A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB’s public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.
### Performance Targets and Indicators

**Impact**
- Sustainable and inclusive social sector financing
  - Improved coverage of the poor and vulnerable resulting in lower poverty incidence from 22.1%\(^1\) in 2008 to 19% in 2013.\(^2\)
  - Gross national private savings in percent of GDP increases from -3.4 in 2008 to 1.8 in 2013
  - Budget expenditures for health, education and social protection maintained at or above 32% of total state budget every year

**Outcome**
- More effective, efficient and gender-responsive delivery of social services and social protection programs
  - Socially vulnerable have equitable access to education
  - Population has equitable access to improved health care services
  - Public finance management strengthened with establishment of internal audit units in relevant Ministries

**Outputs**
1. **Effective and gender equitable coverage of social services**
   - Increased percentage of poor among beneficiaries of social services and protection from 68% in 2009 to 71.5% in 2010\(^3\)

2. **Initiatives to support retirement needs**
   - Structured dialogue within the Government on long-term impact of changing pension costs
   - Implementation of the Law on Non-State Pension Insurance

3. **Inclusive allocation of resources for education and health and**
   - Minimum standards for health care facilities adopted
   - Professional standards for teachers adopted

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1. Source for poverty data: National Statistics Office of Georgia
2. Based on Government growth projections.
3. Source for data: Social Services Agency
4. There are approximately 70,000 teachers in Georgia. There are approximately 2,200 public schools and 200 private schools.
### Design Summary

<table>
<thead>
<tr>
<th>Establishing Quality Standards</th>
<th>Performance Targets and Indicators</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>- At least 470 grants awarded for socially vulnerable students in tertiary education</td>
<td>- At least 470 grants awarded for socially vulnerable students in tertiary education</td>
<td>awarded and teachers trained</td>
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<tr>
<td>- At least 50,000 textbooks allocated to socially vulnerable school children</td>
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<tr>
<td>- 15% of teachers (approximately 10,000) certified (at least 50% certified are women)</td>
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<tr>
<td>- 15% of teachers trained for certification exams in 2010 (at least 50% trained are women)</td>
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</tbody>
</table>

### Activities with Milestones

**4. Improved management of public resources for social services delivery and social protection**

- Transparency enhanced with increased coverage of report in budget execution from 28 to 111 LEPLs
- Internal audit systems and procedures established in accordance with international standards

**Inputs**

ADB loan of $100 million

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**Activities with Milestones**

1.1. Government to consolidate the administration of the medical insurance program for the poor in the Social Service Agency and improve social services delivery

1.2. MOLHSA and MOES to address gender equality in health care and education

2.1. MOLHSA to initiate structured dialogue within the Government on changing retirement needs

2.2. Parliament to enact amendments to the Law on Non-State Pension Insurance and Provision

3.1 Government to adopt revised minimum service standards for service providers for hospitals, outpatient care and medical laboratory services participating in the Government’s medical insurance program.

3.2. MOLHSA to develop a special program of quality assurance of pharmaceuticals.

3.3 MOES to provide voluntary certification and training for certification exams

3.4. MOES to allocate budget to purchase textbooks for minority and socially vulnerable school children.

4.1. MOF to complete report on budget execution for selected LEPLs.

4.2 MOF/National Center of State Internal Control to distribute proforma charter for internal audit units (prepared based on international standards and best practices) to Ministries for establishment of respective internal audit units.

4.3. MOES and MOLHSA to establish internal audit units and financial management and control functions

**ADB - Asian Development Bank; GDP – Gross Domestic Product; LEPL – Legal Entity of Public Law; MOES - Ministry of Education and Science; MOF – Ministry of Finance; MOLHSA – Ministry of Labor, Health and Social Affairs.**

**Source:** ADB Staff