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INTERNATIONAL DEVELOPMENT ASSOCIATION
RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF THE
SECOND EDUCATION SECTOR DEVELOPMENT PROJECT

CREDIT NO. IDA-43940
(Approved on April 21, 2008)

TO THE
REPUBLIC OF AZERBAIJAN

February 4, 2014

HUMAN DEVELOPMENT
EUROPE AND CENTRAL ASIA REGION

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ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Lending
EMIS	Education Management Information System
IDA	International Development Association
ISR	Implementation Status Report
MoE	Ministry of Education
PDO	Project Development Objectives
PIU	Project Implementation Unit

Regional Vice President:	Laura Tuck
Country Director:	Henry G. R. Kerali
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REPUBLIC OF AZERBAIJAN
Second Education Sector Development Project
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DATA SHEET*Azerbaijan**Second Education Sector Development Project (P102117)**EUROPE AND CENTRAL ASIA**ECSH2*

Report No: RES9884

Basic Information									
Project ID:	P102117	Lending Instrument:	Adaptable Program Loan						
Regional Vice President:	Laura Tuck	Original EA Category:	Partial Assessment (B)						
Country Director:	Henry G. R. Kerali	Current EA Category:	Partial Assessment (B)						
Sector Director:	Alberto Rodriguez	Original Approval Date:	21-Apr-2008						
Sector Manager:	Andrea C. Guedes	Current Closing Date:	31-Mar-2014						
Team Leader:	Dandan Chen								
Borrower:	Republic of Azerbaijan								
Responsible Agency:	Ministry of Education Khatai Ave, 49, Baku, Azerbaijan Tel: +994 12 496 0647								
Restructuring Type									
Form Type:	Full Restructuring Paper	Decision Authority:	Board Approval						
Restructuring Level:	Level 1								
Financing (as of 1-February-2014)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P102117	IDA-43940	Effective	21-Apr-2008	24-Sep-2008	01-Dec-2008	31-Mar-2014	31-Mar-2014		
Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Un-disbursed	% Disbursed
P102117	IDA-43940	Effective	XDR	15.70	15.70	0.00	11.76	3.94	75
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							Yes []	No [X]	
Does the project require any policy waiver(s)?							Yes []	No [X]	

A. Summary of Proposed Changes	
The proposed restructuring would support: (i) revising the Project Development Objectives (PDO) to sharpen the focus on improving the effectiveness of teaching and learning conditions as the key project development outcome; (ii) modifying the Results Framework to better measure project outcomes; (iii) extending the Project closing date from March 31, 2014, to March 31, 2016, for an additional 24 months to allow for the Project's successful completion; and (iv) reallocating credit proceeds across priority areas to reflect implementation progress and challenges.	
Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [X] No []
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [X] No []
Cancellations Proposed	Yes [] No [X]
Change to Financing Plan	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]
Appraisal Summary Change in Economic and Financial Analysis	Yes [] No [X]
Appraisal Summary Change in Technical Analysis	Yes [] No [X]
Appraisal Summary Change in Social Analysis	Yes [] No [X]
Appraisal Summary Change in Environmental Analysis	Yes [] No [X]
Appraisal Summary Change in Risk Analysis	Yes [] No [X]
B. Project Status	
The Project, which became effective on December 1, 2008, has IDA financing of US\$25 million equivalent. As of January 6, 2014, 75% of the credit had been disbursed. The original Project Development Objective is to: (i) enhance the effectiveness of teaching in general secondary schools; (ii) improve learning results in schools which receive new school libraries and where teachers adopt improved teaching practices as a result of in-service training; and (iii) improve efficiency of spending on general education. Progress towards achieving the PDO is measured by three indicators: (i) improved test scores in project targeted schools equipped with new libraries; (ii) increased proportion of teachers using active methodologies in the context of new curriculum; and (iii) improvement in the ratio of students to the	

number of full-time equivalent teachers.

The Project has achieved important results by contributing to the implementation of significant reforms that have expected long term positive impact on the teaching and learning processes in Azerbaijan. Four of the six components of the project supporting these results have consistently been rated as “Satisfactory”. The successfully implemented reforms include modernization of the curriculum up to grade 6 and a comprehensive overhaul of the in-service teacher training system. However, implementation of several key activities under Component 5 has been either slow or did not happen due to the fact that undertaking some of the reforms envisaged under this component required broader consensus among a larger number of stakeholders. In the current environment, some of these activities are not likely to be executed or completed before the closing date of March 31, 2014. This in turn undermines the project’s ability to meet all of its original development objectives. Reflecting its current status, the latest Implementation Status Report (ISR) (September 6, 2013) downgraded the project’s ratings on progress towards achievement of PDO and Implementation Progress (IP) from “Moderately Satisfactory” to “Moderately Unsatisfactory”.

Recently, the Government adopted a new Education Development Strategy, under which the newly appointed Minister of Education has expressed strong commitment to implementing substantial reforms. The Ministry requested the Bank’s support, including through the Project, to enhance the quality of teaching and learning in Azerbaijan. The proposed restructuring would also allow the Project to focus on, and scale-up, the successfully implemented activities and to drop those that are unlikely to progress. The Project will need to be extended in order to complete both current and new activities.

Development Objectives/Results

Project Development Objectives (P102117 - Second Education Sector Development Project)

Original PDO

The Project Development Objective is to: (i) enhance the effectiveness of teaching in general secondary schools; (ii) improve learning results in schools which receive new school libraries and where teachers adopt improved teaching practices as a result of in-service training; and (iii) improve efficiency of spending on general education.

Change in Project's Development Objectives

Please describe the change and explain the reason for change

The restructuring proposes to revise the PDO in order to focus on improving the effectiveness of teaching and learning conditions, dropping the reference to learning outcomes related to school libraries and the objective related to improved efficiency of spending in education. The reason for dropping the former is that libraries were an important input but not a key factor to improvement of learning outcomes. In addition, it takes time for improved teaching and learning conditions to be reflected as improved learning outcomes, which may not be observed during the project implementation period. The latter is dropped, as school rationalization is no longer a priority policy agenda for the Government, as a result of the concern that access to schools may be negatively affected in some communities. Preparation of a comprehensive feasibility study is under way. In addition, as the project covers both general primary and secondary education, the revised PDO would be better aligned with the project’s scope, dropping the specific reference to general secondary schools.

Proposed New PDO

To enhance the effectiveness of teaching and learning conditions in general education schools through curriculum reform and teacher in-service training.

Change in Results Framework

Explanation:

The Results Framework will be revised to align it with the revised PDO.

Financing

Change in Loan Closing Date(s)

Explanation:

In order to further roll out the curriculum reform, complete the teacher training envisaged under the Project, and wrap-up activities in other components, a two-year extension is requested.

Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-43940	Effective	31-Mar-2014	31-Mar-2014	31-Mar-2016	31-Mar-2014

Disbursement Estimates

Change in Disbursement Estimates

Explanation:

Disbursement estimates will change to reflect the additional two years of project implementation.

Fiscal Year	Current (USD)	Proposed (USD)
2008	0.00	0.00
2009	2,410,000.00	1,500,000.00
2010	4,730,000.00	527,049.18
2011	4,770,000.00	1,613,255.77
2012	5,050,000.00	5,619,287.73
2013	5,330,000.00	2,000,000.00
2014	2,710,000.00	2,000,000.00
2015		6,500,000.00
2016		5,240,407.32
Total	25,000,000.00	25,000,000.00

Components

Change to Components and Cost

Explanation:

The re-allocation of the US\$8.2 million equivalent from the originally unallocated contingency fund is a result of: (1) the enhanced effort and activities of key project components of curriculum reform and training, which include not only intensified technical assistance drawing expertise globally and nationally in curriculum assessment and development, but also enhanced training for teachers to adopt the new curriculum and manage the transition; and (2) increased operational cost due to the envisaged longer implementation time frame.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Supporting the Implementation of the General Education Curriculum and further		10.80	16.50	Revised

curriculum reform.				
Modernizing In-Service Teacher Training		11.60	18.00	Revised
Using Student Assessment for Education Quality Improvement		4.50	2.80	Revised
Promoting School Readiness		1.60	0.20	Revised
Strengthening Education Policy Development and Management		4.90	3.50	Revised
Project Coordination, Monitoring and Evaluation		3.00	3.60	Revised
Contingency		9.00 ¹	0.80	Revised
	Total:	45.40	45.40	
Other Change(s)				
Change in Implementation Schedule				
<p>Explanation:</p> <p>The implementation time frame will be extended by 2 years. This would allow the Project to be successfully completed. In particular, it would enable the curriculum reforms and in-service teacher training to be extended beyond Grade 6 and reach Grade 8 nationwide, and eventually to contribute to the overall achievement of Project Development Objectives.</p>				

¹ The “contingency” allocation is not shown in the Portal version of the datasheet, due to the system constraint.

Azerbaijan: Second Education Sector Development Project

Restructuring Paper

A. SUMMARY

1. The proposed restructuring would support: (i) revising the Project Development Objectives (PDO) to sharpen the focus on improving the effectiveness of teaching and learning conditions as the key project development outcomes; (ii) modifying the Results Framework to better measure the project outcomes; (iii) extending the Project closing date from March 31, 2014, to March 31, 2016, for an additional 24 months to allow for the Project's successful completion; and (iv) reallocating credit proceeds across priority areas to reflect implementation progress and challenges.

B. PROJECT BACKGROUND AND STATUS

2. The Project, which became effective on December 1, 2008, has IDA financing of US\$25 million equivalent. As of January 6, 2014, 75% of the credit had been disbursed. The original Project Development Objective is to: (i) enhance the effectiveness of teaching in general secondary schools; (ii) improve learning results in schools which receive new school libraries and where teachers adopt improved teaching practices as a result of in-service training; and (iii) improve efficiency of spending on general education. Progress towards achieving the PDO is measured by three indicators: (i) Improved test scores in project targeted schools equipped with new libraries; (ii) Increased proportion of teachers using active methodologies in the context of new curriculum; and (iii) Improvement in the ratio of students to the number of full-time equivalent teachers.
3. A summary of progress towards achieving the PDO is as follows:

Table 1: Progress towards achieving PDO

PDO indicators:	Comments on Progress to date:
Improved test scores in project targeted schools equipped with new libraries	There is an improvement. However this indicator has been found inadequate for measuring project outcome, as library books do not necessarily lead to learning outcome improvement.
Increased proportion of teachers using active methodologies in the context of new curriculum	On track.
Improvement in the ratio of students to the number of full-time equivalent teachers	Not on track; due to institutional complexity and stalled implementation of closing and merging schools.

4. The Project has achieved important results by contributing to the implementation of significant reforms that have expected long term positive impact on the teaching and learning processes in Azerbaijan. Four of the six components of the project supporting these results have consistently been rated as "Satisfactory". The successfully implemented reforms include modernization of the curriculum up to grade 6 and a comprehensive overhaul of the in-service teacher training system. However, implementation of several key activities under Component 5 has been either slow or did not happen due to the fact that undertaking some of the reforms envisaged under this

component required broader consensus among a larger number of stakeholders. In the current environment, some of these activities are not likely to be executed or completed before the closing date of March 31, 2014. This in turn undermines the project’s ability to meet all of its original development objectives. Reflecting its current status, the latest Implementation Status Report (ISR) (September 6, 2013) downgraded the project’s ratings on progress towards achievement of PDO and Implementation Progress (IP) from “Moderately Satisfactory” to “Moderately Unsatisfactory”.

5. Recently, the Government adopted a new Education Development Strategy, under which the newly appointed Minister of Education has expressed strong commitment to implementing substantial reforms. The Ministry requested the Bank’s support, including through the Project, to enhance the quality of teaching and learning in Azerbaijan. The proposed restructuring would also allow the Project to focus on, and scale-up, the successfully implemented activities and to drop those that are unlikely to progress. The Project will need to be extended in order to complete both current and new activities.

C. PROPOSED CHANGES

6. **Project Development Objectives and Results Framework.** This Project Paper seeks approval to revise the Project Development Objectives (PDO) to sharpen the focus on improving the effectiveness of teaching and learning conditions as the key project development outcome. The Results Framework would also be adjusted with revisions of PDO indicators and intermediate results indicators. The proposed key revisions are summarized in Table 2. A detailed Results Framework with progress to-date and target values is included in Annex 1.

Table 2: Summary of proposed PDO and PDO indicator revisions

	Current	Proposed change	Explanation/rationale
PDO	The original Project Development Objectives are to: (i) enhance the effectiveness of teaching in general secondary schools; (ii) improve learning results in schools which receive new school libraries and where teachers adopt improved teaching practices as a result of in-service training; and (iii) improve efficiency of spending on general education.	To enhance the effectiveness of teaching and learning conditions in general education schools through curriculum reform and teacher in-service training.	The restructuring proposes to re-focus the PDO on the objective of improving effectiveness of teaching and learning conditions, while dropping: (i) the reference to learning outcomes related to school libraries, as school libraries are an important input, but not a key factor to improvement of learning outcomes. In addition, it takes time for improved teaching and learning conditions to be reflected as improved learning outcomes, which may not be observed during the project implementation period; and (ii) the objective related to improved efficiency of spending in education, as the school rationalization is no longer a policy agenda within the implementation time frame. This is mainly due to the concern that access to schools may be negatively affected in some communities. Preparation of a comprehensive feasibility study is under way.

			In addition, as the project covers both general primary and secondary education, the new PDO would be better aligned with the project scope, dropping the specific reference to general secondary schools.
PDO indicators	Improved test scores in project targeted schools equipped with new libraries	Dropped	This indicator is not adequate for measuring project outcomes, as library books do not necessarily lead to learning improvements.
	Increased proportion of teachers using active methodologies in the context of new curriculum	Revised.	This indicator continues to be essential to capture the intended project objective of improved teaching and learning. The target value, which was not set originally, has been specified.
	Improvement in the ratio of students to the number of full-time equivalent teachers	Dropped	Due to institutional complexity and stalled implementation of closing and merging schools, the related activities are no longer going to be carried out.
	New curriculum officially adopted in grades 1-8	New	Curriculum reform and implementation are major investments under this project for improving teaching and learning conditions, and are expected to have a significant impact on teaching and learning outcomes.
	Technically adequate sample-based ² student assessment is implemented	New	Even though learning outcome improvement may not be observed during project implementation period, student assessment is an essential element for evaluating teaching and learning through rigorous monitoring and diagnostics, and to inform policies beyond the project closing date.

7. **Reallocation of Credit proceeds.** The re-allocation of the US\$8.2 million equivalent from originally unallocated contingency fund is a result of: (1) the enhanced effort and activities of key project components of curriculum reform and teacher training, which include not only intensified technical assistance drawing expertise globally and nationally in curriculum assessment and development, but also enhanced training for teachers to adopt the new curriculum and manage the transition; and (2) increased operational cost due to the envisaged longer implementation time frame.
8. The reallocation of the credit proceeds aims to capitalize on the Project’s important successes without losing sight of the original intention to continue the improvements in teaching and learning across the system. The progress of project activities to date clearly indicates that there is a significant difference between those activities for which there were ownership and buy-in, and those for which broader institutional support or stakeholder consensus were lacking. In the case of the former, implementation moved forward with considerable focus and success, and the results are beginning to be discernible. In contrast, in those areas where there was little or no ownership, such as the rationalization of school networks or the reforms that depended almost

² As common practice, the assessments will not cover all grades, but only selected grades based on specific evaluation needs.

exclusively on libraries to drive pedagogic improvements, there has been little traction. As a result, the proposed restructuring would allow the Project to refocus on those areas of greatest Government priority and ownership.

9. Several initiatives implemented by the Government call for a few changes in the implementation plan of project activities and further reallocation of Credit proceeds. These include: the promotion of private participation in teacher training provision; postponement of participation in the new round of international student assessment to align the timing with the completion of curriculum reform; transfer of the administration of national examinations and the management of education information and data out of the Ministry of Education; and the preparation of a comprehensive feasibility study and implementation plan for school per capita funding before its implementation. In these instances, the restructuring aims to make the necessary adjustments in the allocation of Project fund across components in accordance with the current implementation plan.
10. A summary of the proposed reallocation of credit proceeds is in Table 3.

Table 3: Summary of proposed reallocation of Project Proceeds

Component Name	Original Cost (US\$M)	Proposed Cost (US\$M)
Supporting the Implementation of the General Education Curriculum and further curriculum reform.	10.80	16.50
Modernizing In-Service Teacher Training	11.60	18.00
Using Student Assessment for Education Quality Improvement	4.50	2.80
Promoting School Readiness	1.60	0.20
Strengthening Education Policy Development and Management	4.90	3.50
Project Coordination, Monitoring and Evaluation	3.00	3.60
Contingency	9.00	0.80
Total	45.40	45.40

11. **Closing date.** Under the proposed restructuring, the Project would be extended by 24 months, until March 31, 2016. This would be the first extension, and it would allow the Project to be successfully completed. In particular, it would enable the curriculum reforms and in-service teacher training to be extended beyond Grade 6 and reach Grade 8 nationwide, and eventually to contribute to the overall achievement of Project Development Objectives.
12. All fiduciary aspects of the Project implementation are rated Satisfactory. There are no outstanding audit reports or audit reports which are not satisfactory to the Bank. A revised implementation plan satisfactory to the Bank has been prepared by the implementing agency. The Government has confirmed its commitment to the revised PDO and the implementation of the restructured project. The revised PDOs are achievable within the extended implementation period.

D. APPRAISAL SUMMARY

13. One factor that contributes to the improvement of the efficiency of education sector public spending and investment is the rationalization and consolidation of small schools supported by the original project design. To date, school rationalization is no longer a policy agenda within the implementation time frame. However, the large gain in project benefit as envisaged by the original project economic and financial analysis is not derived under the assumption of school consolidation. The improved teaching and learning conditions as a result of the project is expected to lead to an increased number of secondary school graduates with desired quality of skills and thus to an increase in the total value of potential labor market earnings. Therefore, the total project benefit as measured by the expected labor market earnings continues to exceed the investment cost of the Project. As such, the results of the economic and financial analysis would remain valid even under the proposed restructuring.

Annex 1
Results Framework
Azerbaijan: Second Education Sector Development Project (P102117)

Project Name:	Second Education Sector Development Project (P102117)	Project Stage:	Restructuring	Status:	DRAFT
Team Leader:	Dandan Chen	Requesting Unit:	ECCU3	Created by:	Meskerem Mulatu on 15-Mar-2013
Product Line:	IBRD/IDA	Responsible Unit:	ECSH2	Modified by:	Dandan Chen on 15-Nov-2013
Country:	Azerbaijan	Approval FY:	2008		
Region:	EUROPE AND CENTRAL ASIA	Lending Instrument:	Adaptable Program Loan		

Project Development Objectives

Original Project Development Objective:

The Project Development Objectives are to: (i) enhance the effectiveness of teaching in general secondary schools; (ii) improve learning results in schools which receive new school libraries and where teachers adopt improved teaching practices as a result of in-service training; and (iii) improve efficiency of spending on general education.

Proposed New Project Development Objectives:

To enhance the effectiveness of teaching and learning conditions in general education schools through curriculum reform and teacher in-service training.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Dropped	Improved test scores in project's targeted schools equipped with new libraries (compared to control group).	<input type="checkbox"/>	Text	Value	In 2009, for target group in 9th grade mother tongue, on 2-5 scale (low-high), 4.1% got 2 (low); 29.2% got 3; 57.7% got 4 and 9.1% got 5 (high). For math, the scores were: 13.5% got 2; 38.8% got 3; 40.3% got 4 and 7.5% got 5.	2011 Mother tongue 9th grade: 3.5% got 2 (low); 24.1% got 3; 66.1% got 4 and 6.3% got 5. In math, 22.7% got 2; 40.8% got 3; 34.2% got 4 and 2.3% got 5.	Average scores in library schools above control group.
				Date	30-Jun-2009	15-Jul-2013	31-Mar-2014
				Comment	Baseline updated to reflect 2009 data, which was earliest available.	The mixed improvements in mother tongue (fewer low but fewer high) and the declines in	

						math (more low and fewer high) reflect general trends and are not linked to library books, which had not yet been delivered.	
Revised	Increased proportion of teachers using active methodologies in the context of the new curriculum.	<input type="checkbox"/>	Text	Value	2010: 10.6% of teachers used active learning; 64% used mix of both active and traditional lecture mode teaching; and 26% used all traditional.	28% of classes observed in 2012 reflect active methodologies, as compared to 10.6% in 2010.	30% percent or above
				Date	21-Apr-2008	15-Jul-2013	31-Dec-2015
				Comment	Baseline updated to reflect 2010 data, which was earliest available.	This is based on an observation of 1,014 classes in 2012 as part of a qualitative survey.	Target value was not set originally. At least 30% end target should be expected
Dropped	Improvement in the ratio of	<input type="checkbox"/>	Text	Value	11.8	10.6	12.5

	student to the number of full-time equivalent teachers.			Date	21-Apr-2008	08-Jul-2013	31-Mar-2014
				Comment		No new data are available since last ISR.	
New	Technically adequate sample-based student assessment is implemented	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	21-Apr-2008	30-Sep-2013	31-Dec-2015
				Comment		Assessment is implemented in Grade 4.	Additional assessment is implemented
New	New curriculum officially adopted in Grade 1-8	<input type="checkbox"/>	Yes/No	Value	Yes	Yes	Yes
				Date	21-Apr-2008	30-Sep-2013	31-Dec-2015
				Comment	New curriculum was only rolled out at Grade 1	New curriculum implemented in Grade 1-6	New curriculum implemented in Grade 1-8

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Dropped	% of 4th graders who visited the school library in the previous month	<input type="checkbox"/>	Text	Value	In 167 of 500 target schools, 7.8% of 4th graders visited libraries	In 160 of 500 target schools in Jan/Feb 2012, 11% of 4th graders visited libraries, an	Number of visits increase.

						increase of 3.2 points.	
				Date	21-Apr-2008	01-Apr-2013	31-Mar-2014
				Comment	Due to delays in procuring library books, Oct/Nov 2009 data is being used as the baseline		
Dropped	% of methodologists capable to providing continued support to teachers on issues of new curriculum, assessment tools and use of new learning materials.	<input type="checkbox"/>	Text	Value	50%	100%	100% (at least 90%)
				Date	30-Jun-2010	30-Jun-2012	31-Mar-2014
				Comment	Baseline updated to reflect first data available from study in 2010.	In 2012, 100% of methodologists were found capable of providing support to teachers. Please note, however, that given the small numbers of methodologists, teacher training is now done using a new outsourcing	

						model with non-gov institutions.	
Dropped	Discussion of test results included in an annual report made publicly available.	<input type="checkbox"/>	Text	Value	No discussion of test results in 2006 annual report.	Test results are posted on the MOE website.	Annual report discusses test results.
				Date	21-Apr-2008	01-Apr-2013	31-Mar-2014
				Comment			
Dropped	Test results used to justify budget requests in annual budget framework paper submitted to MOF.	<input type="checkbox"/>	Text	Value	No discussion of tests results in 2006 budget framework paper.	No progress.	Specific investment needs and interventions are justified on the basis of test results.
				Date	21-Apr-2008	01-Apr-2013	31-Mar-2014
				Comment		Not likely to be done. Without a program budget in place government-wide, there is little appetite (or rationale) for doing this just for the education	

						budget.	
Dropped	% of Rayon Education Department's annual 3-year strategy papers that discusses test results and uses results to justify policy actions and investment plans.	<input type="checkbox"/>	Text	Value	REDs do not submit 3-year strategy to MoE. 1-year plans do not discuss test results.	No information available on outcome of review of rayon strategies.	Specific investment needs are justified by student assessment results
				Date	21-Apr-2008	01-Apr-2013	31-Mar-2014
				Comment		Rayons have submitted their strategies, which are under review. MOE is no longer requiring them to do strategies.	
Revised (Target was made more specific)	% of population that recognizes the importance of pre-school for a child's school readiness.	<input type="checkbox"/>	Text	Value	Limited understanding of the importance of pre-school and no surveys conducted to measure parent's understanding.	In 2010, 96.4% of school principals, 85.7% of teachers and 82.9% of parents valued the importance of preschool education. In 2011 the level of school principals who agreed on	Above 97% for school principals; Above 86% for teachers; Above 83% for parents

						importance of preschool program did not change. In 2011 this indicator went up to 93% among teachers-respondents and 87.2% among parents-respondents.	
				Date	21-Apr-2008	15-Jul-2013	31-Dec-2015
				Comment			Given that the current awareness level is already high, there may be limited scope to see significant increase during extension.
Dropped	Number of schools merged or schools in previous fiscal year (as a % of total number of schools).	<input type="checkbox"/>	Text	Value	No baseline.	No progress.	Net decrease is 3-5 percent of the school system each year (100-250 schools).

				Date	21-Apr-2008	01-Apr-2013	31-Mar-2014
				Comment		There is no political will to make this happen.	
Dropped	Number of quarterly queries of Education Management Information System.	<input type="checkbox"/>	Text	Value	In 2009, there were 924 queries in a quarter.	No available information.	Number of queries increase.
				Date	30-Jun-2009	01-Apr-2013	31-Mar-2014
				Comment	Baseline updated with 2009 information.	EMIS responsibilities are divided between two institutions that have not yet reconciled their differences to develop the system further.	
No change	% of population understanding and supporting education reforms.	<input type="checkbox"/>	Text	Value	PR office does not measure its effectiveness by such surveys.	In both 2010 and 2011, 94% of parents positively evaluated the impact of new curriculum on pupil's development. In	Percent support the same or improved compared to baseline.

2010, 72.4% of teachers were partly or completely satisfied with education reforms. In 2011 that total rose to 89.8%, although those who answered that they were “completely satisfied” declined from 43.7% to 24.7%. in 2010, 99.2% of principals were satisfied with education reforms. In 2011 that increased to 99.6%.

Date	21-Apr-2008	15-Jul-2013	31-Dec-2015
Comment			Increased % or maintained high % of support during project

							extension. (Given that the % is already high; there may be limited scope to see significant increase during extension).
No change	System for learning assessment at the primary level	<input checked="" type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	30-May-2009	01-Apr-2013	31-Dec-2015
				Comment		Three criteria for "4" utility rating have been fulfilled: data have been analyzed, disaggregated results are available, and assessments are done at least every 5 years.	
No change	Utility of the learning assessment system	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	4.00	3.00

New	Establishment of system of in-service training allowing provision of non-government institutions	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	21-Apr-2008	30-Sep-2013	31-Dec-2015
				Comment	only state institutions offered in-service teacher training	Several cohorts of in-service teacher training have been provided through open competition among private training providers	Additional cohorts of in-service teacher training provided by private training providers
New	Number of teachers participating in new curriculum related in-service training	<input type="checkbox"/>	Number	Value	8000.00	56153.00	
				Date	31-Dec-2009	31-Dec-2012	31-Dec-2015
				Comment		last reporting end 2012; number is cumulative	All teachers delivering new curriculum are trained

Annex 2
Operational Risk Assessment Framework (ORAF)
Azerbaijan: Second Education Sector Development Project (P102117)

Project Stakeholder Risks						
Stakeholder Risk	Rating	Low				
Risk Description: The Ministry of Education is fully committed to continuing and deepening the reforms under the project. However, in some policy and technical areas, lack of broad consensus may arise and cause implementation delay.	Risk Management: The Project activities should be closely aligned with the new Education Sector Strategic Plan and be integrated as part of the implementation "road map" of the Strategic Plan.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	Low				
Risk Description: The project has a capable PIU with good track record including fiduciary performance. The main risk in implementation capacity lies in the need for smooth coordination between relevant MoE departments and PIU.	Risk Management: Bank team will engage as needed, particularly in the form of providing training sessions to new officials and staff in project implementation including fiduciary aspects.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous
Governance	Rating	Low				
Risk Description: The key governance risk is related to the decision-making process, which can be slow due to lack of relevant information or technical expertise.	Risk Management: Throughout the project implementation, PIU will provide quarterly progress report. In the meantime, Bank will share global knowledge, particularly involving policy-makers and sector staff in regional and global knowledge and policy events.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:

	Both	In Progress	Implementation	<input checked="" type="checkbox"/>		Continuous
	Risk Management:					
	Bank fiduciary team will be closely involved in project implementation support for continued prevention of such incidence to happen.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	In Progress	Implementation	<input checked="" type="checkbox"/>		Continuous
Project Risks						
Design	Rating	Moderate				
Risk Description: The policy areas that need consultancy services are wide in scope, which may lead to inadequate quality control from TOR preparation to final outputs delivery.	Risk Management: The Bank team will work closely with the Government, providing technical inputs as needed.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	In Progress	Implementation	<input checked="" type="checkbox"/>		Continuous
Social and Environmental	Rating	Low				
Risk Description: There is still a large urban-rural gap in education attainment in Azerbaijan. Gender-gap also exists in school enrollment particularly at higher levels of education. There is a risk that these gaps will enlarge without targeted policies and interventions.	Risk Management: The risk will be mitigated through close monitoring of the trend of these social gaps, while in the meantime, giving attention to these social dimensions in policy advisory work.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	In Progress	Implementation	<input checked="" type="checkbox"/>		Continuous
Program and Donor	Rating	Low				
Risk Description: There are several donor-supported activities in the education sector, which may reflect different sector	Risk Management: Close engagement with all development partners particularly through consultations for any policy advisory work under the Project. Disseminating project information and					

priorities and policy directions.	seeking implementation feedback should also be periodically carried out.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous
Delivery Monitoring and Sustainability	Rating	Moderate				
Risk Description: Many innovations under the project have garnered positive reactions both from government and from stakeholders; the PIU has been playing an important coordination role so far. There is a risk that some of the activities will not be mainstreamed into the MOE system after project finishes.	Risk Management: With the new Education Sector Strategy approved, the Bank will support the Government team in developing an implementation roadmap. Innovations and successes under the Project should be incorporated into this roadmap.					
	Resp: Both	Status: Not Yet Due	Stage: Implementation	Recurrent: <input type="checkbox"/>	Due Date: 30-Sep-2014	Frequency:
Other (Optional)	Rating	Moderate				
Risk Description: The Government has approved a new education sector strategy recently, and an implementation roadmap is under preparation. The roadmap may require further prioritization of the project activities and lead to additional project change.	Risk Management: Close collaboration during the roadmap development; flexible implementation plan under the overarching objective of improving teaching and learning.					
	Resp: Both	Status: Not Yet Due	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Yearly
Overall Risk						
Overall Implementation Risk:	Rating	Moderate				
Risk Description: At this point, the implementation risk is related to the potentially additional project changes in the next 6-12 months, as the Government has approved a new education sector strategy recently, and an implementation roadmap is under preparation. Any further prioritization of the project activities and related additional project changes that may be required by the roadmap will be discussed and risks mitigated through close collaboration during the roadmap development; together with a flexible implementation plan under the overarching objective of improving teaching and learning.						

priorities and policy directions.	seeking implementation feedback should also be periodically carried out.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous
Delivery Monitoring and Sustainability	Rating	Moderate				
Risk Description: Many innovations under the project have garnered positive reactions both from government and from stakeholders; the PIU has been playing an important coordination role so far. There is a risk that some of the activities will not be mainstreamed into the MOE system after project finishes.	Risk Management: With the new Education Sector Strategy approved, the Bank will support the Government team in developing an implementation roadmap. Innovations and successes under the Project should be incorporated into this roadmap.					
	Resp: Both	Status: Not Yet Due	Stage: Implementation	Recurrent: <input type="checkbox"/>	Due Date: 30-Sep-2014	Frequency:
Other (Optional)	Rating	Moderate				
Risk Description: The Government has approved a new education sector strategy recently, and an implementation roadmap is under preparation. The roadmap may require further prioritization of the project activities and lead to additional project change.	Risk Management: Close collaboration during the roadmap development; flexible implementation plan under the overarching objective of improving teaching and learning.					
	Resp: Both	Status: Not Yet Due	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Yearly
Overall Risk						
Overall Implementation Risk:	Rating	Moderate				
Risk Description: At this point, the implementation risk is related to the potentially additional project changes in the next 6-12 months, as the Government has approved a new education sector strategy recently, and an implementation roadmap is under preparation. Any further prioritization of the project activities and related additional project changes that may be required by the roadmap will be discussed and risks mitigated through close collaboration during the roadmap development; together with a flexible implementation plan under the overarching objective of improving teaching and learning.						