ASIAN DEVELOPMENT BANK

TAR: AZE 36016

TECHNICAL ASSISTANCE
(Financed by the Japan Special Fund)

TO THE

REPUBLIC OF AZERBAIJAN

FOR PREPARING THE

EARLY CHILDHOOD DEVELOPMENT PROJECT

May 2003

CURRENCY EQUIVALENTS

(as of 16 April 2003)

Currency Unit	–	Azerbaijan manat (AZM)
AZM1.00	=	$0.000202
$1.00	=	AZM4,927.98

ABBREVIATIONS

ADB	–	Asian Development Bank
ECD	–	early childhood development
ECE	–	early childhood education
FSU	–	former Soviet Union
GDP	–	gross domestic product
IDD	–	iodine deficiency disorder
IMR	–	infant mortality rate
JFPR	–	Japan Fund for Poverty Reduction
MCH	–	Maternal and child health
MCN	–	Maternal and child nutrition
MICS	–	Multiple Indicator Cluster Survey
MOE	–	Ministry of Education
MOH	–	Ministry of Health
NGO	–	nongovernment organization
TA	–	technical assistance
TOR	–	terms of reference
U5MR	–	under 5 mortality rate
UNICEF	–	United Nations Children's Fund
WHO	–	World Health Organization

NOTES

(i) The fiscal year (FY) of the Government ends on 31 December.
(ii) In this report, "$" refers to US dollars.

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I. INTRODUCTION

1. During the Asian Development Bank (ADB) country-programming mission in May 2002, the Government of the Republic of Azerbaijan and ADB reconfirmed the need for improving the health, nutrition, and psychosocial development of young children in the country. Project preparatory technical assistance (TA),[1] for the Early Childhood Development (ECD) Project was included in the 2003 country program. A Fact-Finding Mission visited Azerbaijan on 20-30 November 2002 and met with key government officials, international organizations, and nongovernment organizations (NGOs); visited preschools and health care facilities; and agreed with the Government on the objectives, scope, and implementation arrangements for the TA.

II. ISSUES

2. Despite high gross domestic product (GDP) growth (averaging more than 10% over the last 3 years), Azerbaijan remains a low-income country with per capita GDP of $702 in 2001. Poverty incidence also remains high: almost 4 million people or 50% of the population live below the poverty line (about $25 equivalent per capita per month), according to the 2001 household budget survey. Poverty rates are similar across different regions. Since independence in 1991, public expenditures for basic social services have declined. Government health care expenditures represented only 0.8% of GDP, and education expenditures, 3.5% of GDP in 2002, compared with 2.6% and 6.9% in 1990, respectively. The reduced public social expenditures and economic constraints of households have taken a particularly heavy toll on children. Children's malnutrition has increased, fewer children are taken to health facilities when they are seriously ill, and fewer children attend preschool programs. According to the 2000 Multiple Indicator Cluster Survey (MICS) supported by the United Nations Children's Fund (UNICEF), the net enrollment rate in primary schools has declined to 86%, which is low for a part of the former Soviet Union (FSU).

3. The Government has become increasingly aware of the poor state of social indicators and essential services affecting children in Azerbaijan. The National Poverty Reduction Strategy (2003-2005)[2] clearly links income poverty to individual capabilities, maintaining that poor education, illness and malnutrition tend to lead to low income and to income poverty. Based on the framework of capability poverty and the household budget survey, which shows children are at the highest risk of falling into poverty, the Strategy prioritizes investment in young children, including early childhood care and education, immunization, prevention and treatment of common childhood illness, safe motherhood and newborn care, and salt iodization to reduce iodine deficiency disorder (IDD).

4. The Government's focus on ECD is well grounded. Development status in early childhood has long-lasting effects on people's subsequent mental and physical growth and health. Malnutrition in early childhood translates into limited cognitive and mental development. Lack of intellectual stimulation in early childhood inhibits full potential mental development. A combination of health and nutrition services and psychosocial stimulation has had a better impact on child development than interventions focusing on single field. Investment in ECD will increase human capital by improving the efficiency of basic education, higher education attainment, and life-long earning potential. It will 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, tend to benefit most from ECD interventions, as such programs compensate for the lack of human and economic resources of caretakers at home. Thus, investment in ECD, especially when comprehensive, is effective in reducing future poverty, and also in narrowing inequality in the society by helping disadvantaged children catch up with better-off children.

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[1] TA first appeared in *ADB Business Opportunities* on 23 January 2003.
[2] The Strategy was approved by Presidential Decree on 20 February 2003.

5. **Early Childhood Education.** In the FSU, health care networks were extensive, and preschool institutions, either full-day nurseries (0-3 years of age) or kindergartens (3-6 years of age), provided children with a package of necessary services: health care, nutrition, and development activities. This picture has changed dramatically. The percentage of children attending kindergartens fell from 21% in 1990 to 11.5% in 2000 – from 29% to 17% in urban areas, and from 9% to 6% in rural areas.[3] According to government data, there are 1,794 preschool institutions in total, which have the capacity to enroll about 20% of children in the corresponding age groups.[4] However, even the existing limited capacity of preschools is underutilized, which seems to indicate a gap between parents' demand for and the supply of preschool programs in terms of accessibility, affordability, and quality.[5] Diminishing access to preschool is an especially serious concern because no alternative opportunity for psychosocial stimulation for young children or means to prepare children for school has been put in place yet. Lack of school preparation is likely to increase the risks of dropping out of school.

6. The quality of preschools needs improvement. Most facilities have no heating, and some are unsafe, for example having exposed electric wires. Learning materials are in short supply. The curriculum does not encourage children's creativity or individual development. Improvements of activities may be best done through introducing fresh pedagogy, which has proven successful in other countries, and encouraging creativity of domestic specialists. The Ministry of Education (MOE) would like to diversify preschool programs and interventions in order to improve access to and quality of preschool programs. Suggested models include (i) community-based preschool programs, (ii) kindergartens attached to primary schools, (iii) half-day preschools, and (iv) better parenting programs for educating parents on child-caring practices and involving them in preschool programs.

7. **Health and Nutrition**. The health care networks established prior to independence have been deteriorating. According to the official statistics, the infant mortality rate (IMR) and under-5 mortality rate (U5MR) steadily declined in the last decade. However, IMR and U5MR based on the MICS are substantially higher: estimated at 79 for IMR and 102 for U5MR.[6] The official figures underestimate reality, as many households do not report to public health facilities; also, the definition of live births in the FSU differs from the standard definition of the World Health Organization (WHO). Malnutrition is prevalent. In 2000, 20% of children were stunted. Stunting reached 26.5% among the poorest quintile, while it was 13.2% among the richest quintile. Micronutrient deficiency is a serious concern, especially for children and women in Azerbaijan. The prevalence of iodine deficiency was 86% among high-risk raions (districts) according to a survey conducted by a Greek NGO in 1999, and the prevalence of iron deficiency anemia among pregnant women was 52.5% in 2001 according to government data. These indicators suggest that children's cognitive loss and maternal deaths due to micronutrient deficiency are serious risks in the country.

8. The Ministry of Health (MOH) identified the five most urgent health/nutrition problems of children as: (i) acute respiratory infections; (ii) perinatal causes; (iii) diarrhea diseases; (iv) lack of immunization; and (v) micronutrient deficiencies. The first three are the most significant causes of child mortality in the country. While health education of the community and caregivers would

[3] There is no apparent difference in attendance by gender.

[4] Including four private kindergartens in Baku that have opened recently.

[5] Even some parents who could afford to pay some fees do not send children to kindergartens. For example, parents in Baku have limited choice of either very expensive private kindergartens, which charge more than $300 equivalent a month, or state kindergartens, which collect about $2 (except from internally displaced persons) but are often of poor quality, mainly due to lack of finance. Some middle class parents who are willing to pay $30-$50 equivalent a month for better quality cannot find such options.

[6] These are higher than poorer countries. For example, in Kyrgyz Republic with per capita income less than half of Azerbaijan's, IMR and U5MR were 62.3 and 72.3, respectively, according to the 1997 demographic and health survey.

substantially contribute to reduction of these problems, better availability of essential drugs and more effective primary health care are also important. The Government is considering the adoption of the integrated management of childhood illnesses developed by WHO and UNICEF, which would contribute to reduction of U5MR.

9. **Parents' Involvement.** The majority of young children are cared for at home, which will continue in the short to medium term. Very limited data are available on childcare practices at home. Judging from the economic constraints of families and from anecdotal evidence on changing health-seeking behavior, support for families and communities would be useful for improving ECD practices at home. The quality of public services would also improve through closer monitoring by families and communities.

10. **Financing and Management.** Both preschool programs and primary health care are under financed. In 2001, 9% of the education budget was spent on preschool programs. Considering that the private sector's involvement in preschool services is almost nil, this is very limited investment. Government expenditure on health care is only 0.8% of GDP. The lack of public funding is compensated for by out-of-pocket expenditures of households to a large extent, and families have adjusted health care-seeking behavior. ECD-related public services are funded mostly by local government budgets based on norms set by MOE and MOH. To improve ECD status, the budget allocation for health services needs to be increased, and investment in preschool programs needs to be increased through resource diversification. Effective utilization of limited resources may be improved by shifting from norm-based to needs-based budgeting. The involvement of the private sector and civil society in the financing and management of different ECD services may be explored.

11. **Existing Assistance by Donor Agencies.** UNICEF has been the most active agency in the field of ECD. An ECD Core Group was constituted by the Government with UNICEF's support under MOE. No other international agencies are currently active in ECD. An ADB-administered grant project, Improving Nutrition of Poor Women and Children in Asian Countries in Transition, financed by the Japan Fund for Poverty Reduction (JFPR) is one of the biggest activities on micronutrient deficiencies.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

12. The goal of the TA is 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. The specific objective of the TA is to assist the Government in (i) reviewing needs and policies for ECD, (ii) developing strategies for improving ECD, and (iii) preparing a loan project suitable for ADB financing. Expected outputs of the TA are (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 project framework is presented in Appendix 1.

B. Methodology and Key Activities

13. The TA will be guided by three principles: (i) the life-cycle approach, (ii) targeting the poor, and (iii) community and family involvement. The life-cycle approach recognizes different needs of, and corresponding interventions for, children of different ages. Under this TA, the target population may be divided into 0-1, 1-3 years, 3-6 years, and the first grade (7-8). The TA will identify the needs of poor children, and the most appropriate and efficient mechanisms for targeting poor

children. It will regard the community and families as key stakeholders to be involved in problem identification and search for the solutions.

14. The TA will especially focus on early childhood care and education, child nutrition, and common childhood illnesses as the areas for core interventions, and those interventions have to converge on poor children through an effective integration mechanism. The ensuing Project will be the first integrated ECD Project of substantial scale in Azerbaijan. It will implement integrated interventions in selected raions or towns, while it will maintain national-level activities including capacity building, policy analysis and reform, and communication. A long list of candidate raions[7] has been prepared based on various social indicators and political commitment, and a final set of project raions will be selected prior to TA inception.

15. Specific activities to be included in TA are as follows:

(i) **Baseline survey of core ECD indicators for the selected raions and needs assessment for defining problems.** The TA will utilize existing secondary data and conduct limited surveys for missing indicators, including child care practices at home, in the community, at preschools, and at certain health facilities; and selected psychosocial development indicators. Systematic discussions with stakeholders will be conducted to identify their constraints and solicit their suggestions.

(ii) **Strategies and policy development.** The TA will assist the Government in further developing and operationalizing ECD strategies for the next 5 years. Based on a review of existing policies, recommendations for policy improvements will be made. In the process, resources for implementing the strategies will be identified and costed, financial sustainability of the strategies will be analyzed, and a viable financial plan will be recommended to the Government.

(iii) **Designing a project suitable for ADB financing.** The TA will finance a feasibility study of a loan project within an overall strategic framework that will address the needs of the targeted population. Project preparation will include detailed formulation of project components, cost estimates, implementation arrangements, poverty and social impact assessments, and monitoring and evaluation frameworks. While positive experiences in Azerbaijan will be replicated under the Project, the TA will identify innovative activities that have proven successful in other countries and could be feasible in Azerbaijan.

C. Cost and Financing

16. The total cost of the TA is estimated to be $750,000 equivalent of which $460,000 is the foreign exchange cost and $290,000 equivalent is the local currency cost. ADB will finance $600,000 equivalent, which includes the entire foreign exchange cost and $140,000 equivalent of the local currency cost. The remaining local currency cost of $150,000 equivalent will be financed by the Government in kind. The TA will be financed by ADB on a grant basis from the Japan Special Fund, funded by the Government of Japan. The Government has been advised that approval of the TA does not commit ADB to financing any ensuing Project. The detailed cost estimates and proposed financing arrangements are in Appendix 2.

[7] Agdjabadi, Agdash, Fuzuli, Gakh, Goaychay, Guba, Jalilabad, Khanlar, Khyzi, Imishli, Oguz, Tovuz, and a raion each from Baku and Nakhchivan.

D. Implementation Arrangements

17. The executing agency will be MOE, and MOE and MOH will be the implementing agencies for relevant components. MOE will monitor the progress and quality of the TA together with ADB, and will provide counterpart support such as staff to participate in the TA work, and office space for the TA team. A steering committee will be formed prior to the inception of the TA comprising representatives of the MOE, MOH, Ministry of Economy and Development, Ministry of Finance, the selected raion governments, and the state statistical committee; academics specializing in early childhood education, child nutrition, and child health; the country project coordinator for ADB's JFPR project; UNICEF; and other members the Government considers necessary. MOE will organize steering committee meetings, and the steering committee will periodically advise MOE on all important matters and provide policy guidance. Three working groups on early childhood care and education, maternal child and nutrition, and financial and institutional support will also be constituted, comprising technical experts and representatives of participating ministries. The governor's office of each selected raion will be responsible for producing a raion-specific project plan with assistance from the TA. Raion governments will provide counterpart support for the TA in the form of counterpart staff time, information, and office space as necessary.

18. The duration of the TA will be 6 months, from about July 2003 to December 2003. ADB will engage an international consulting firm in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Quality-based selection will be used due to the importance of the selected firm having appropriate technical background and experience. A full technical proposal will be required. The firm will provide 18.5 person-months of international consultants, and 48 person-months of domestic consultants with expertise in institutional development and management, early childhood education, maternal and child nutrition, maternal and child health, financial and economic analysis, and social analysis. The summary initial poverty and social analysis is shown in Appendix 3. Funds for workshops and training may be advanced in accordance with ADB's advance payment facility.

19. The firm will work closely with MOE, MOH, and other line ministries; raion governments, and the steering committee; and it will participate in the working groups. The firm will select domestic consultants in the participating raions who will assist the raion governments and the international consultants in preparing a raion plan in consultation with communities and other stakeholders. Launching workshops will be organized at both at the national and raion levels to ensure stakeholders' understanding of the TA objectives and to confirm their involvement in the TA. The consultant team will organize regular monthly meetings with MOE and the steering committee. Outline terms of reference and a list of required reports are in Appendix 4. Equipment will be procured by the consultants in accordance with the arrangements acceptable to ADB.

20. UNICEF has expressed interest in contributing to the TA by conducting parallel and complementary activities, including assisting the Government in developing an ECD policy. Details of UNICEF's activities will be developed and confirmed with the Government and the consultants during inception.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of $600,000 on a grant basis to the Government of Azerbaijan for preparing the Early Childhood Development Project, and hereby reports this action to the Board.

PROJECT FRAMEWORK

Project Framework Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
Goal To improve health, nutrition, and mental development of poor children (0-8 years of age)	• Reduction in under-5 mortality rate • Improved school readiness • Reduction in malnutrition	• National statistics • Health survey • Education survey • Baseline and end of project survey	The Government continues to regard early childhood and development as a priority sector.
Purpose To increase access to early childhood education (ECE) and child health and nutrition services for poor children To improve quality of ECE, maternal and child health and maternal and child nutrition services	• Percentage of poor children attending preschool child development programs, either institution based or community-based programs • Percentage of children who have received timely primary health care for common childhood illness • Percentage of preschool institutions adopting child-centered pedagogy • An increase in parents' knowledge of child care.	• National statistics • Health survey • Education survey • Baseline and end of project evaluation survey	ECE and primary health care will receive a fair share of the Government budget.

COST ESTIMATES AND FINANCING PLAN
($'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. ADB Financing			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	320.0	0.0	320.0
ii. Domestic Consultants	0.0	60.0	60.0
b. International and Local Travel	25.0	20.0	45.0
c. Reports and Communications	5.0	10.0	15.0
2. Equipment (Computer, Printer, etc.)	10.0	0.0	10.0
3. Workshops, Training/Seminars and Conferences			
a. Facilitators	0.0	5.0	5.0
b. Training Program	15.0	20.0	35.0
4. Surveys	10.0	0.0	10.0
5. Representative for Contract Negotiations	5.0	0.0	5.0
6. Translation	0.0	5.0	5.0
7. Contingencies	70.0	20.0	90.0
Subtotal (A)	**460.0**	**140.0**	**600.0**
B. Government Financing			
1. Office Accommodation	0.0	60.0	60.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	60.0	60.0
3. Contingencies	0.0	30.0	30.0
Subtotal (B)	**0.0**	**150.0**	**150.0**
Total	**460.0**	**290.0**	**750.0**

SUMMARY INITIAL POVERTY AND SOCIAL ANALYSIS

A. Linkages to the Country Poverty Analysis

Sector identified as a national priority in country poverty analysis? Yes	Sector identified as a national priority in country poverty partnership agreement? Yes
Contribution of the sector/subsector to reduce poverty in Azerbaijan. The proposed project will help to reduce poverty by promoting human development through enhancing the health and development of young children, which is proven to have long-lasting effects on people's future education attainment and productivity. The Project will contribute to the reduction of poverty in Azerbaijan by (I) improving productivity of people, (ii) reducing mortality of children (preventing human capital loss), and (iii) reducing education and health expenditures through prevention of grade repetition and morbidity.	

B. Poverty Analysis **Proposed Classification: poverty intervention**

What type of poverty analysis is needed?
Azerbaijan's poverty rate is 50% (the poverty line is $25 equivalent per person per month), with little regional variation. Therefore, geographical targeting will lead to substantial leakage of resources to the nonpoor. Identifying feasible and politically acceptable poverty targeting mechanisms is one of the key tasks of poverty analysis.
Another important aspect of the poverty analysis will be needs assessments of the poor. Very limited data are available on livelihoods, and on child care practices in poor communities.

C. Participation Process

Stakeholder analysis - Yes
The Fact-Finding Mission visited the field, completed initial observations and conducted interviews with possible beneficiaries and other stakeholders including nongovernment organizations (NGOs), international organizations, kindergarten teachers, and health care staff, in addition to government departments. The technical assistance (TA) includes stakeholder analysis and participatory project development in the terms of reference of the consultants. Also, the TA envisages close collaboration with the ECD Core Group, which comprises of different stakeholders.

D. Gender and Development

Gender plan prepared? No
Social indicators and field observations did not show gender differences.

E. Social Safeguards and other Social Risks

Subject	Significant, Not Significant, Uncertain, None	Strategy to Address Issues	Plan Required
Resettlement	None		No
Affordability	Significant	Economic analysis of affordability and sustainability will be done during TA implementation.	Economic analysis will examine affordability and sustainability during TA implementation.
Labor	Not significant	The Project might promote women's labor force participation by expanding preschool coverage.	No
Indigenous People	Not significant		No
Other Risks/ Vulnerabilities	Not significant	The TA will identify vulnerable groups who would need special attention and will develop strategies for reaching them.	No

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will be implemented by a team of international (18.5 person-months) and domestic (48 person months) consultants. Each international consultant will have a domestic counterpart. The consultant team will also appoint local project coordinators for selected raions (districts), who will stay in the raions and work closely with the governor's office and communities.

A. Meetings and Workshops

2. The TA team will operate from an office in the Ministry of Education (MOE) and travel to raions as necessary. Project coordinators for selected raions will be from the raions and will work with the raion governors, under the TA team's supervision. The TA team will meet with MOE at least once a month to report on the progress and issues of the TA, and to place important matters before the steering committee. The team will also meet with the governors of the selected raions at least 1-2 times during TA implementation. There will be at least three consultative workshops at the national level: (i) the inception workshop to explain the objective of the TA and the ensuing Project, and to initiate awareness building; (ii) the midterm review workshop to present the findings of each sector and policy review, a general strategy for early childhood development (ECD) in Azerbaijan, and a preliminary package of project interventions; and (iii) the final workshop to present and discuss the strategy and final project design. There should be workshops at the regional level as appropriate. The plan for the local workshops and other methodologies for involving stakeholders should be included in the proposal.

B. Reports

3. The team will submit (i) an inception report and a detailed work plan within 3 weeks after inception; the work plan will also include how to develop ownership of the central and local governments, and communities for the project; (ii) a draft sector technical review and strategies within 8 weeks; (iii) a draft ECD strategy for Azerbaijan for the Government's consideration within 15 weeks; (iv) the draft project proposal within 15 weeks; (v) the final ECD strategy; (vi) the draft final project proposal, including final sector technical papers and regional project proposals, within 20 weeks; (vii) a workshop report for each workshop within 2 weeks after it; and (viii) the final report within 3 weeks after a tripartite meeting. The final project proposal will be a feasibility study of the Project and will cover all aspects required by ADB's report and recommendation of the President, including costing for each component with assumed unit costs, the project schedule, procurement arrangements and packaging, consulting arrangements and terms of reference (TOR), and detailed project framework. The sector technical reports will be prepared for needs assessment, poverty assessment, early childhood education (ECE), maternal and child nutrition, maternal and child health, economic analysis, financial analysis, institutional analysis, and communication strategy. The communication strategy report will synthesize different communication activities planned under each component, evaluate existing communication materials in terms of usefulness for the Project, and present a comprehensive ECD communication plan by targeted audience, message, and modes of communication.

C. Consultants' Tasks

4. **Team Leader and Institutional and Management Specialist** (international - 6 person months; domestic - 6 months). The team leader will be an institutional or project management specialist with extensive experience in managing social sector/human development projects

financed by multilateral development banks. A local institutional and management specialist will support and advise the team leader on local political and institutional matters. The local specialist should have extensive experience and knowledge of local institutions, especially the government's operations, and political economy of Azerbaijan. In coordination with other experts, the team leader will

(i) supervise the team and ensure timely outputs and quality of tasks and preparation of required reports;
(ii) coordinate with counterparts in MOE, other line ministries, the steering committee, working groups, and local governments; and with other stakeholders;
(iii) coordinate with other aid agencies, especially United Nations Children's Fund (UNICEF);
(iv) assist the Government in developing and operationalizing an ECD policy and strategy, and oversee the consultant's contributions to the development of Azerbaijan ECD strategies and to implementation advocacy and awareness building activities;
(v) organize consultative workshops and meetings;
(vi) evaluate institutional capacity review of different stakeholders, and suggest necessary capacity development measures for them;
(vii) design effective institutional arrangements for implementing the ECD strategy in the ensuing Project, including TOR for involved agencies;
(viii) examine the capacity of different stakeholders in deciding on the executing agency and implementation arrangements for the ensuing loan Project;
(ix) examine the feasibility and desirability of private sector participation and public and private sector partnership in management, financing, and service delivery of ECD services;
(x) develop a monitoring and evaluation framework for the Project with clear measurable indicators that will establish counter factual, and allow for rigorous postevaluation;
(xi) prepare a project administration memorandum delineating project implementation procedure in detail; and
(xii) be responsible for all reports to be submitted to Asian Development Bank.

5. **Early Childhood Education Specialists** (international - 3 person-months, domestic - 4 person-months). The team of international and domestic ECE consultants on will work closely with MOE, education departments of raion governments, preschool teachers, and UNICEF. The international specialist should have an advanced degree in a relevant field, extensive international experience in ECE projects, and international knowledge of innovative ECE activities. The ECE specialists will

(i) review policies and norms of preschool programs (both nurseries and kindergartens), and identify measures for improvement based on international experience and Azerbaijan's situation;
(ii) conduct needs assessment in collaboration with the social scientist;
(iii) design and conduct surveys on child care practices, and selected psychosocial development indicators;
(iv) evaluate different models of preschool programs from various aspects including pedagogy, timing, children's involvement, facilities, materials, teacher's education, curriculum, and recommend concrete measures for improvement; and introduce innovative models appropriate for Azerbaijan, including home-based or community-based models;

(v) examine options for financing and management of preschool programs and suggest the best mix of private, public, and civil society participation in providing preschool programs in Azerbaijan;
(vi) lead a facility and materials survey to identify supply side needs and estimate resource needs;
(vii) design "better parenting" training materials in collaboration with the maternal and child nutrition specialist, the maternal and child health specialist, and UNICEF; and test them possibly at one of the UNICEF project sites;
(viii) participate in the working group on early childhood care and education, and contribute to the development of the ECE components of the ECD strategy;
(ix) produce the ECE sector technical paper; and
(x) design an ECE component for the Project in detail including implementation arrangements, costing, and clear TOR for each involved agency (e.g. parents, communities, preschools, government departments, and local governments).

6. **Maternal and Child Nutrition Specialists** (international - 3 person-months, domestic - 4 person-months). The maternal and child nutrition (MCN) specialists will work closely with the Ministry of Health (MOH), especially the Japan Fund for Poverty Reduction (JFPR) Country Project Office, nutrition institutions, UNICEF, and the World Health Organization (WHO). The international specialist should have an advanced degree in a relevant field and extensive international experience and knowledge of child nutrition interventions. The MCN specialists will work closely with the maternal and child health (MCH) specialists and will

(i) review policies, norms (clinical protocols), and nutrition supplement programs related to MCN, and identify measures for improvement based on international experiences and Azerbaijan's situation;
(ii) conduct a needs assessment in collaboration with the social scientist;
(iii) review the information developed for women and children, and nutrition counseling given by health practitioners and functionaries and preschool and by primary school teachers;
(iv) review feeding practices at home in collaboration with the ECE specialists and the social scientist team;
(v) examine the achievements of the JFPR Project 9005: Improving Nutrition of Poor Mothers and Children in Asian Countries in Transition, and identify strategies to sustain and expand the impact of the JFPR Project;
(vi) establish a baseline for MCN indicators;
(vii) design a monitoring and evaluation framework and methodologies for MCN;
(viii) examine the capacity of the sani-epidemiology department and other nutrition institutions to impart effective regulations and conduct nutrition surveillance;
(ix) advise and recommend feasibility studies on options to improve the nutritional status of pregnant women and children under 5;
(x) participate in the working group on child health and nutrition and contribute to the development of the MCN strategy as part of the overall ECD strategy for Azerbaijan;
(xi) produce the MCN sector technical paper; and
(xii) design integrated MCN/MCH components for the Project in detail, including implementation arrangements, costing, and clear TOR for each involved agency.

7. **Maternal and Child Health Specialists** (international - 1.5 person-months; domestic - 3 person-months). The MCH specialists will work closely with MOH, the World Bank's primary health care reform project team, UNICEF, and WHO. Both the international and domestic

specialists should have advanced degrees in a relevant field and extensive international experience in MCH interventions and knowledge of latest MCH programs, including the integrated management of childhood illnesses. The MCH specialists will work closely with the MCN specialists and will

(i) review the Government's child survival programs, including immunization programs, prevention and treatment of communicable diseases, and control for acute respiratory infections and diarrhea; and recommend changes for improvements in policies and medical practices in the field;
(ii) conduct a needs assessment in collaboration with the social scientist team;
(iii) assess the quality of MCH health care at the primary health care level in particular, and referral systems for high-risk cases;
(iv) design new management approaches for child health for implementation at the region level through community level health workers and primary health care practitioners;
(v) establish a baseline for maternal and child health indicators;
(vi) design a monitoring and evaluation framework and methodologies for MCH;
(vii) participate in the working group on child health and nutrition and contribute to the development of the MCH strategy as part of the overall ECD strategy for Azerbaijan;
(viii) produce the MCH sector technical paper; and
(ix) design integrated MCH/MCN components for the Project in detail including implementation arrangements, costing, and clear TOR for each involved agency.

8. **Economist/Financial Analyst** (international – 3 person-months). The economist should have an advanced degree in economics, and extensive experience in the economic analysis of projects, especially in the social sector, and public expenditure. The economist will:

(i) prepare a comprehensive economic rationale/justification for the Project, including data on key health/education indicators in the country and the raions under consideration;
(ii) on the basis of the objectives of the proposed Project, assess its cost effectiveness by suggesting two or more feasible approaches for achieving the objectives along with estimated economic costs; using a least cost approach and a 12% real discount rate, identify the least cost option;
(iii) examine the affordability of different interventions for the poor population;
(iv) identify, quantify, and value the economic benefits of the proposed Project; the economic benefits should be in terms of productivity gains, resource costs savings, and any other positive externalities;
(v) calculate an economic internal rate of return for the proposed Project; economic benefits and cost should be appropriately shadow-priced;
(vi) review public expenditures in the health and education sector; identify trends in the level of public expenditure and the share of the budget allocated to the health and education sectors over the past 5-10 years; compare per capita figures from this analysis with those of other countries in the region and beyond, as appropriate; review the composition of expenditures in the health and education sectors over the same period; assess how budget allocations to the sectors are likely to change based on past trends, government priorities, and perceptions of stakeholders; and assess the financial sustainability of the proposed project in terms of financing recurrent costs and other costs, as appropriate;

(vii) conduct an economic and poverty impact assessment referring to the *Handbook for Integrating Poverty Impact Assessment in Economic Analysis of Projects,* and *Handbook on Poverty and Social Analysis,* and prepare a poverty and social impact assessment report in collaboration with the social scientists; include simple benefit incidence analysis in the assessment; and
(viii) identify the most efficient mechanism for targeting the Project at the poor population, in consultation with the social scientist.

9. The financial analyst should have an advanced degree in a relevant field and extensive experience in accounting and financial analysis. The financial analyst will

(i) provide cost estimates for the project components and a disbursement plan in accordance with the ADB's *Guidelines for Financial Governance and Management*;
(ii) Prepare cost tables with appropriate cost categories in COSTAB with clearly indicated unit costs for each input;
(iii) estimate the costs of different models of preschool programs, and suggest an optimal mix of different models for reaching children in need; and
(iv) assist the economist in preparing data for the economic and financial analysis.

10. **Social Scientists** (international - 2 person-months; domestic - 3 person months). The social scientists should have advanced degrees in relevant fields. The international specialist should have extensive international experience in needs assessment and designing and conducting social surveys. The social scientist teams will be provided a separate budget for hiring field studies and survey. The social scientists will

(i) identify the poor and vulnerable populations, and their objective and felt needs;
(ii) investigate those children not attending preschool/kindergartens by ethnicity, poverty status of the family, status of household heads (e.g., women-headed households), gender, and geographical location, and identify reasons for not attending preschool institutions;
(iii) examine whether there is a disparity in access of pregnant women and children 0-7 years of age to health care by ethnicity, poverty status of the family, status of household heads, gender, or geographical location;
(iv) assess health-seeking behavior, the out-of-pocket expenditures of the households for ECD services, and budget constraints on their health care-seeking behavior and access to preschool/kindergarten programs;
(v) assess the demand and willingness to pay for ECD services, especially for preschool programs;
(vi) assess the adequacy of the knowledge level of the family on child development and of child care practice on child development;
(vii) examine whether and what further involvement of parents/family and community could contribute to ECD;
(viii) identify a feasible way to target the Project to poor children; and
(ix) prepare a needs assessment report, and poverty and social impact assessment report in collaboration with the economist. The team should refer to the ADB *Handbook for Poverty and Social Analysis*.

11. The team will use both qualitative and quantitative methodologies. The qualitative analysis will be substantiated by service mapping, secondary data, and surveying. Within each raion, ECD-related services and projects will be mapped at the smallest possible administrative

unit and will be analyzed against ECD-related indicators. The findings of the needs assessments will be used as references for designing ECE, MCN, and MCH interventions.

12. **Regional Project Coordinators** (domestic - 25 person-months). The consultant team will appoint a local project coordinator for each raion or a cluster of raions to work closely with the governor's office, and to facilitate the TA work in the raions and development of raion work plans. The regional project coordinators should be from the locality and have knowledge of ECD.