Ministry of
Education, Science and Youth of Georgia

Georgia Innovation, Inclusion
and Quality Project (I2Q)

PROGRESS REPORT

For the period of January-June 2026

Submitted by: Project Management Unit

www.iiq.gov.ge

PROJECT INFORMATION SHEET

PROJECT TITLE:	Georgia Innovation, Inclusion and Quality Project (I2Q)
PROJECT NUMBER:	Ministerial Decree #338
FOR:	The World Bank Group

ABBREVIATIONS AND ACRONYMS

CFA	Continuous Formative Assessment	NAEC	National Assessment and Examinations Center
CIF	Competitive Innovation Fund	NCEQE	National Center for Education Quality Enhancement
CoP	Cost of academic programs	PBF	Performance-based Funding
ECEC	Early Childhood Education and Care	PD	Professional Development
ECE	Early Childhood Education	PDO	Project Development Objective
EMIS	Education Management Information System	PMU	Project Management Unit (under MESY)
ESIDA	Education and Science Infrastructure Development Agency	PMT	Project Management Team (under MDF)
FEF	Front end Fee	POM	Project Operation Manual
GE	General Education	QA	Quality Assurance
GoG	Government of Georgia	SDSURF	San Diego State University Research Foundation
HE	Higher Education	REoI	Request for Expression of Interest
MDF	Municipal Development Fund of Georgia	SRP	School Readiness Program
M&E	Monitoring and Evaluation	ToT	Training of Trainers
MESY	Ministry of Education, Science and Youth of Georgia	TPDC	Teachers Professional Development Center
MoF	Ministry of Finance of Georgia	TSU	Tbilisi State University
MoI	Ministry of Infrastructure of Georgia	WB	World Bank
MRD	Ministry of Regional Development of Georgia	WSI	Whole School Improvement

CONTENTS

I. INTRODUCTION

The Government of Georgia has signed the Loan Agreement for financing the implementation of Georgia Innovation, Inclusion and Quality Project – Georgia I2Q (I2Q Project) with the International Bank for Reconstruction and Development (IBRD). 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 million Euros.

The loan will be dedicated to:

1) Improvement of the quality of and access to early childhood education;

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.

II. SUMMARY OF IMPORTANT PROJECT DATES

- The Loan Agreement was signed on June 18, 2019.
- Project was ratified by the Parliament of Georgia on October 16, 2019.
- Loan became effective on November 27, 2019.
- Project implementation original period: November 2019 - March 2026.
- Official project launch event was held on March 5, 2020.
- The Loan Agreement has been restructured twice during the implementation period:

i. The first loan restructuring was necessitated due to the adverse fiscal impact of the COVID-19 pandemic and the significant reduction in the budget of the MESY. Thus, amendment was conducted to accommodate the GoG request to eliminate requirement of 20 percent co-financing (the table in Section III (A) of Schedule 2 to the Loan Agreement);

ii. The second Loan Agreement restructuring was implemented to (a) extend the project closing date by 12 months (from March 31, 2026, to March 31, 2027) in order to allow successful completion of critical project activities and to (b) revise the scope of Component 3 and drop down sub-component 3.4 in line with MESY's request to extend support under sub-component 3.1 for developing the revised core financing modality for higher education institutions, including unit-cost analysis and merit-based scholarship.

- Restructuring of the Results Framework was implemented in parallel to the second Loan Agreement restructuring to reflect the activity adjustments and improve the specificity and relevance of some of the indicators. The adjustments include (a) the technical revisions of one PDO indicator and four IRIs to improve the alignment of indicators with the project activities, (b) the removal of two IRIs due to the modifications of scope, and (c) the addition of two new IRIs.
- The technical restructuring of the project was approved on March 2, 2026. These third restructuring included adjustments to the results framework. Specifically, these adjustments consisted of revision of indicators' end-target dates to reflect the revised project closing date; removal of one IRI, which was no longer attributable to the current project scope; and updates to the Data Source in the M&E Plan for one IRI.
- Targeted program approval by the MESY on March 9, 2020 (Ministerial Decree No. 338). The latest amendment approved on February 20, 2026 (Ministerial Decree No. 197757).
- The full package of Internal Regulations of the Project prepared in late 2020 was approved by the Executive Director of the Project on April 12, 2021.
- The last revision and amendments to POM approved by the WB on January 13, 2026.
- WB Implementation Support Missions - July 6-17, 2020; February 15-19, 2021; September

6-17, 2021; March 21-April 1, 2022; September 26 – October 3, 2022, March 27-31, 2023 (MTR Mission), October 2-6, 2023; April 4-11, 2024; December 16-20, 2024; June 16-20, 2025; October 27-31, 2025; March 31 – April 2, 2026.

<u>Note:</u> Implementation of activities defined in the last Aide Memoire is provided below in respective parts of the report.

- I2Q project Steering Committee established on October 28, 2020 (Ministerial Decree No. 1046328). Current composition of the Steering Committee approved on December 12, 2025 (Ministerial Decree No. 1778434).

  Note: The first official Steering Committee meeting held on December 15, 2020. The second official Steering Committee meeting held on November 26, 2021. The third official Steering Committee meeting held on December 19, 2022. The fourth Steering Committee meeting held on December 27, 2023. The fifth Steering Committee meeting held on December 24, 2024. The sixth (last) Steering Committee meeting held on December 19, 2025.

The I2Q Project is implemented by the following implementing partners – the MESY and the MDF operating under the MoI[1]. The PMU created within the MESY supports implementation of the designated project components, as specified in Legal Agreement. The PMT created within MDF supports implementation of relevant subcomponents under Components 1 and 2 aimed at improving the education infrastructure.

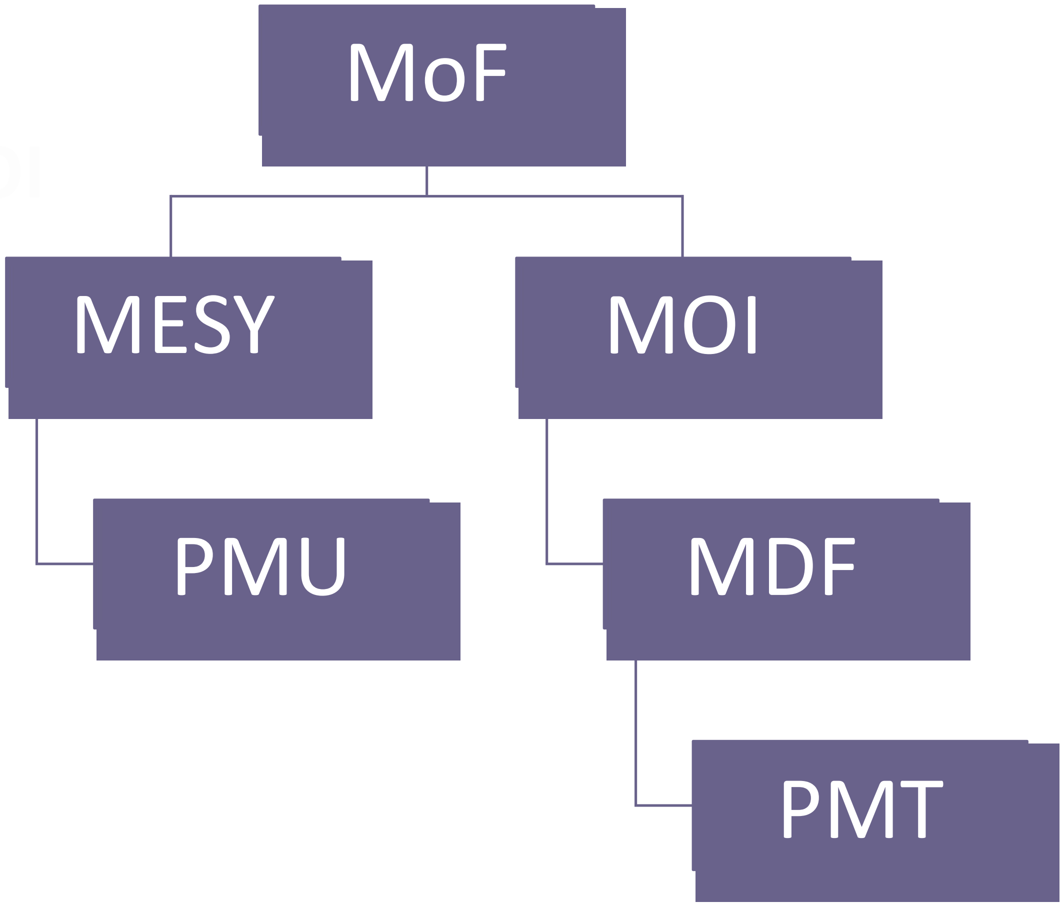
Section III. A of Schedule 2 to the Loan Agreement:		
Category	**Amount of the Loan Allocated (expressed in EUR)**	**Percentage of Expenditures to be Financed (inclusive of taxes)**
(1) Works, Goods, non-consulting services, consulting services, Operating Costs and Training for the Project except for Parts 1(c), Part 2(a) and Part 5 (a) for the Project	29,775,000	100%
(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	

[1] As a result of reorganization of the MRDI implemented in April 2025, two separate entities – the Ministry of Regional Development and the Ministry of Infrastructure were established and the Municipal Development Fund of Georgia (LEPL) is under control of the Ministry of Infrastructure.

Table below represents the reallocation of the Project funds among components:

Project Components	IBRD Financing (EUR)
1. Improving Quality of and Access to Early Childhood Education (ECE) (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)	4,326,000
2. Fostering Quality Teaching and Learning in General Education (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)	10,437,000
3. Strengthening Financing Options and Promoting Internationalization in Higher Education	7,979,000
4. System strengthening and Stakeholder Communication	2,728,000
5. Supporting Project Management, Monitoring, and Evaluations (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)	4’309’000

III. PROJECT IMPLEMENTATION STRUCTURE



I2Q Project BIANNUAL REPORT /*January-June-2026* 8

SECTION I – OVERALL PROJECT PROGRESS AND KEY ISSUES

This report covers the period from January through June 2026, building upon the substantial progress achieved during the previous reporting period (July-December 2025). A comprehensive overview of the overall progress and achievements will be presented in the final summary report.

A. THE WORLD BANK IMPLEMENTATION SUPPORT MISSION

A World Bank task team conducted the latest Implementation Support Mission (hereinafter – the Mission) during March 31 – April 2, 2026, to review the progress in achieving the project development objectives (PDOs) and identify actions to accomplish the PDOs. The mission's objectives were to (i) follow-up on implementation progress and discuss fiduciary and environmental and social aspects in both implementing entities (the Project Implementation Unit of the Ministry of Education, Science and Youth, and the Project Management Unit at the Municipal Development Fund); (ii) identify solutions to any pending issues and agree on the next steps to sustain strong implementation; and (iii) participate in site visits.

Table below provides a summary of actions agreed during the last WB Implementation Support Mission and status of their execution *(see Table 1 below)*.

TABLE 1 - STATUS OF AGREED ACTIONS

№	Key Actions	Responsible	Due Date	Current Status
	Component 1 – Improving Quality of and Access to Early Childhood Education and Care			
1	Finalize formal adoption of the ECE remuneration policy and PD scheme by the Parliament	PMU/ MESY	September 30, 2026	**In progress – on track.** **Key Dates:** PD scheme was officially accepted by the Client through official document flow system (E-flow) in February 2024 (correspondence N 206417). Remuneration policy was officially accepted by the respective Steering Group through official document flow system (E-flow) in February 2024 (correspondence N 118163). Consultations and negotiations between the MESY and the committee of the Parliament of Georgia about PD and Merit-based remuneration policies commenced in February 2026 and is still ongoing. **Latest Update:** PD scheme - the parliamentary committee and the MESY agreed on initiating for the adoption on the fall parliamentary session. Remuneration Policy – MESY is coordinating with MOF initial changes in legislation, that will determine the government institution to be in charge of initiating salary-related changes.
2	Complete incorporation of the ECE data reporting mechanism into EMIS under Component 4 (e-School contract)	PMU/EMIS	October 31, 2026	**In progress.**

I2Q Project BIANNUAL REPORT /*January-June-2026* I 9

Component 2 – Fostering Quality Teaching and Learning in General Education				
3	Complete renovations of six schools	PMT	May 31, 2026	**Partially completed – on track.** Note: Rehabilitation of Agara Public School was completed in May 2026. Finalization of works in the remaining five schools (Baghdati #1, Batumi #4 and #5, Village Rodinauli and Tchitatskari public schools) expected by the end of July 2026.
4	Complete national assessment initial item bank development and close the contract with NAEC	PMU/NAEC	August 31, 2026	**In progress – on track.**
5	Complete STEAM kits procurements for existing and additional labs	PMU/MESY	September 30, 2026	**In progress – on track.**
6	Finalize formal adoption of the school infrastructure standards	MESY	September 30, 2026	**In progress – on track.**

Component 3 – Strengthening Financing Options and Promoting Internationalization in Higher Education				
7	Finalize revisions of supplementary regulations for higher education funding model	PMU/MESY	May 31, 2026	**Completed.** Note: The draft of the Government Decree and PBF regulations for the MESY.
8	Complete remaining CIF project and finalize audit procedures for all outstanding projects	PMU	June 30, 2026	**Completed.**
9	Conduct consultations with higher education institutions along with MESY on the new funding model	PMU/MESY	August 31, 2026	**Completed.** Note: Awaiting approval of the Government Decree and PBF regulation draft. Planning capacity building activities for implementation.
10	Organize the CIF conference to showcase project achievements and results, in coordination with MESY on revised date and format	PMU/MESY	October 31, 2026	**In progress – on track.** Note: This can be integrated into Project Final Conference.

Component 4 – System Strengthening and Stakeholder Communication				
11	Finalize approval and payment of LMS Progress Report R4 and start phased onboarding of 179 Phase 2 schools	PMU / EMIS	April 30, 2026	**Delayed – on track.** Note: R4 completed and paid. However, phase 2 onboarding of 179 schools pending.
12	Complete eSchool contract amendment reflecting updated module scope, technical adjustments, and revised implementation timeline	PMU / EMIS	April 30, 2026	**Delayed – on track.** Note: Proposal for revision submitted by the company. Under discussion.
13	Complete eSchool Core system validation and proceed with phased deployment of completed modules into the live environment	PMU / EMIS	June 30, 2026	**Completed.** Note: Core and other three modules were submitted by the company to the EMIS for testing. Core system validation process completed. Awaiting formal confirmation from EMIS.

During the mission, the Aide Memoire was developed, and the implementation timelines were agreed. The detailed description of the progress made during the reporting period is provided under relevant parts of the report.

I2Q Project BIANNUAL REPORT /*January-June-2026* 10

SECTION II: IMPLEMENTATION PROGRESS BY PROJECT COMPONENTS

A. COMPONENT 1 - IMPROVING QUALITY OF AND ACCESS TO EARLY CHILDHOOD EDUCATION

Sub-Component 1.1 - Improving the Quality of ECE Programs Across the Country

In February 2026, the final phase of Contract No. GE-MESCS-212213-CS-QCBS was successfully completed. Following consultations with key stakeholders, including relevant units of the Ministry of Education, Science and Youth (MESY), the Teacher Professional Development Centre (TPDC), and the National Center for Educational Quality Enhancement (NCEQE), the consulting firm finalized the activities outlined below. On 11 February 2026, the Steering Group formally approved the Final Report, thereby marking the successful completion of the assignment.

The Consultant's efforts were directed towards developing a comprehensive set of strategic and operational frameworks aimed at facilitating the implementation, institutionalization, and long-term sustainability of the ECE systems developed under the Project. These outputs included long-term implementation plans for ECE programs and professional development activities; QA standards review mechanisms with clearly defined KPIs; a revised curriculum for children aged 2–6 years, applicable to both ECE institutions and school-based SRP centers; and long-term review and budgeting frameworks to support the implementation, monitoring, financing, and continuous improvement of ECE and SRP initiatives. As an added value beyond the contractual requirements, the Consultant also prepared a revised concept note outlining the EMIS requirements for the introduction of an ECE data registry system. The recommendations addressed, among other issues, the legislative amendments required to support system adoption, as well as the need to engage local ECE experts and municipalities throughout the adoption process.

The long-term QA implementation plan provides a strategic framework to support the gradual decentralization of external quality assurance functions. Through comprehensive analytical work, stakeholder consultations, and the development of conceptual frameworks, SDSURF identified potential institutional arrangements for the transfer of selected QA responsibilities to the municipalities and clarified the respective roles of resource centers, ECE methodologists within kindergarten unions, and ECE institution directors. The developed framework establishes the foundation for a structured transition towards the planned decentralized QA model, envisaged for implementation from 2030 onwards.

During the reporting period, SDSURF provided strategic recommendations within the final report to support the ongoing development of the Georgia ECE Data Registry System. These recommendations focus on aligning future data collection and reporting with broader ECE reform priorities, outlining system-level actions for the upcoming piloting phase. Ultimately, this guidance aims to ensure the system's seamless integration into sector planning, monitoring, and strategic decision-making.

The final phase focused on refining and validating the PD Scheme. The refinement process incorporated evidence from nationwide research across 64 municipalities, field piloting in 26 municipalities, and extensive stakeholder consultations. Executed in close collaboration with MESY, TPDC, and NCEQE, this process ensured strict alignment with national policies and quality standards. The resulting revisions strengthened the Scheme's relevance, feasibility, and sustainability at both institutional and municipal levels.

The SRP Legal Roadmap developed under the Project identifies the legislative and regulatory steps necessary to embed SRP into both early childhood and general education settings. Complementing this, the Long-Term SRP Review Cycle Plan establishes key performance indicators to monitor participation, practice quality, family engagement, resource sufficiency, and child development outcomes. Together, these strategic documents transition SRP from a standalone curriculum into a coherent, system-wide reform equipped with clear accountability and feedback loops to guarantee long-term relevance and sustainability.

I2Q Project BIANNUAL REPORT /*January-June-2026* 11

During the reporting period, collaborative efforts between the ECE and General Education Departments of MESY and TPDC yielded several key milestones. The child-level assessment instrument and its user manual were officially made available through the TPDC website, establishing a foundation for systematic assessment practices across the sector. In addition, the professional development training modules developed and piloted under the Project were formally adopted with a Ministerial Order No. 61/N, supporting their institutionalization within the national ECE system.

In February 2026, lead international experts from the consulting firm visited Georgia to participate in the Steering Committee meeting and facilitate the completion of contractual activities. The mission included high-level consultations with the MOF, the Parliamentary Committee, and senior leadership at MESY. These engagements aimed to ensure an effective handover process and assess institutional readiness for the adoption of the PD and merit-based remuneration schemes.

Following the timely completion of the contractual obligations by the consulting company, the PMU The PMU maintained high-level engagement and close collaboration with key stakeholders to advance the handover process, targeting the formal adoption and institutionalization of the PD scheme and merit-based remuneration policy. Following consultations with TPDC, the Parliamentary Committee, and other relevant stakeholders, the refinement of the PD scheme was finalized. Consequently, TPDC is preparing to submit the scheme for parliamentary review during the fall 2026 sessions in August.

The merit-based remuneration policy has been fully taken over by MESY, which has developed two scenarios based on instrument developed under the Project. Currently the MESY is coordinating with the MOF to (i) initiate initial legislative amendments defining the government institution responsible for initiating salary-related and (ii) select the most appropriate salary increase scenario.

Sub-Component 1.2 - Increasing Equitable Access to Pre-school Education for Successful Transition to School

As of current reporting period, rehabilitation and equipping of all 150 school-based SRP centers are completed. In March 2026, furniture, technology and educational resources previously procured under the Project for initially determined 5 out of 150 target schools, was reallocated to five selected alternative schools located in the municipalities of Zestaponi, Samtredia, Zugdidi, Kutaisi, Akhmeta, and Marneuli. Corresponding Acceptance Acts were duly signed to formalize and verify all inventory reallocations, ensuring operational readiness.

The Component Lead monitored enrollment announcements and registration rates through continuous communication with the administrations of all relevant kindergarten unions. During the 2025–2026 academic year, enrollment remained open continuously for 145 school SRP centers. The remaining five centers whose openings were delayed due to the replacements caused by infrastructure constraints, completed rehabilitation and procurement works by the end of April 2026.

Based on data collected through follow-up communication with the heads of kindergarten unions in June 2026, the 2025–2026 academic year concluded with enrollment of 607 children across 107 SRP centers out of the total of 150 SRP locations.

As there is no unified national enrollment schedule or standardized timeline, each municipality retains autonomy over its enrollment announcement period. For the 2026–2027 academic year, announcement of enrollment is anticipated to commence between late July and early August 2026. Public awareness and enrollment campaigns vary by municipality. The vast majority of municipalities apply physical outreach methods, such as displaying promotional posters at kindergarten union offices, kindergartens, and host schools. Limited number of municipalities use social media platforms to inform parents and the community.

Sub-component 1.3 - Improving Infrastructure to Support Innovative Primary Education, Including Pre-School

The objective of the sub-component is to develop and introduce blueprints for the combined concept of SRP and Primary level of GE. Since activities related to the planned constructions in the frames of Components 1 and 2 of the Project are executed in parallel, the detailed information on infrastructure development is provided under sub-component 2.1. below (Section II, part B of the Report).

Next steps:

- To support adoption of PD scheme and merit-based remuneration policy, coordinate policy dialogue between MESY and the Parliamentary Committee.
- Follow-up on the enrollment announcements issued by kindergarten unions for the 2026–2027 academic year to track the actual enrollment of children.

B. COMPONENT 2 - FOSTERING QUALITY TEACHING AND LEARNING IN GENERAL EDUCATION

Sub-component 2.1. Improving the Educational Infrastructure to Support Learning

As the formal adoption process for the School Infrastructure Standards remains underway, the PMU Engineer continued to engage in active consultations with representatives of the MESY and other key stakeholders. During the reporting period, minor revisions were incorporated into the document, including the introduction of exceptional provisions for land plot and school building layout requirements in cases where existing schools designated for new building construction are located in densely populated areas.

Significant progress was achieved in the project's infrastructure component during the reporting period. Notably, comprehensive rehabilitation works were completed at two schools, while construction reached its final stage at a third facility. An update on the implementation status and completion progress of works for each school is provided below in respective tables.

a. Status of Construction Works under Components 1 and 2

Based on the current implementation progress, construction works at 7 out of the total of 14 schools are expected to be completed by the end of 2026, while completion of works at 6 schools is anticipated during the first quarter of 2027. As for the remaining one school, Saparlo Public School, challenges associated with the selection of a suitable land plot have resulted in significant delays to the construction schedule. Consequently, completion of the school within the Project implementation period is no longer considered feasible.

№	School	Component	Estimated Completion of Works	Comment
1	Zugdidi Municipality Village Rukhi Public School (Natsuluku Building)	Component 1	First quarter of 2027	The construction of the structural frames has been completed. Internal and external finishing works are currently underway, and the installation of engineering utilities has also commenced.
2	Tetritskaro municipality Village Ghoubani Public school	Component 1	First quarter of 2027	The construction of the structural frame is ongoing.
3	Tsalka Municipality Village Nardevani Public School (Ayazma Primary School building)	Component 1	First quarter of 2027	The construction of the structural frame is ongoing.
4	Marneuli municipality village Araflo Public school (Akhlomakhmudlo primary school)	Component 1	First quarter of 2027	The construction of the structural frame is ongoing.

5	Dmanisi municipality village Safarlo public school	Component 1	End of 2027	Note: Following the substitution of the land plot, a detailed design was prepared, resulting in changes to the scope of the construction works. Consequently, it became necessary to amend the contract. The amendment package has been prepared and is currently under review by the relevant commission of the Municipal Development Fund. A decision is expected by the end of July 2026.
6	Tsalka municipality village Sabechisi public school	Component 1	First quarter of 2027	The construction of the structural frame is ongoing.
7	Gori municipality village Arashenda Public school	Component 1	End of 2026	The construction of the structural frames has been completed. Even though external finishing works are ongoing, minor delays in the schedule is observed. However, this is not expected to affect contractual completion date.
8	Lagodekhi municipality village Gvimriani Public school	Component 1	End of 2026	The construction of the structural frames has been completed. Internal and external finishing works are currently underway, and the installation of engineering utilities has also commenced.
9	Chokhatauri municipality village Shuafartsakhma Public School	Component 1	End of 2026	The construction of the structural frames has been completed. Internal and external finishing works are currently underway, and the installation of engineering utilities has also commenced.
10	Abkhazeti Public school No.10	Component 2	In the first quarter of 2027	The construction of the structural frames has been completed. Internal and external finishing works are currently underway, and the installation of engineering utilities has also commenced.
11	Zestafoni municipality village Rodinauli public school	Component 2	July 2026	Construction of school building is complete, with only outdoor landscaping works currently ongoing. Construction of the outdoor sports field is in progress.
12	Akhalkalaki municipality village Sulda Public school	Component 2	End of 2026	The construction of the structural frames has been completed. Internal and external finishing works are currently underway, and the installation of engineering utilities has also commenced.
13	Ilia Chavchavadze Kvarelii #1 Public School	Component 2	First quarter of 2027	The building's structural frame has been completed, and internal and external finishing works, as well as landscaping and fencing of the area, are currently underway.
14	Kaspi municipality village Igoeti public school	Component 2	End of 2026	The reinforced concrete works have been completed, and internal and external finishing works are currently underway.

b. Status of Full Rehabilitation Works

As of the end of the reporting period, rehabilitation works are completed in 8 out of 23 schools (Kareli N1; Rustavi N21; Tsikhisdziri, Khashuri N2, Chiatura, Karajala, Agara and Telavi N2). The teaching and learning process has resumed in six schools that were completed during the previous reporting period. The current reporting period marked the completion of full rehabilitation works at two schools, namely Karajala Public School in March 2026 and Agara Public School in May 2026.

Considering current status of works, rehabilitation of all remaining 15 schools is anticipated to be finalized until the Project end date. Four out of these 15 schools, i.e. Batumi N4 and N5, Chitatskari and Baghdati N1), have approached final stage of works and given that on-site works are being sped-up, completion is expected by the end of July 2026. Major rehabilitation works for seven schools are progressing smoothly according to the determined schedule and are determined to be successfully completed by the end of 2026. In the case of the four schools located in Tbilisi, the completion of works for these schools is expected in the first quarter of 2027. For Tbilisi Public Schools No. 50 and No. 63, the delay and extension of works were primarily due to the buildings' designation as cultural heritage monuments, requiring additional permitting procedures and specialized restoration processes. Nevertheless, both schools have been granted construction permits by Tbilisi City Hall, and works are currently progressing without delay. In case of Tbilisi Public School N99 – there was a delay in implementation of works. However, process has resumed and as expected, completion within the project lifespan is feasible. In the case of School No. 120, the rehabilitation of the building is progressing according to plan. However, the demolition of the sports hall wing and construction of a new one became necessary, which resulted in an extension of the implementation timeline.

Next Steps

- Follow up the school infrastructure standards' approval process by the MESY;
- Coordination with the PMT (MDF) on all rehabilitation and construction-related activities;
- Conducting site visits to monitor and observe ongoing rehabilitation and construction works;
- Coordination with the MESY to ensure equipment of schools with the necessary furniture and equipment.

Components 2.2 - Supporting the scaling up of the whole-school improvement pilot - 2.4. - Development of a national assessment framework

Since August 15, 2022, key activities related to Sub-components 2.2, 2.3, and 2.4 of the General Education Component of the I2Q Project have been implemented under the contract "Enhancing Quality Teaching and Learning in General Education through the Introduction of Effective Quality Management Systems, Whole-School Improvement Plans and Programs, and Improved Assessment Policies, Practices, and Methodologies." This contract was implemented by an international consortium led by IBF Expertise S.A. (referred to as the Consultant under the General Education Part of the Report), involving 11 international experts in the fulfillment of these complex tasks.

During the reporting period, the Contract Steering Group approved the Final Report (R7) of the IBF Expertise S.A. Contract, which was presented to MESY management on 2 March 2026. All activities defined under the contract were completed and accepted by MESY (the Client). The key achievements across the three thematic areas of the contract are as follows:

1. The comprehensive Whole-School Improvement (WSI) package was developed and piloted in I2Q Project target schools. The WSI package includes:

(1) Finalized and piloted external quality assurance (school authorization) policy framework, mechanisms, guidelines and best practices along with school authorization monitoring and evaluation mechanisms for MESY, NCEQE, and general education institutions.

(2) Developed and piloted thirteen training modules and practical mechanisms on school leadership and management, internal quality assurance, and Innovative Learning Environments (ILE).

(3) The STEAM Extracurricular Program was developed and successfully piloted in 201 schools, including the STEAM National Competition mechanism and funding scheme, together with relevant guidelines and instructions. The implemented STEAM Program Package includes the establishment of a STEAM Innovative Space in 13 Hub Schools and the provision of STEAM education resources to 201 schools. The Program involved over 5,000 students and more than 400 trained teachers throughout the pilot.

(4) Developed policy analysis and recommendations regarding school principals' recruitment and career advancement policies, as well as school textbook and educational resource development.

2. ***The Continuous Formative Assessment (CFA) thematic package was developed and tested in pilot schools to support school leaders in adapting, developing, and implementing school-based assessment practices. The CFA package includes:***

(1) Prepared analysis of existing formative assessment practices and recommendations for improvement.

(2) Developed and tested Continuous Formative Assessment (CFA) practical module and facilitator guide for school leaders and teachers to develop and implement school-based formative assessment practices.

(3) A case study document on formative assessment practices from pilot schools.

3. The implemented package for National Assessment system development includes:

(1) A successfully completed capacity-building program for more than 300 experts (item writers, test development committee members, and standard-setting judges) and NAEC staff to develop the national assessment mechanism (item bank) at the basic general education level.

(2) Successful completion of the key stages defined by the contract for the initial development of the item bank across six subject groups (covering 12 subjects) at the basic general education level.

The three developed thematic packages were accompanied by a national roll-out plan with implementation recommendations. The Consultant developed this component in close cooperation with the MESY Preschool and General Education Department and MESY units, and it was agreed upon the MESY during the WSI and CFA policy workshops implemented during the Final Phase (R7) of the Contract. A total of 2,349 participants, including experts, school principals, teachers, and MESY units' staff members, received in-person ToT sessions and workshops across all three thematic areas of the Contract. In addition, 578 participants attended online training sessions and workshops.

It should be noted that the final revision of the initial items by the Test Development Committees is ongoing and is supported by an additional direct contract between the I2Q Project and NAEC. This activity will be completed by the end of August 2026, marking the handover of responsibilities to the National Assessment and Examination Center (NAEC) for the piloting of new national assessment system at general education basic level.

(I) Cooperation with MESY to Ensure the Sustainability of General Education Component Key Outcomes.

Following the completion of the IBF Expertise S.A. Contract, the PMU conducted several working meetings with the MESY Preschool and General Education Department and MESY units to discuss the national roll-out of the Contract key deliverables. As a result of these meetings, the key achievements under the General Education Component of the I2Q Project were jointly documented, providing evidence of their successful uptake and implementation by MESY for each deliverable. The document was officially submitted to MESY management through the e-Flow system with the endorsement of the MESY Preschool and General Education Department and the relevant MESY units. It is important to note that all deliverables under the General Education Component were integrated by MESY into the relevant general education policy framework and the programs of the ongoing general education reform.

(II) Follow-up Activities and Resource Allocation for Scale-up Activities Initiated under the General Education Component.

Building on the results of the General Education Component, the MESY initiated several follow-up activities as a logical continuation of the concluded work and requested the PMU to implement the new tasks. These include the following:

a. Expansion of the STEAM Extracurricular Program to additional general education institutions and procurement of the required STEAM resources. The new task has the following objectives:

1. Strengthen the existing operational and educational capacity of 200 I2Q Project pilot schools to implement the STEAM Program.
2. Expand the STEAM Program to 100 new schools to broaden the reach of innovative STEAM extracurricular learning across Georgia. For this purpose, the schools will be equipped with the necessary resources.
3. Expand the I2Q Project STEAM Lab network by establishing 22 new STEAM Labs, modelled after the existing I2Q Project STEAM Labs, and 15 new Robotics Labs.

For the implementation of this task, PMU staff conducted several working meetings with MESY STEAM experts to define the technical requirements for STEAM educational resources and ensure strict alignment with World Bank procurement standards. In addition, several working meetings were held with the MESY General Education Department to synchronize procurement stages and overall timelines with the STEAM State Program 2026. As a result, the formal technical specifications document was prepared and agreed upon with MESY, providing the essential foundation required to launch the procurement phase during the next reporting period. The procurement of furniture required for establishing the STEAM Labs is also included in the scope.

b. Following the successful implementation of the STEAM Extracurricular Program in 201 pilot schools, the Ministry of Education, Science and Youth (MESY) requested PMU support for a capacity-building program aimed at helping teachers implement non-formal art and drama education activities in general education institutions. It should be mentioned, that within the framework of the STEAM Extracurricular Program, teachers and students developed innovative art projects using technology. To strengthen the arts component of the STEAM Program, MESY and the PMU jointly developed the Terms of Reference (ToR) for the proposed capacity-building activity. The pilot capacity-building program will engage theatre and drama experts to train up to 10 teachers from six pilot schools. The training will culminate in the development and implementation of school-based performance plans and student performances, integrating drama and creative expression into the STEAM approach. The ToR was reviewed and agreed upon by MESY and World Bank.

c. Building on the analytical work supported by the I2Q Project related to the decentralization of Education Resource Centers and the strengthening of their role in Whole-School Improvement, MESY requested PMU support for a capacity-building program targeting the management of Education Resource Centers. With the support of the I2Q Project, the heads of all 69 Education Resource Centers across the country will be trained through a five-day program.

The abovementioned tenders will be launched during the next reporting period to ensure the completion of the activities no later than January 2027.

Next Steps

- Coordinate successful completion of:
  a. the procurement of STEAM educational resources for 300 public schools.
  b. procurement of services for the Art and Drama Education Program.
  c. Complete procurement of services for Education Resource Centers capacity-building program.
- Finalize the development of the national assessment item bank and close the direct contract with NAEC.
- Prepare a comprehensive final report summarizing results, outputs, and implementation outcomes under the General Education Component of the I2Q Project.

C. COMPONENT 3 – STRENGTHENING FINANCING OPTIONS AND PROMOTING INTERNATIONALIZATION IN HIGHER EDUCATION

Sub-Component 3.1 - Developing new options for higher education financing, including performance-based options to support the Government's strategic objectives

a. Development and Approval of the New Higher Education Funding Model

At the beginning of 2026, the higher education funding model developed under the Project underwent a revision process to align with the Government's new higher education reform concept. Under the proposed reform, all students enrolled in public higher education institutions would receive full (100%) tuition funding, replacing the previous grant-based system, under which tuition support was allocated exclusively on the basis of national examination results. In February 2026, MESY formally requested the support of the project team in developing a comprehensive funding system and regulatory framework to operationalize GoG vision.

MESY's request covered three specific activities: (i) recalculation of academic program costs based on updated figures for HEIs, programs, students, staff, and salary schemes; (ii) revision of the draft Government Decree on the new financing model in line with the reform concept and the newly adopted amendments to the Law on Higher Education; and (iii) a face-to-face working session with the MESY to discuss the revised regulations.

Following an off-site workshop held on March 13–15, 2026 with the Minister, Deputy Minister, heads of the Higher Education, Economic and Legal Departments, and the Director of NCEQE, the new funding system was agreed to integrate three distinct funding mechanisms:

- **Core Funding**: covering 100% of tuition fees for all students at public HEIs;
- **Performance-Based Funding (PBF):** state funding allocated based on institutional performance against defined state priorities;
- **Competitive Innovation Fund (CIF):** grant-based funding awarded through a competitive mechanism to support innovation at HEIs.

The PBF and CIF mechanisms were accepted in full in the form originally developed by the project. The Core Funding model, however, required rework following legislative amendments that abolished the grant-based mechanism and established the state's obligation to cover full tuition. The project team developed and presented three alternative Core Funding approaches, each combining different components — "Guaranteed Core Funding," merit-based and need-based state funding, and subsidies for arts programs, national priorities, and regional priorities.

MESY expressed a preference for the option splitting tuition coverage 50/50 between Guaranteed Core Funding and Merit-based Funding. This structure preserves a minimum academic performance requirement even under conditions of full state funding, addressing two long-standing policy weaknesses: the former system's sole reliance on entrance-exam scores (disregarding in-study performance), and the lack of any incentive linking funding to academic progress, "academic debt" accumulation, or timely program completion.

Alongside the funding model, the project team proposed three complementary legislative amendments previously developed by the project to strengthen quality assurance:

- Maximum program duration — statutory time limits for completing academic programs and conferral of qualifications;
- Revised rules for suspending student status — replaced by the concept of "academic leave", capped at two years;
- Single-institution rules for academic staff — restricting academic staff to holding positions at only one university.

Determining the cost of academic programs (CoP) was a central and iterative workstream throughout the period, progressing through five successive versions as parameters were refined in response to MESY feedback:

Version	Basis	Period
V1	Currently applicable salary rates (averaged figures)	Mar 2026
V2	Average existing rates + 20% increase	Mar 2026
V3	Standardized rates across all staff/programs (Professor GEL 5,000; Assoc. Prof. GEL 4,000; Asst. Prof. GEL 3,000; invited staff GEL 50/hr)	Mar 2026
V4	Recalculated using MESY-specified staff ratios (1:3:7:10) and rates (GEL 10,000 /8,000/ 6,000/ 4,000)	Mar-Apr 2026
V5	Costs bounded within MESY's budget envelope: GEL 2,500 (baseline) to GEL 3,500 (ceiling), with adjusted field-of-study coefficients	May 2026

All versions were calculated on a per-student, per-academic-year basis (60 credits) and applied to the internationally accepted minimum 60:40 academic-to-invited staff teaching ratio.

At MESY's request, the project team prepared a new draft Government Decree incorporating the agreed funding model and costing results, structured so that it could be adopted without requiring amendments to the Law on Higher Education. This version was submitted to MESY on April 16, 2026, together with a document outlining the possible challenges of proceeding without legislative amendments. Throughout April–May 2026, as discussions progressed, MESY provided further comments, which the project team addressed in successive revised drafts. Following review by the Minister, MESY confirmed that the final version fully met the MESY's requirements, clearing the way for discussion at the GoG level.

MESY confirmed that the proposed model — combining Core Funding and PBF components — was accepted by the GoG. By June 2026, MESY also finalized a cost range of GEL 2,500–3,500 per program, which differs from the project team's original recommendation but preserves the underlying costing methodology (grouping by field of study and education level, with a weighted baseline cost and coefficients). As a result, program costs can still be adjusted going forward by revising the baseline figure or the coefficients alone, without altering the underlying structure.

June 2026 brought the process to a head:

- Following agreement with the GoG, including the Ministry of Finance, MESY confirmed that the new funding model will be introduced starting from the 2026–2027 academic year, with program costs set at GEL 2,500–3,500.
- The project team prepared, on MESY's behalf, both the final draft Government Decree and an informational narrative explaining Core Funding, PBF, and the program costing methodology, for circulation to HEIs ahead of the Rectors' Council session chaired by the Minister.
- On June 17, 2026, the project team presented the new funding model to the Rectors' Council, attended by rectors and administrative staff from all public universities and several private universities. The Council unanimously supported the proposed model, recognizing the scale and significance of the work and its anticipated benefits for universities and the higher education system as a whole.

With the Rectors' Council endorsement secured, the project team continues to work with MESY toward final official approval of the Government Decree.

b. Development of the New IT Infrastructure (IMDS)

In parallel with the funding model negotiations, the project advanced the development of IMDS, the IT platform that will administer the new funding model. Work proceeded along two tracks — contractual milestone delivery and technical/scope alignment — culminating in the approval of Report 7 in June 2026 and the opening of the contract's final phase.

Contractual Milestones: R6 and R7

- **Progress Report 6** — the Rules for the Administration of the Electronic System for Managing Higher Education Financing — was reviewed and approved by the Contract Steering Group (MESY, EMIS, NCEQE), with MESY's official acceptance secured on February 4, 2026, and formal submission to MESY via E-flow on February 10, 2026 (Ref. No. 140170). Following R6's approval, the 2026 Master Schedule — covering IMDS testing and handover phases (Phases 7 and 8) under the contract, valid until October 8, 2026 — was also agreed with MESY and EMIS.
- **Progress Report 7 –** addressing the work carried out during the IMDS integration and testing phase (for IMDS v4.2) — was distributed for feedback on April 17, 2026, to both the MESY-led steering group and the EMIS-led technical working group. Following review, the 11th meeting of the Contract Steering Group convened on June 5, 2026, at which MESY and EMIS confirmed their approval of R7. The project team subsequently requested the necessary documentation from the consulting company (invoice, the delivery-acceptance act, and a Georgian-language translation of R7); following submission, R7 was formally approved via e-Flow (Ref. No 705662) on June 12, 2026.

Throughout the reporting period, the consulting company delivered successive IMDS versions, each incorporating expanded functionality and stronger security integration:

- IMDS v4.1 UAT (delivered Dec 31, 2025) incorporated SIEM and SSO integration requirements; through January 2026, the consultant and EMIS jointly resolved configuration issues, including integration of Microsoft OAuth2 Single Sign-On.
- IMDS v4.2 UAT was delivered February 16, 2026; testing of this version was conducted in April 2026 and underpinned the R7 submission.
- IMDS v4.3 was presented in June 2026 and is now under review; it will be adjusted in line with the feedback received from MESY and EMIS in parallel with R7 approval.

Regular working meetings between the consulting company, EMIS, and the project team continued throughout the reporting period (including several sessions in April–June) to resolve technical and substantive implementation issues. An expanded meeting on April 23, 2026, with the Deputy Minister responsible for EMIS oversight, addressed the system's remaining development stages and the need for more active, results-oriented engagement from EMIS during testing.

A significant scope-definition exercise ran in parallel with system development. The consultant analyzed the mapping between EMIS database qualification codes and the new legislation's classification codes, identifying several discrepant cases; this list was shared with EMIS and then NCEQE in April–May 2026. At the Steering Group meeting (June 5, 2026), EMIS raised concerns that migrating historical data from the two legacy systems (regadmin and eUni) into IMDS would pose significant technical difficulties given their complex database structures and data volumes. EMIS proposed — and MESY agreed — that the new system should not process historical data (e.g., statistics on prior-year grant funding) and should integrate only the data required to administer the new funding model. To address this, the work will continue into the contract's final phase. Taken together, the agreed system scope is now confined to the 19 state HEIs; active accredited programs; and students enrolling from September 2026 onward — explicitly excluding historical data and private universities.

With R7 approved, discussions were also reopened on the implementation plan for Report 8 (R8), the contract's final phase, centered on scheduling the workshops, training sessions, and an EMIS staff boot camp needed to roll out the system. The revised dates confirmed by MESY were shared with the consulting company, and the planned events will take place through July–September 2026.

Sub-Component 3.2 - Setting up Competitive Innovation Fund (CIF) for public and private universities, in partnership with private sector

During the timeframe addressed in this report, the CIF was brought to full and successful completion. At the start of the period (January 2026), 25 of 27 grant projects had completed implementation, with two projects (CIF-2-2024-10 and CIF-2-2024-11) still active under extended deadlines. Implementation progressed steadily over the following months: by April 2026, all 27 projects had successfully completed implementation.

Administrative closure — final and audit report approval by the Awards Committee (AC) progressed in parallel:

Month	Status of Administrative Closure
Jan 2026	15 of 25 completed projects fully closed administratively (12 from 1st Call; 3 from 2nd Call). All 15 confirmed at 100% of expected results.
Feb 2026	19 of 25 completed projects fully closed (12 from 1st Call; 7 from 2nd Call), all at 100% of expected results. AC granted 60-day audit-report extensions to 5 projects.
Mar 2026	26 of 27 projects completed; 19 fully closed administratively, all at 100% of expected results.
Apr 2026	All 27 projects completed; 19 fully closed administratively, all at 100% of expected results.
May 2026	25 of 27 projects fully closed administratively, all confirmed at 100% of expected outcomes.
Jun 2026	All 27 projects were fully closed administratively. The Awards Committee confirmed all 27 projects achieved 100% of their expected outcomes — bringing CIF implementation to a complete and successful closure.

With all projects complete, summary and closeout activities were initiated in June 2026, including:

- Systematizing and archiving CIF documentation for transfer to MESY;
- Preparing Success Story materials documenting the achievements of funded projects;
- Preparing a summary report on CIF's overall results;
- Organizing the CIF project closing event.

Complementary Activities

- On January 16, 2026, PMU staff attended the closing sessions of the Seasonal Doctoral School (January 8–17, 2026), an intensive academic initiative for first-year PhD students under the International Doctoral Education Program: Governance and Administration in Education and Science, developed within the I2Q project's higher education component. The sessions convened representatives of MESY, NCEQE, TSU, and NKUA for progress reporting, PhD prospectus presentations, and discussions aimed at strengthening institutional dialogue and the Program's strategic development.

- Following the execution of the Amazon Web Services contract on December 25, 2025, EMIS confirmed via official letter (N72497, January 27, 2026) that all contractual obligations had been delivered: the $100,000 credit was applied to EMIS's AWS account with full access, and a three-year technical support agreement was operational — giving EMIS the financial and technical resources to operate its AWS environment.

Summary of Key Outcomes (January–June 2026)

Funding model: Core Funding (50% Guaranteed / 50% merit-based), PBF, and CIF agreed as the three pillars of the new higher education funding system; Full GoG, MESY, Ministry of Finance, and unanimous Rectors' Council approval secured; rollout confirmed from the 2026–2027 academic year.

Government Decree: Finalized - revised through multiple rounds with MESY and presented to the Rectors' Council on June 17, 2026; GoG's official approval pending.

Academic program costing: Five successive versions developed; based on modifications made by MESY, a final cost range of GEL 2,500–3,500 per program confirmed, preserving the original weighted-coefficient costing methodology.

IMDS development: R6 and R7 approved (Feb. 4 and Jun. 12, 2026, respectively); system advanced through versions 4.1–4.3; the contract's final phase (R8) now underway.

CIF implementation: All 27 CIF-funded projects completed implementation, with the AC officially confirming that 100% of expected results were achieved. Focus has since shifted to CIF closing activities, which extend into subsequent months.

CIF Summary Report: A summary report on CIF's overall results has been prepared.

Next Steps

For the period July–December 2026, key priorities are:

(i) securing final Government Decree approval and supporting its rollout for the 2026–2027 academic year;

(ii) finalizing the regulatory documents to be approved by the MESY for implementation of the new funding model (the Performance-Based Funding rules and the rules on the Administration of the Higher Education Funding Management Electronic System), including securing approval by Ministerial Order;

(iii) completing the IMDS contract's final phase (R8) — including finalizing the IMDS data-scope adjustments agreed with EMIS and MESY, the scheduling and delivery of user training workshops and an EMIS staff boot camp, and the subsequent handover of the new system to EMIS;

(iv) completing CIF's closing activities, including the transfer of all materials to MESY, and agreeing with the MESY on the format of the I2Q project's closing event to present CIF results — encompassing the event's planning and organization.

D. COMPONENT 4 – SYSTEM STRENGTHENING AND STAKEHOLDER COMMUNICATION

Sub-Component 4.1 – Supporting data-driven decision-making accessible to the entire education system

The first half of 2026 marked the transition from implementation readiness to operational deployment and technical validation of Georgia's key education digital transformation initiatives. Under Sub-Component 4.1, implementation of the national Learning Management System (LMS) for General Education and the modernization of the eSchool platform and EMIS enterprise architecture continued to progress in parallel, while entering different stages of implementation. The LMS project advanced from pilot preparation to pilot implementation phase in selected public schools, whereas the eSchool project focused on technical validation of completed deliverables, contractual acceptance procedures and preparation for phased deployment. Together, both initiatives continued to strengthen the foundations for a modern, integrated and data-driven education management ecosystem, while supporting evidence-based decision-making at institutional and system levels.

The "Learning Systems Solutions and Support (LMS) for General Education in Georgia" project

Following the completion of legal, technical, and organizational preparations in late 2025, activities shifted toward launching the pilot, supporting participating schools, strengthening institutional coordination, and establishing the framework required for a nationwide rollout.

The LMS pilot was successfully launched in 21 public schools selected by the MESY. The Ministry continued leading the implementation process, including coordination with participating schools and preparation of digital educational content, while the implementing partner (JV CoreFour Inc. (Leading Partner) and Orient Logic LLC (Member Partner)) provided technical support, addressed implementation issues and introduced system improvements based on operational experience. Regular coordination meetings brought together representatives from MESY, the PMU, Edsby, and Orient Logic to monitor implementation progress, resolve technical and operational challenges, and ensure alignment across institutional, pedagogical, and technical workstreams prior to broader deployment.

During the reporting period, the implementing partner submitted Progress Report No. 4 (R4) covering the implementation progress achieved under the first phase of the pilot. Due to the revised implementation schedule and phased rollout approach, the report was submitted later than originally planned. Following contractual and technical review by the PMU and the respective Steering Group, Progress Report No. 4 was officially accepted by the Client and the corresponding contractual payment was processed, enabling continuation of the remaining implementation activities.

Recognizing the phased implementation methodology and the planned rollout of two pilot phases, the implementation period of the LMS contract was extended until October 2026, without additional financial implications for the Project. The extension was intended to provide sufficient time to complete both pilot phases, conduct the planned evaluation activities and finalize the remaining contractual deliverables.

Following the first phase of the pilot in 21 schools, MESY decided to allocate additional time to comprehensively assess the pilot results and systematically incorporate the lessons learned into the planning of the second phase, which is expected to be implemented in the remaining 179 schools across Georgia. The first phase of the pilot provided valuable experience for MESY, the participating schools, and the Consultant, enabling them to better understand the technical and operational challenges associated with the implementation of the Learning Management System (LMS). The pilot also highlighted the importance of strong institutional coordination, teachers' preparedness, and capacity building for the successful adoption of a high-quality digital learning system.

Although MESY is currently finalizing the pilot evaluation report, the preliminary findings can already be grouped into two main categories. The first category consists of technical issues related to the LMS, including user interface enhancements and system localization (for example, the Georgian-language translation of the LMS). These issues fall within the scope of the Consultant's technical responsibilities and are currently being addressed.

The second category relates to broader functional and operational aspects of the LMS. During the reporting period, discussions continued regarding the future operational relationship between the LMS and the existing electronic journal (E-Journal). As demonstrated by the pilot, although the LMS has been designed in accordance with modern interoperability principles, the architecture and data structures of the existing eSchool and E-Journal systems impose technical limitations on full interoperability. In particular, the existing E-Journal incorporates numerous country-specific business rules governing assessment types, grade calculations, academic reporting, student awards, and other academic processes. Replicating these rules within the LMS would require substantial additional development, which falls outside the scope of the current Contract. Consequently, rather than pursuing full functional integration, the Consultant proposed a pragmatic interoperability approach based on deep linking between the two systems. The proposal, submitted to MESY in mid-May, would enable teachers to move seamlessly between corresponding LMS and E-Journal classes through single sign-on and one-click navigation, while allowing each platform to continue performing its primary functions. The proposed solution remains under review by MESY. Another major area of work concerns the integration and customization of the national digital assessment framework within the LMS. Besides the technical developments, this work is expected to establish the pedagogical foundation necessary for the effective use of digital assessment tools during the second phase of the pilot and subsequent nationwide implementation.

During the reporting period, EMIS conducted an additional technical review of the LMS solution by submitting a set of technical questions related to cybersecurity and personal data protection. The implementing partner provided detailed responses and supporting documentation addressing all issues raised. At the end of the reporting period, the review process remained ongoing in close coordination with the PMU to ensure that the LMS solution complies with the Ministry's technical, cybersecurity, and data protection requirements prior to the second phase of implementation.

It should be noted that the Consultant, in close collaboration with the Project Management Unit (PMU) and the relevant department of MESY, is actively working to address the issues identified during the first phase of the pilot as prerequisites for the successful implementation of the second phase, while simultaneously supporting its detailed planning and preparation. MESY plans to finalize and submit the Pilot Evaluation Report in mid-July. In light of the above, an extension of the Contract will be required to allow sufficient time to address the pilot findings, finalize the necessary technical and functional adjustments of LMS, and implementation of the second phase of the pilot.

The "Upgrade of the eSchool General Education and Early Childhood Education software system and the Enterprise Architecture, Data, and Domain Models for the EMIS education system"

The first half of 2026 focused on reviewing of Progress Report R4, validating the functionality delivered to date, and aligning the remaining implementation activities with the current project priorities. Development activities continued throughout the reporting period through regular technical meetings, business process analysis sessions, functional reviews, and coordination between EMIS and Orient Logic.

A major focus of the reporting period was the continued review of the Core System and its relationship to the remaining functional modules. As implementation progressed and additional modules were analyzed, new Core requirements were identified and incorporated to support subsequent modules and overall system operation.

The Core System has been tested by EMIS and deployed to the production environment. EMIS has commenced the population of reference data, classifiers, registries, and configuration data required for operational use. The next stage of implementation will focus on integration with other systems through APIs and validation of data exchange and business processes.

During the reporting period, EMIS implemented a detailed technical review of the modules submitted under Progress Report R4, including the Core System. Upon completion of the review, the PMU received preliminary confirmation from EMIS that the submitted functionality is aligned with the agreed technical architecture and functional design.

Implementation activities continued in parallel with the review process. At the request of the MESY, development activities were prioritized for the Teacher Professional Development Framework. Business Process Analysis, functional design, and development activities continued in cooperation with the Ministry and relevant stakeholders. Given the implementation timeframe, this prioritization requires allocation of a substantial part of the implementation team to this workstream and may affect the delivery schedule of other functional modules.

Based on implementation developments, Orient Logic is working on a draft proposal on contract amendment addressing timeline and scope adjustments, as well as technological updates. The key proposed modifications shall include:

- **Scope Adjustments:** To offset the significantly increased complexity and scope of the developed Core module, the Contractor proposes removing four of the nineteen planned modules.
- **Technological Updates:** Adjustments to reflect technological changes introduced during the development process.
- **Timeline Revisions:** An extension of the contract duration covering both the development phase and the subsequent technical support period.

Formal acceptance of Progress Report R4 remains a prerequisite for initiating contractual amendments and updating the implementation schedule. The proposal is tentatively expected to be submitted between the end of July and mid-August 2026.

Key Challenges and Risks Identified

During the reporting period, continued analysis of the Core System and remaining modules provided a more detailed understanding of the implementation effort required, indicating that actual development needs differ from the assumptions made during project planning. As implementation progresses, additional Core System requirements may be identified to support the remaining modules. Where such requirements extend beyond the original contractual scope, they can be addressed through the appropriate contractual procedures to ensure their effective implementation.

An important implementation consideration is maintaining alignment between the Ministry's evolving priorities and the remaining contractual activities. The prioritization of the Teacher Professional Development Framework may influence the sequencing of other planned modules. Accordingly, continued alignment of implementation priorities, resource allocation, and delivery sequencing will help ensure timely delivery of all planned activities. Where necessary, corresponding adjustments to the work plan and contractual arrangements may be considered to support effective implementation.

Next Steps

The "Learning Systems Solutions and Support (LMS) for General Education in Georgia" project

- Coordinate the evaluation of the first phase of the LMS pilot.
- Ensure operational and technical support to participating pilot schools.
- Launch the second phase of the pilot following completion of the first phase evaluation and the Ministry's decision.

- Continue coordination on the operational framework between the LMS and the electronic journal, including integration scenarios and institutional responsibilities.
- Coordinate implementation of the remaining contractual activities under the extended implementation schedule.

The "Upgrade of the eSchool General Education and Early Childhood Education software system and the Enterprise Architecture, Data, and Domain Models for the EMIS education system"

Coordinate successful implementation of:

a. official acceptance of the Progress Report R4 by the Coordination (Steering) Group;

b. procedures related to the contract amendment, including coordination with respective key stakeholders;

c. the remaining activities considered under the contract.

Sub-Component 4.2 – Communication and stakeholder consultations for education reform

During the reporting period, Sub-component 4.2 focus centered on two strategic tracks - deepening inter-agency policy alignment and driving wide-scale public engagement. A major milestone in this period was the conclusion of a four-month nationwide public dialogue on inclusive education, which directly influenced state policy by integrating key regional findings into the Ministry's 2027 budget proposal.

a. High-Level Policy Planning & Inter-Agency Coordination

To support the MESY in long-term strategic planning, including implementing effective communication strategy, the PMU facilitated a series of high-level missions and field working formats designed to align national strategies with realistic implementation frameworks.

- **Parliamentary Consultations (January 14, 2026):** The I2Q Project team held a meeting with the parliamentary committee to facilitate the formal adoption and institutionalization of the PD and merit-based remuneration schemes.
- **Policy Planning Field Mission (Borjomi, January 23-25, 2026):** Gathered decision-makers and policy officials to review the objectives, tasks, and indicators of the draft National Strategy
- 2026-2036. The session evaluated monitoring results from the 2022-2030 Strategy and outlined the operational format of the *Inter-agency Coordination Platform for Policy Planning and Strategic Development*.
- **Higher Education Financing Mission (Telavi, March 13-15, 2026):** The main objective was to review and align on proposed reforms to the higher education funding system, including alternative funding models, the supporting digital management system, and the new academic program costing methodology.
- **Strategic Development Coordination Meeting (Kvishkheti, March 26-27, 2026):** Served as a platform for MESY departments to present 2025 progress reports and synchronize 2026 Action Plans. Key agenda items included 2025 MESY annual performance report, and general education reform concepts.
- **High-Level Strategic Communications Workshop (Telavi, June 2026):** Initiated by the Strategic Communications Department of MESY, this workshop brought together heads of MESY structural units, agencies, and communications officers. The cohort collaborated on a 6-month communication action plan (June-December 2026) to coordinate public messaging around major education reforms and establish strategy evaluation mechanisms.

b. Public Dialogue & Regional Awareness Campaign

Between April and June 2026, the national awareness campaign held highly attended public forums across diverse municipalities. Deputy Minister Baya Kvitsiani led the Campaign, focusing on fostering inclusive dialogue and stakeholder engagement. The objective of the campaign was to share existing services and strategic visions regarding inclusive education and to identify challenges and requirements within the Municipalities at the general and vocational education levels.

The regional campaign spanned multiple municipalities, including - Rustavi (April 6), Marneuli (April 8), Gori (April 15), Tsilkani (April 16), Oni (April 22), Kutaisi (April 23), Tsageri (April 24), Sagarejo (May 8), Akhaltsikhe (May 19 & June 12), Telavi (May 28), Mestia (June 1), Zugdidi (June 3), Ozurgeti (June 10), and Batumi (June 11). Primarily hosted at public schools, these highly attended events brought together key stakeholders - including inclusive education specialists, parents, preschool educators, and representatives from vocational education institutions and resource centers -proving to be highly productive and result-oriented.

This event marked the conclusion of the four-month nationwide dialogue, compiling insights from 15 public meetings across Georgia. The dialogue highlighted critical structural vulnerabilities that require urgent intervention:

- **Specialist Shortages:** A severe deficit of qualified inclusive education specialists, particularly in rural and regional areas.
- **Professional Support:** An urgent need to upgrade the professional development framework for instructional assistants.
- **Working Conditions:** The necessity of improving compensation models and environments for support staff.

Direct Policy Impact: Demonstrating the agility and target alignment of the project, a significant portion of the strategic recommendations generated during this dialogue have already been formally integrated into MESY's 2027 state budget proposal.

c. Specific Milestones & Media Visibility

Sub-component 4.2 consistently amplified the milestones of other I2Q components through targeted public relations and media placements.

- **Winter Seasonal School (January 8–17, 2026):** PMU and MESY participated in the event organized by Tbilisi State University in the frames of the joint degree PHD program developed under the I2Q Project.
- **National Media Placement (February 9, 2026):** Project milestones reached a nationwide audience via the Georgian Public Broadcaster's morning program, **"Akhali Dge".** The segment featured lead international expert Nancy Frey (SDSU Research Foundation) and Tamar Sanikidze (I2Q Project Executive Director) discussing Quality Assurance, data reporting, teacher training, and the School Readiness Program (SRP).
- **SDSURF High-Level meetings (February 8-10, 2026):** The lead international experts of the consulting company under Component 1 held high-level consultations with the MOF, the Parliamentary Committee, and MESY senior leadership to facilitate the handover process and assess institutional readiness for adopting the PD and merit-based remuneration schemes.
- **National STEAM Competition Online Conference (February 20, 2026):** Part of the *"Future Georgia 2025"* initiative, this conference showcased extracurricular projects from 12 later-stage pilot schools, highlighting student innovation and practical skill acquisition in STEAM disciplines.

d. Field Operations: Target Municipality Site Visits

From March 17–19, 2026, targeted field visits were conducted under Component 1 across Zestaponi, Samtredia, Zugdidi, Kutaisi, Akhmeta, and Marneuli. The visits aimed to achieve the following objectives:

Activity Tracking: Monitor ongoing teaching and learning activities within the operational school readiness groups at the target schools.

Inventory Monitoring: Oversee the reallocation of project-procured equipment to the five alternative target schools.

Stakeholder Engagement: Conduct consultative meetings with local Kindergarten Union administrations to ensure coordinated implementation.

Next Steps

As the project advances, communication efforts will pivot from tracking implementation to ensuring the institutionalization and long-term sustainability of project outputs.

High-Level Visibility & Project Closure:

- Prepare a comprehensive package of high-level communication materials summarizing all major project achievements.
- Organize a formal Closure Event to highlight the long-term impact of the I2Q Project.

Stakeholder Dissemination: Organize specialized workshops to present and hand over key outputs to local partners.

Asset Sustainability: Establish formal, legally binding agreements with institutional partners to maintain and manage the project's digital and physical assets beyond the funding cycle.

Digital Integration Benchmarking: Convene final conferences for the Learning Management System (LMS) and eSchool platforms (Sub-component 4.1) to evaluate the impact of digital integration and secure a unified consensus on future digital priorities for the national education system.

Contractual Oversight: Supervise the organization and execution of final workshops led by external consulting firms under remaining project contracts.

E. COMPONENT 5 - SUPPORTING PROJECT MANAGEMENT, MONITORING, AND EVALUATIONS

PROCUREMENTS

Following contracts were signed as a result of market research, received quotations, and agreement with the Bank under Operation Costs of the Project:

- Procurement of Monitor Rental Services for the Event, Contract No.: OP/104
- Procurement of Information Banner Production, Contract No.: OP/103
- Procurement of hotel accommodation services in Batumi, Contract No.: OP/102
- Procurement of hotel accommodation services in Batumi, Contract No.: OP/101
- Procurement of hotel accommodation services in Ozurgeti, Contract No.: OP/100
- Procurement of catering services in Batumi, Contract No.: OP/99
- Procurement of catering services in Zugdidi, Contract No.: OP/98
- Procurement of catering and hotel accommodation services in Mestia, Contract No.: OP/97
- Procurement of Event Management Services for the Final Conference on Public Dialogue on Inclusive Education, Contract No.: OP/96
- Procurement of catering services for event held in Zugdidi, Contract No.: OP/93
- Procurement of catering services for event held in Mestia, Contract No.: OP/95
- Procurement of hotel accommodation services in Mestia, Contract No.: OP/94
- Procurement of catering services for event held in Telavi, Contract No.: OP/92

I2Q Project BIANNUAL REPORT /*January-June-2026* 28

- Procurement of catering services for event held in Akhaltsikhe, Contract No.: OP/91
- Procurement of Two-Day Off-Site Working Meeting Services for Strategic Development in Telavi, Contract No.: OP/90
- Procurement of Annual Subscription Services for an Online Legislative Journal, Contract No.: OP/89
- Procurement of catering services for event held in Sagarejo, Contract No.: OP/88
- Procurement of catering services for event held in Rustavi, Contract No.: OP/75
- Procurement of catering services for event held in Marneuli, Contract No.: OP/79
- Procurement of printing of certificates, Contract No.: OP/80
- Procurement of catering services for event held in Gori, Contract No.: OP/81
- Procurement of catering services for event held in Tsikani, Contract No.: OP/82
- Procurement of catering services for event held in Kutaisi, Contract No.: OP/84
- Procurement of hotel services for two-day off-site working meeting in Kutaisi, Contract No.: OP/86
- Procurement of catering services for event held in Oni, Contract No.: OP/87
- Procurement of office car maintenance services, Contract No.: OP/73
- Procurement of hotel services for a two-day off-site working meeting (March 13–15, 2026), for ensuring the compatibility of the higher education (HE) funding model, Contract No.: OP/74
- Procurement of hotel services for a two-day off-site working meeting (March 26–27, 2026) for Policy Planning and Strategic Development Coordination, Contract No.: OP/76
- Procurement of car transportation services for the reallocation of inventory to newly rehabilitated schools, Contract No.: OP/77
- Procurement of Simultaneous Interpretation Services for the First Public Broadcasting Television Channel, Contract No.: OP/72
- Procurement of office cleaning services, Contract No.: OP/71
- Procurement of hotel services for two-day off-site working meeting in Borjomi, Contract No.: OP/70

Contract amendments for the following PMU staff members were signed, extending their contracts based on the Project needs:

- General Education Component Lead
- Early Education Component Lead
- Capacity Development, Outreach and Communications Specialist
- CIF Administration Unit Manager

Next steps:

- Announcing procurement of STEAM resources and furniture in July 2026 through five separate procurement packages:
    a. Procurement of Resources Required for the Implementation of STEAM Extracurricular Programs in General Education Institutions (Stationery Supplies for Public Schools) – (RFQ);
    b. Procurement of Resources Required for the Implementation of STEAM Extracurricular Programs in General Education Institutions (Lot 1 – Basic STEAM Club Kits; Lot 2 – Standard STEAM Club Kits; Lot 3 – Educational Resources and Technical Equipment for STEAM Innovation Spaces) – (RFQ);

I2Q Project BIANNUAL REPORT /*January-June-2026* 29

c. Procurement of Resources Required for the Implementation of STEAM Extracurricular Programs in General Education Institutions (Lot 1 – Universal Microprocessor System Starter Kits and Lot 2 – Basic Robotics Club Kits) – (RFQ);

d. Procurement of Educational Resources and Technical Equipment for Robotics Innovation Spaces (for 15 labs) – (RFB);

e. Procurement of STEAM furniture for 22 schools – (RFQ).

- Announcing REOI for the consulting service – “Consulting Services for Strengthening Teachers’ Capacity to Foster Interdisciplinary and Innovative Teaching in General Education Institutions”;
- Procurement of needed services for supporting a capacity-building program targeting the management of Education Resource Centers.

SECTION III: PROJECT FINANCES

The financial and administrative support for the I2Q Project, as well as procurement management under the Project, as defined by the Loan Agreement and the World Bank (IBRD) rules and procedures, is performed by the PMU under MESY. The PMU maintains the Project Financial Management System in line with the World Bank requirements and performs disbursement of the loan proceeds accordingly.

During the reporting period (01 January 2026 – 30 June 2026), the total amount of expenditures under the I2Q Project amounted to EUR 2’784’925, which is 61% of the forecasted disbursements. As of June 30, 2026, cumulative payments for the project implementation are equal to EUR 27 million (excluding FEF 225’000.00 million), which is 91% of allocated IBRD funds (MESY part – EUR 29’775’000).

Commitments and Disbursement Projections

(from the approved Procurement Plan) (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	29’775’000.0 EUR	28’169’627 EUR	26’978’648 EUR	30’001.26 EUR	1’160’978 EUR	1’298’246 EUR

I2Q Project BIANNUAL REPORT /*January-June-2026* 30

Components			Actual Payment 2026 1st part
Comp. 1	Improving the quality of ECEC programs across the country	1.1	**EUR 712'515**
Comp. 1	Increasing equitable access to Pre- School education for successful transition to school	1.2	**EUR 1'748**
Comp. 1	Improving infrastructure to support innovative primary education, including Pre-School	1.3	**EUR -**
Comp.2	Supporting the scaling up of the whole school improvement pilot	2.2	**EUR 671'477**
Comp.2	Supporting capacity-building of teachers and school leaders to adapt, develop, and implement school-based curriculum	2.3	**EUR 111'913**
Comp.2	Assisting the development of a national assessment framework	2.4	**EUR 335'738**
Comp.3	Development of new options for higher education financing	3.1	**EUR 598'361**
Comp.3	Establishment of a competitive innovation fund for public and private universities	3.2	**EUR 26'612**
Comp.3	Promoting internationalization of higher education	3.3	**EUR -**
Comp.3	CIF Salary	3.2.1	**EUR 15'675**
Comp.4	Supporting data-driven decision-making accessible the entire education system	4.1	**EUR 74'210**
Comp.4	Communication and stakeholder consultations for education reform	4.2	**EUR 35'288**
Comp.5	PMU Salary	5	**EUR 194'236**
Comp.5	Operating Costs	5	**EUR 7'152**
Total			**EUR 2'784'925**

SECTION IV: ANNEXES TO THE REPORT

Annex I – Indicator Performance Tracking Table

Annex II – Information on Procurement Activities

Annex III – Registry of Project Outputs[2]

[2] The document is subject to further update, as needed.

MINISTRY OF EDUCATION, SCIENCE
AND YOUTH OF GEORGIA

ინოვაციის, ინკლუზიურობის და ხარისხის პროექტი -
საქართველო I2Q (WB)
Innovation, Inclusion and Quality Project - Georgia
I2Q

WORLD BANK GROUP