

TECHNICAL ASSISTANCE COMPLETION REPORT¹

Division : CWFM

TA No., Country and Name TA 4115-AZE: Preparing the Early Childhood Development Project			Amount Approved:US\$600,000	
			Revised Amount:US\$600,000	
Executing Agency Ministry of Education		Source of Funding JSF	Amount Undisbursed: 90,421.75	Amount Utilized: 509,578.25
TA Approval Date: 14 May 2003	TA Signing Date: 9 Nov 2004	Fielding of First Consultant(s): 14 Feb 2005	TA Completion Date Original: 31 Dec 2003 Account Closing Date Original: 31 Dec 2008	Actual: 31 March 2006 Actual: 31 Jan 2007

Description

This technical assistance (TA) was designed to help the Government of Azerbaijan address a major human development problem resulting from deteriorated child development status. When the TA was developed, Azerbaijan was still a low-income country with per capita GDP of \$702 in 2001, and high poverty incidence (50% of the population below the poverty line). Since independence in 1991, public expenditures for basic social services had declined. Children's malnutrition had increased, their access to health services diminished, fewer children attended preschool programs, and, by 2000, primary school enrollment was no longer universal. Aware of the poor state of social indicators and essential services affecting children, the Government developed the National Poverty Reduction Strategy (2003-2005)² which prioritized investment in young children's health, nutrition, and psychosocial development.

The Government's focus on early childhood development (ECD) was compatible with ADB's education strategy. Investment in ECD has generally been proven to increase human capital by improving the efficiency of basic education, higher education attainment, and life-long earning potential. It would also cut public expenditures for education and health services by reducing grade repetition and morbidity. Children in greatest need, such as those from poor families, tended to benefit most from ECD interventions. Thus, investment in ECD would be effective in reducing future poverty and in narrowing inequality in the society by helping disadvantaged children catch up with better-off children.

Expected Impact, Outcome and Outputs

The impact of the TA was improved child development. The outcome of the TA was to prepare a project within the overall ECD strategic framework to improve the development status of young children (0–8) with focus on promoting psychosocial development and mitigating micronutrient malnutrition and mortality due to common childhood illnesses. Expected outputs of the TA were (i) an ECD subsector assessment and analysis, (ii) an ECD policy and strategic framework with estimated costs and time line, and (iii) a draft project suitable for ADB financing.

The TA design was relevant. The impact directly addressed Azerbaijan's interest in improving human development through investing in young children, which was stipulated in its development strategy. The TA's multi-sectoral framework was based on evidence that comprehensive multi-sectoral programs resulted in better outcomes than single-sector ones. Its specific objectives also met the government's needs and intention to invest in key ECD interventions which were priorities in the national poverty reduction strategy. Terms of references of consultants were closely linked to TA outputs, and attached equal importance to sector analysis and project design.

The Ministry of Education (MOE) was the executing agency³ and MOE and the Ministry of Health (MOH) were implementing agencies. A broad-based steering committee comprising relevant ministries, local governments, academics, and development partners was constituted to give policy guidance. Three working groups on different sub-sectors were established. Collaboration with other development partners, especially with UNICEF, was

¹ In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

² The Strategy was approved by Presidential Decree on 20 February 2003.

³ After consultations, the Ministry of Economy and Development (the Governor) advised that MOE should be the EA for this multi-sectoral TA. MOE also demonstrated keen interest.

frequent and fruitful. Future joint financing of loan project was also discussed. However, MOH's participation in the TA was limited, and eventually MOH declined to share responsibility for an ensuing loan project with MOE.

Delivery of Inputs and Conduct of Activities

18.5 person-months of international consultants and 48 person months of domestic consultants were financed by the TA. The TA was implemented in a participatory manner and involved a wide range of stakeholders. The consultant team's weakness, however, was shown in draft reports, especially in project design. The team leader's capacity was limited and needed to be supported by alternative international consultants to deliver outputs. An international social scientist needed to be replaced and a domestic financial specialist produced almost no outputs. ADB staff took over much of the team leader's responsibility, especially in the design of the loan project. MOE was satisfied with ADB's collaboration with it, and frequency of communication by the consultant team. It also helped that the domestic consultant team leader was very well respected by the Minister.

MOE's performance was regarded as satisfactory. MOE fully supported TA. MOE's strong ownership was demonstrated by its minister's personal chairing of key meetings and guiding ADB and TA consultants in TA implementation. ADB's performance was also satisfactory. Four missions were fielded during the TA implementation, and timely comments to consultants' outputs were provided. Quality control by ADB of consultants' outputs was appreciated by the counterparts. ADB also maintained close contact with the Ministry of Economy and Development, which in turn provided key strategic guidance. Delay in TA completion date was mainly caused by the delay in signing the TA letter by the Government due to its lengthy internal review and approval process.

Evaluation of Outputs and Achievement of Outcome

MOE was satisfied with the final outputs of the TA. The Ministry of Finance had positive feedback on the project design during loan fact-finding. The sector analysis report was the first comprehensive analytical assessment on child development in the country, based on both first-hand data collected under the baseline-survey and secondary data. Each sub-sector report analyzed technical, institutional constraints in increasing coverage and quality of ECD services including preschool programs and primary health care. An ECD policy was prepared in consultation with the MOE. The draft project design prepared under the TA was a combination of components for implementing the proposed policy and institutional building for better service delivery, as well as introduction of alternative models especially in preschool programs. Developing a municipality-managed preschool model (Azerbaijan only had state-financed and tightly controlled preschools) with a conservative implementing agency was one of the key achievements during project design process. A project was timely prepared, and well accepted both the EA and at a management review meeting (MRM).

Overall Assessment and Rating

The TA is rated successful for producing outputs satisfactory to the Government. A loan fact finding mission was successfully conducted, and a memorandum of understanding was signed between the Government and ADB. An ADB MRM was held and loan appraisal was waived on the ground that the project was well-prepared and that there were no remaining issues. The 2006 country program reconfirmed the inclusion of the ECD project in the 2006 lending program. The Government was invited for loan negotiations.

Yet, the Government (the new minister of finance in particular) later reversed the Government's decision and the ECD project was not pursued.⁴ In retrospect, 2006 turned out to be a transition year for the Government borrowing policy.

Major Lessons

Strong Government commitment needs to be in place, if possible at the highest levels of the Government before project preparatory TAs are provided in countries with systems similar to that of Azerbaijan. The country annual business plan exercise should be backed up by continuous dialogue on governments' future strategy, particularly in fast developing countries.

Recommendations and Follow-Up Actions

Periodic reconfirmation of the forward project pipeline is recommended in Azerbaijan.

⁴ The two other PPTAs implemented at the same time as this TA also did not result in loans.