points
A. Ratio of school size/number of students (Weight 20 percent)	0.70 - 4.89	4.90 - 7.85	7.86 - 11.97	11.98 - 17.06	17.07 - 26.49
B. Target population (Weight 30 percent)	170-299 students	299-506 students	506-853 students	853-1338 students	1338-1951 students
C. Technical Conditions of school buildings measured by FCI (Weight 30 percent total)	0.3-0.34	0.34-0.41	0.41-0.54	0.54-0.78	0.78-1.33
D. Share of vulnerable groups and disadvantaged population (Weight 10 percent)	1 to 5 points are assigned individually to following groups: Number of Internally displaced students; number of students with special needs; number of disability students; number of socially vulnerable students and ethnic minority students). the sum is divided by 5				
E. Assumed number of age 5-6 preschool students by years 2022 – 2023 (Weight 10 percent)	0-39	39-117	117-233	233-414	414-654

All criteria are given logical weights. Weighting measures are following:

- The weight for criteria 1 equals = 20
- The weight for criteria 2 equals = 30
- The weight for criteria 3 equals = 30
- The weight for criteria 4 equals = 10
- The weight for criteria 5 equals = 10

The index ranges from 0 to 100 (100 being the highest priority for rehabilitation) and is calculated in the following way:

$$\text{Index} = 1/5 * (20 * A + 30 * B + 30 * C + 10 * D + 10 * E)$$

Where A, B, C, D and E are the points accumulated in each criterion.

After all qualifying schools are weighted, MESCS will proportionally select most highly weighted schools to have equal proportional selection from all regions. Following steps will be applied:

- 1) Total number of schools are calculated in each region
- 2) Considering that up to 60 schools will be rehabilitated within the project, proportionally most highly weighed schools are selected for each region

The final selection will be confirmed with local authorities to bring on board local knowledge of demographic trends, population movement, distance to school, building structural issues and other concerns only known at local level; Schools which have major foundation/structural problems and if so that is clearly addressed by excluding it or including it. Local demographic trends/enrollment trends will be included as part of the final qualitative review.