

**MANAGEMENT RESPONSE TO
REQUEST FOR INSPECTION PANEL REVIEW OF THE
ARMENIA SECOND EDUCATION QUALITY AND RELEVANCE PROJECT
(P107772) AND ARMENIA EDUCATION IMPROVEMENT PROJECT (P130182)**

Management has reviewed the Request for Inspection of the Armenia Second Education Quality and Relevance Project (P107772) and Armenia Education Improvement Project (P130182), received by the Inspection Panel on May 16, 2014 and registered on June 5, 2014 (RQ14/03). Management has prepared the following response.

July 7, 2014

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ABBREVIATIONS AND ACRONYMS

ANQA	Armenian National Center for Professional Education Quality Assurance
APL	Adaptable Program Loan (used also to refer to Adaptable Program Credit)
ATC	Assessment and Testing Center
BP	Bank Procedures
CEU	Central European University
CIF	Competitive Innovation Fund
EC	European Commission
EIP	Education Improvement Project
EMIS	Education Management Information System
EMP	Environmental Management Plan
ENQA	European Association for Quality Assurance
EQRP2	Second Education Quality and Relevance Project
ESMF	Environmental and Social Management Framework
EU	European Union
FY	Fiscal Year
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HEI	Higher Education Institution
ICR	Implementation Completion and Results Report
ICT	Information and Communication Technologies
IDA	International Development Association
IQA	Internal Quality Assurance
MoES	Ministry of Education and Science
MoF	Ministry of Finance
NIE	National Institute of Education
OP	Operational Policy
OSF	Open Society Foundations
PIU	Project Implementation Unit
POM	Project Operational Manual
QA	Quality Assurance
READ	Russian Education Aid for Development
SABER	System Assessment and Benchmarking for Education Results
TEMIS	Tertiary Education Management Information System
TIMSS	Trends in International Mathematics and Science Study
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The Projects

1. ***The Education Improvement Project (EIP)***. The EIP consists of a loan of US\$15 million from IBRD and a credit of US\$15 million from IDA. The objectives of the EIP are to improve school readiness of children entering primary education, improve physical conditions and the availability of educational resources in upper secondary schools, and support improved quality and relevance in higher education institutions in Armenia.

2. ***The Second Education Quality and Relevance Project, Adaptable Program Loan (APL) Phase 2 (EQRP2)***. The EQRP2 consists of a credit of US\$25 million from IDA. The objectives of the EQRP2 are to: (i) enhance school learning in general education and improve the school readiness of children entering primary education; and (ii) support the integration of the Armenian Tertiary Education system into the European Higher Education Area.

The Request for Inspection

3. On June 5, 2014, the Inspection Panel registered a Request for Inspection, IPN Request RQ 14/03, concerning the EQRP2 and the EIP. The Request for Inspection was submitted by nine NGOs, two students and five parents from Armenia who requested to keep their identities confidential.

4. The Request alleges that the two Bank financed operations fail to address what the Requesters view as the key issues in the higher education system in Armenia, including: (i) poor governance and corruption in the Armenian National Center for Professional Education Quality Assurance (ANQA); (ii) inadequate financing; (iii) overly-tight political control; and (iv) lack of academic freedom. The Request further alleges, similarly, that the two Bank operations fail to address systemic issues in secondary education, including, (i) political control of the sector by the government; (ii) weak student evaluation; (iii) putting rural students at a disadvantage; (iv) ineffective teacher training; (v) lack of transparency in curricular and syllabus design, leading to gender bias and discriminatory behavior; and (vi) discrimination against religious minorities. The Request also alleges that there was a lack of consultations during project preparation as well as inadequate incorporation of lessons learned from the previous education projects. As a result of this, the Requesters claim that the projects “*pose[s] a threat of greater harm to the education system of the whole country and hence each and every one of us.*”

Management’s Response

5. ***Management does not believe that the Request meets the eligibility criteria.*** In Management’s view, the Requesters are not able to demonstrate that their rights or interests have been or are likely to be adversely affected by the projects as required by the Panel Resolution. Furthermore, Management disagrees that the alleged adverse impacts cited in the Request result from the two Bank-supported projects.

6. ***Management notes that the Request for Inspection is primarily about broad issues in the education system in Armenia and that the description of the alleged potential harm consists of existing shortcomings to the system in general, neither specific to nor resulting from the two Bank-financed projects.*** In Management's view the claims of harm presented in the Request for Inspection: (1) do not relate to the Bank-supported operations, but rather to (i) existing conditions in the Armenian education system (quality of higher and secondary education, quality of teachers, urban/rural distribution of schools, quality of text books), and (ii) issues around government or church influence in the education sector; and (2) are generally based on the assumption that Bank support granted under an operation amounts to the Bank's endorsement of and responsibility for every issue in the respective sector. The Requesters also suggest that sector issues that are not addressed by the Bank-supported projects would constitute harm caused by the projects.

7. ***In Management's view the Request for Inspection is about the Requesters' design preferences for the projects as well as a view that Bank support should be offered only when the education sector is performing well.*** In the Requesters' view, the projects cannot achieve adequate progress under the current situation, and the Bank therefore should not support the education sector in Armenia but rather exit and create preconditions for reengagement. The Requesters also present a list of suggested actions for the Bank to take in this regard. These are presented in Annex 1 along with Management's responses.

8. ***The Requesters appear to misinterpret harm as any pre-existing conditions which they view as undesirable and which are not addressed by the Bank supported projects, and which they believe should be.*** This, however, does not relate to any "acts or omissions" by the Bank in relation to Bank policies or procedures, and does not constitute the harm which is referred to in the Panel Resolution. Hence, in Management's view the harm alleged by the Requesters represents what they view as non-accomplishments of the projects and must be viewed as unfulfilled expectations that do not generate a material deterioration. This cannot "be considered as a material adverse effect" for the purpose of the Panel Resolution.

9. ***Notwithstanding the above considerations Management welcomes this opportunity to further clarify its support to the Armenian education sector and progress of achievements to date.***

I. INTRODUCTION

1. On June 5, 2014, the Inspection Panel registered a Request for Inspection, IPN Request RQ 14/03 (hereafter referred to as “the Request”), concerning the Armenia Second Education Quality and Relevance Project (EQRP2, P107772) financed by the International Development Association (IDA) and the Armenia Education Improvement Project (EIP, P130182), financed by both IDA and the International Bank for Reconstruction and Development (the Bank).

2. *Structure of the Text.* The document contains the following sections: Section II summarizes the Request; Section III provides background on the two Projects; and Section IV contains Management’s response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format. Annex 2 discusses lessons learned from previous Bank-funded projects in Armenia that were considered in the design of the EIP and Annex 3 provides information on the consultations and due diligence undertaken by the Bank for the two projects.

II. THE REQUEST

3. The Request for Inspection was submitted by nine NGOs, two students and five parents from Armenia who requested to keep their identities confidential, hereafter referred to as the “Requesters.”

4. The Request alleges that the two Bank financed operations fail to address what the Requesters view as the key issues in the higher education system in Armenia, including: (i) poor governance and corruption in the Armenian National Center for Professional Education Quality Assurance (ANQA); (ii) inadequate financing; (iii) overly-tight political control; and (iv) lack of academic freedom. The Request further alleges, similarly, that the two Bank operations fail to address systemic issues in secondary education, including, (i) political control of the sector by the government; (ii) weak student evaluation; (iii) putting rural students at a disadvantage; (iv) ineffective teacher training; (v) lack of transparency in curricular and syllabus design, leading to gender bias and discriminatory behavior; and (vi) discrimination against religious minorities. The Request also alleges that there was a lack of consultations during project preparation as well as inadequate incorporation of lessons learned from the previous education projects. As a result of this, the Requesters claim that the EIP “*pose[s] a threat of greater harm to the education system of the whole country and hence each and everyone of us.*”

5. Attached to the Request are three testimonials by individuals and a parental authorization letter. No further materials were received by Management in support of the Request.

6. The Request contains claims that the Panel has noted may relate to the following Bank Operational Policies (OP) and Bank Procedures (BP):

- OP/BP 4.01, Environmental Assessment;
- OP/BP 10.00, Investment Lending;
- OP/BP 10.00, April 2013, Investment Project Financing; and
- OP/BP 13.05, Project Supervision.

III. BACKGROUND OF THE PROJECTS

The Education Improvement Project (EIP) – P130182

7. ***The Project.*** The EIP consists of a loan of US\$15 million from IBRD and a credit of US\$15 million from IDA, and government counterpart funding in the amount of US\$7.5 million. It was approved by the Board on March 13, 2014 and is not yet effective. Its closing date is September 30, 2019.

8. ***Project Objectives.*** The objectives of the EIP are to improve school readiness of children entering primary education, improve physical conditions and the availability of educational resources in upper secondary schools, and support improved quality and relevance in higher education institutions in Armenia.

9. ***Project Components.***

- *Component 1:* Enhancing the Quality of General Education (total estimated cost: US\$27.50 million), which consists of the following sub-components: (1.1) Promoting school readiness and equal opportunities at the start of general education; (1.2) Enrichment of upper secondary schools; (1.3) Improving data-collection and monitoring of the education system performance; and (1.4) Supporting further improvements in the quality of education through curriculum revisions.
- *Component 2:* Mainstreaming of the Competitive Innovation Fund (CIF) for Higher Education Institutions (HEI) into full implementation (total estimated cost: US\$6.25 million).
- *Component 3:* Project Management, Monitoring and Evaluation (US\$3.75 million).

The Second Education Quality and Relevance Project, Adaptable Program Loan (APL)¹ Phase 2 (EQRP2) – P107772

10. ***The Project.*** The EQRP2 consists of a credit of US\$25 million from IDA and government counterpart funding in the amount of US\$6.25 million. The project was approved by the Board on May 12, 2009 and closes on November 30, 2014. A total of US\$19 million has been disbursed to date.

¹ APL acronym also used to refer to this Adaptable Program Credit.

11. **Project Objectives.** The objectives of the EQRP2 are to: (i) enhance school learning in general education and improve the school readiness of children entering primary education; and (ii) support the integration of the Armenian Tertiary Education system into the European Higher Education Area.

12. **Project Components.**

- *Component 1:* Enhancing the Quality of General Education (total estimated cost: US\$19.66 million equivalent), which consists of the following sub-components: (1.1) Promoting school readiness and equal opportunities at the start of general education; (1.2) Supporting further improvements in the quality of education through improved in-service teacher training and professional development; (1.3) Continuing support to the integration of Information and Communication Technologies (ICT) in the teaching and learning process; and (1.4) Supporting the implementation of high-school reform.
- *Component 2:* Supporting Tertiary Education Reforms in the Context of the Bologna Agenda (US\$7.53 million equivalent), which consists of the following sub-components: (2.1) Establishment and strengthening of the national quality assurance system; (2.2) Developing a Tertiary Education Management Information System (TEMIS); (2.3) Strengthening the capacity to implement a sustainable financing system; and (2.4) Reforming pre-service teacher education.
- *Component 3:* Project Management, Monitoring and Evaluation (US\$4.06 million of which US\$3.25 million in IDA financing).

13. The EQRP2 has achieved important results by supporting the implementation of reforms that are expected to contribute to improved student learning in both general and higher education. The reforms supported include: (i) preschool expansion through implementation of micro-projects to enhance existing preschools or through establishment of preschool services in the poorest and most vulnerable communities, benefitting about 5,000 children; (ii) enhancing the quality of education by providing targeted in-service trainings to about 12,000 general education teachers; (iii) providing internet connectivity to all schools in Armenia and implementing the Education Management Information System (EMIS); (iv) supporting high school reform by establishing and equipping resource centers in all of them; (v) providing technical assistance for the establishment of a quality assurance system led by the ANQA; and (vi) development and piloting of a CIF for HEIs. The project is currently rated as *Moderately Satisfactory* for its development objectives. Two out of the three outcome indicators present a positive trend (improved Early Development Index of students in preschools and kindergartens receiving grants; and standings of Armenia in the Bologna Scorecard in Higher Education), while the third indicator (performance of Armenian students in Trends in International Mathematics and Science Study, TIMSS 2011) will need to be revised as the field tests for TIMSS were carried out 6 months after the project became effective. All project activities are on track towards achieving the end of program targets.

14. Preparation of both projects met the requirements of OP/BP 10.0 and OP/BP 4.01. Subsequent supervision of EQR2 met the requirements of OP/BP 13.05. Notably, lessons learned during the implementation of the first Education Quality and Relevance Project (P074503) and the ongoing EQR2 shaped the design of the EIP (see details in Annex 2). The Implementation Completion and Results (ICR #00001318) report of the first project highlighted the importance of: (i) conducting open discussions and achieving public consensus; (ii) using good analytical work to inform project preparation; (iii) intensive and continuous guidance and supervision; and (iv) having a sound and independent monitoring and evaluation mechanism in place. The EIP's preparation involved consultations with several education sector and civil society stakeholders (as detailed in Annex 3) and included analytical work covering the whole spectrum of the education system, from pre-school through higher education. The EQR2 included rigorous evaluation studies for the project's supported preschools and for the in-service teacher training activities. The Bank team also maintained a close dialogue with the government and undertook several supervision missions (as detailed in Annex 3). Lessons learned during the implementation of the EQR2 as well as international evidence and best practice were also considered during the preparation of the EIP, in particular, for the support of the preschool subcomponent, for the EMIS to increase accountability, and for the mainstreaming of the CIF as described in Annex 2.

IV. MANAGEMENT'S RESPONSE

15. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

Eligibility Considerations

16. *Management does not believe the Request meets the eligibility criteria. In Management's view, the Requesters are not able to demonstrate that their rights or interests have been or are likely to be adversely affected by the projects as required by the Panel Resolution. Management disagrees that the alleged adverse impacts cited in the Request result from the two Bank-supported projects.*

17. *Management notes that the Request for Inspection is primarily about broad issues of the education system in Armenia and that the description of the alleged potential harm consists of existing shortcomings to the system in general, neither specific to nor resulting from the two Bank-financed projects.* In Management's view the claims of harm presented in the Request for Inspection: (i) do not relate to the Bank-supported operations, but rather to existing conditions of the Armenian education system (quality of higher and secondary education, quality of teachers, urban/rural distribution of schools, quality of text books), and to issues around government or church influence in the education sector; and (ii) are generally based on the assumption that Bank support granted under an operation amounts to the Bank's endorsement of and responsibility for every issue in the respective sector.. The Requesters also suggest that sector issues that are not addressed by the Bank-supported project would constitute harm caused by the project.

18. ***Management also notes that the individual testimonies (referred to as “case studies”) presented in the Request, are not verifiable, nor do they offer indication or evidence that the alleged incidents stem from the support granted under the two projects, or are related to the projects in any way.*** These testimonies present personal experiences of a few individuals, while lacking evidence that such experiences are occurring in a systemic manner. Further, it is not clear how the two Bank-supported operations could be related to: (i) the individual decisions of professors or faculties regarding the acceptance or refusal of a proposed Ph.D. thesis topic; (ii) the acceptance of a Ph.D. thesis; or (iii) the dismissal of a Rector.

19. ***The Request for Inspection is about the Requesters’ design preferences for the projects as well as a view that Bank support should be offered only when the education sector is performing well.*** Much of the Request is about the Requesters’ views on when and how the education system in Armenia should be supported by the Bank. In the Requesters’ view, the projects cannot achieve adequate progress under the current situation, and the Bank therefore should not support Armenia but rather exit and create preconditions for reengagement. The Requesters also present a list of suggested actions for the Bank to take in this regard. These are presented in Annex 1 along with Management’s responses.

20. ***The Requesters appear to define harm as any pre-existing conditions which they view as undesirable and which are not addressed by the Bank supported projects, but which they believe should be.*** This, however, does not relate to any “acts or omissions” by the Bank in relation to Bank policies or procedures, and does not constitute the harm which is referred to in the Panel Resolution. Hence, in Management’s view, the harm alleged by the Requesters represents what they view as non-accomplishments of the projects and must be viewed as unfulfilled expectations that do not generate a material deterioration.² This cannot “be considered as a material adverse effect” for the purpose of the Panel Resolution.³

21. ***Notwithstanding concerns regarding the eligibility of this Request, Management agrees that some of the points made by the Requesters are valid and notes that several interventions under the projects support the government precisely in the direction of the wide reforms that are needed to address these points.*** However, the Bank’s global experience shows that educational improvement is gradual and takes time. Hence, based on the Bank’s mandate and experience, its support is most effective when applied based on a joint understanding with the Borrower of the required interventions that lead to improvement. Evidence shows that engaging before the circumstances are ideal allows for progress toward the goals of improving quality and relevance of education. Waiting until all issues are addressed precludes the opportunity to support progress and early intervention can improve the pace and quality of their progress.

² In the Requesters’ own words, in their view the previous education projects’ “objectives [...] had not been achieved” and “concrete deliverables were not attained;” and that without changes the new project will not “contribute to Armenian Universities’ research capabilities or their sustainability [...]”

³ 1999 Clarification of the Inspection Panel Resolution, paragraph 14.

22. ***Likewise, Management welcomes this opportunity to continue to clarify the issues and questions raised by the Requesters.*** The Bank has met with various stakeholders over the past few years, including civil society, where issues of concern have been raised, and has shared many documents. In addition to dissemination of Bank reports on the education sector and engagement with stakeholders during preparation and implementation visits, consultations were carried out in the context of the EIP preparation during 2013. As detailed in Annex 3, consultations were undertaken for: (i) the school readiness enhancement subcomponent; (ii) assessment of the current situation of high school reforms in Armenia; (iii) the environmental and social management framework for the infrastructure subcomponent; and (iv) the evaluation of the CIF in its pilot phase for the higher education component. Throughout the concept and preparation stages of the projects, the Bank has continued to provide many opportunities for in-depth discussions with civil society to take into account their suggestions and feedback in the design process.

Management's Response to Specific Allegations Raised in the Request

23. ***The Requesters allege that the designs of the two projects do not resolve systemic and far-reaching failures of the Armenian education system and request the suspension and revision of the projects.*** Management disagrees with these allegations and points out that the Bank's global experience shows that the improvement of education systems is gradual and demands time. Reforms usually meet resistance and controversy, face systemic barriers, and therefore require a constant process of evaluation and feedback for proper decision-making. Finland and Poland are two examples where efforts to improve education took time before initial results became evident. Indeed, Finland has systematically worked for over 40 years to make its once poorly ranked (1970) educational system one of the leaders in student achievement. Starting in 1989, Poland designed a reform, ultimately introduced in 1998, that only began to show overall improvements in educational performance by 2006, as measured by results in the Program for International Student Assessment (PISA) tests.

24. ***The Bank has supported the gradual reforms taking place in the education sector in Armenia through education projects, policy dialogue and knowledge exchange.*** The EQRP2 and EIP build on the reform efforts and achievements made by Armenia to date and contribute to furthering those efforts. For example, in **preschool education**, the EQRP2 has contributed to the increase in preschool enrollment of 5-6 year old children, from less than 30 percent in 2007 to 65 percent in the school year 2012-2013, thus improving school readiness of Armenian first graders. However, this is still far from reaching the government's objective of 90 percent preschool enrollment by 2017. In **general education**, the projects have supported and will continue supporting the implementation of the 12-year general education system, including the curriculum revisions, teacher training, and student learning assessment aligned to the new 12-year system; the introduction of high schools offering specialized streams to better fit students' academic needs; increased accountability of and information on the education system to citizens by improving data collection through systems for monitoring education system performance; and by providing continued support for the regular participation of Armenia in international large-scale student assessments (TIMSS). It is clear, however, that quality of education remains a challenge, as highlighted by the results in international assessments and

also by the perception of stakeholders in Armenia. In **tertiary education**, the projects have contributed to the increased integration of Armenia into the European Higher Education Area, by supporting the establishment of a quality monitoring agency (ANQA) and by contributing to the diversification of sources of funding for innovation for both public and private universities. Important challenges remain in the area of governance of higher education, but the direction of the reforms is encouraging and the support of the Bank to move in such a direction is opportune.

25. ***In Management's view, waiting until all education sector issues are addressed, as suggested by the Requesters, precludes the opportunity to support progress and influence the pace and quality of that progress.*** For the reasons offered above, the Bank's support through the EQRP2 and EIP and its policy dialogue with the government are of strategic importance in promoting a gradual improvement process that is taking place in the education sector in Armenia. The Bank has been informed that the government remains committed to continue with the long-term reform agenda, which was recently confirmed by the content of the Program for the Government of the Republic of Armenia submitted to Parliament on May 19, 2014.

26. ***On the allegations regarding the Higher Education System in Armenia***

(i) **Governance issues and corruption in the ANQA:** *The Requesters allege that "there are serious irregularities in ANQA mission, composition and function," and thus its independence is questioned. In addition, the Requesters allege that quality assurance reforms under the project have been "fully controlled by the government and ruling political party with no dialogue or consultation" with relevant stakeholders therefore, "met with distrust, if not open opposition," and eventually resulting in "poor quality reform of higher education in Armenia." The Requesters state that the Bank ignored its "own assessment of the tertiary sector governance issues and irregularities" and failed to make changes.*

Management disagrees with the Requesters' claims that the Bank failed to address these problems with the Borrower to resolve them. The Bank has produced a report titled, "Addressing Governance at the Center of Higher Education Reform in Armenia" (January 2013) that has been widely consulted and disseminated in-country. This report has served as the basis for the policy dialogue with the government and other stakeholders on higher education. The report indicates that the ANQA, which was established to strengthen the national quality assurance system in Armenia, has made important achievements in a short period of time, but there are further steps to take in order to become an internationally credible quality assurance agency. In order to meet international standards, ANQA needs to address deficiencies in its governance structure through legislative action that would allow for needed changes to the composition of its Board of Trustees. It should be noted that the Program for the Government of the Republic of Armenia dated May 19, 2014 and presented for the approval of the National Assembly, states the government's commitment towards international recognition of qualifications for joining the "European Quality Assurance Register for Higher Education" through full membership of the ANQA in the European Association for

Quality Assurance in Higher Education (ENQA). In disagreement with the Requesters, Management wishes to clarify that the Bank's diagnostic and assessment work of the ANQA did not identify issues of corruption arising from the way it is currently organized (see Item 2 in Annex 1 for further details).

(ii) **Inadequate public financing:** *The Requesters allege that successful reform of existing financing mechanisms, which the government has already committed to implement, will require not only effective allocation of available funding, but a substantial increase in total public funding for higher education. The Requesters assert that the CIF cannot assist in “ensuring sustainable funding system” as it does not address the declining public spending or legal framework regulating the finances of universities.*

Management agrees with the Requesters on the importance of sufficient public funding for the education sector but the projects are not responsible for the government's decisions on financing for the sector. Even though the level of public financing for education is not the Bank's decision, the need to increase public funding has been regularly brought to the attention of the Ministry of Education and Science (MoES) and the Ministry of Finance (MoF). The 2013 higher education report indicates that public funding for higher education is limited and that increasing and diversifying higher education financing is needed. The 2011 “Public Fiscal Consolidation and Recovery in Armenia” report by the Bank makes a specific recommendation to increase spending in education, in particular, to increase non-salary recurrent spending to improve quality.

The CIF, piloted in the EQRP2 and mainstreamed in the EIP, and available for public and private universities, aims to increase the diversification of sources of funding for higher education, through a competitive and transparent process of allocating funds. The Bank's experience of supporting these mechanisms in higher education in several projects highlights the value of CIFs in establishing diversified funding mechanisms for higher education that are demand-driven and have transparent procedures, as opposed to designating resources for narrowly defined purposes and in a top-down fashion. It also highlights the flexibility of CIFs to respond, with transparent procedures, to specific sector development needs and to reorient resources from investments in teaching facilities to improvement of curricula and the learning process. (See Items 6 and 9 in Annex 1 for more details and lessons learned on CIF in Annex 2).

(iii) **Alleged overly-tight political control:** *According to the Requesters, “the governance boards of state universities, state education agencies are represented by government officials, MPs and by the administration of the President at around 50%,” which allows for “interventions by the state over their finances, management appointments, specialization, and admissions.”*

Management partly concurs with the Requesters' assessment of the governance challenges facing higher education, as identified by the Bank in its engagement

with Armenia, and those are being tackled through Bank financed projects and education sector dialogue (see Item 4 in Annex 1 for more details). However, contrary to the Requesters' statement, the Bank's 2013 report did not find evidence that "further highlights systemic problems pertaining to ... widespread corruption and nepotism in the field." Management notes that the government is currently working on the legal framework for higher education. The Program of the Government of the Republic of Armenia dated May 19, 2014 and presented for approval of the National Assembly, calls for increased autonomy of HEIs and for greater transparency and accountability in the system, while continuing to implement the integration of Armenia into the European Higher Education Area.

(iv) **Alleged lack of academic freedom:** *The Requesters state that the alleged overly-tight political control "undermines academic independence vital for credibility and sustainability of any research and scientific endeavor."*

The projects supported by the Bank do not include components dealing with academic freedom, nor does the Bank have evidence that lack of academic freedom is a pervasive issue in higher education in Armenia. Management's view is that the universities' self-evaluations, promoted by the internal quality assurance units supported by the EQRP2, are useful mechanisms to monitor progress on the desired changes within universities. Management also notes that the supporting testimonies provided by the Requesters do not offer any indication or evidence that the alleged incidents stem from or are aggravated by the support granted by the Bank under the two projects (see Item 27 in Annex 1 for details).

27. ***On the allegations regarding Secondary Education***

(i) **Alleged political control of the sector by the government:** *The Requesters allege that "[t]he government and the ruling party (Armenian Republican Party) assert political control of the sector through control over the appointment of school principals, the composition of school governing bodies and financing mechanisms. Secondary educational institutions and their employees serve as an important administrative resource that is systematically and vastly abused for political ends during elections."*

These claims are not related to the projects in any way. Management notes that the MoES exercises its oversight role in managing the country's public schools. In the absence of concrete evidence it is difficult to verify the Requesters' claims that "... the ruling party (Armenian Republican Party) asserts political control over secondary education" and that "secondary educational institutions and their employees serve as an important administrative resource that is systematically and vastly abused for political ends during elections." Similar to many education systems around the world, the MoES appoints school principals, determines the composition of school governing bodies and defines financing mechanisms (see Item 4 in Annex 1 for details).

(ii) **Weak student evaluation:** *The Requesters allege that “[t]he system of student aptitude evaluation is hugely problematic in principle and provides conflicting or even mutually exclusive results for student learning and skills evaluation. It does not enjoy broad support and trust among either the public or professional educators, a fact amply demonstrated by expert interviews and research.”*

Management concurs that there is significant room for improvement in student evaluations in Armenia, while also recognizing that the government is making strides toward improving those evaluations with the help of the Bank and other donors. In 2011, Armenia conducted a benchmarking exercise on student assessment in its different dimensions through the Bank’s System Assessment and Benchmarking for Education Results (SABER) initiative, which helps countries examine and strengthen the performance of their education systems to achieve learning for all. The benchmarking exercise identified possible next steps to further develop the different types of assessment activities (classroom assessment, national large scale assessments, international large scale assessments and examinations). The Bank, through projects, trust funds and policy dialogue, is providing support for gradual improvements in these areas, including the introduction of new forms of assessment of the learning process and of learners’ achievements, in compliance with international standards, as detailed in Annex 1, Item 17. With the support of an earlier Bank-financed project, Armenia established the Assessment and Testing Center (ATC) and has participated in all rounds of TIMSS since 2003. Additionally, national student assessments are being carried out by the ATC, albeit not regularly. Finally, under the Russian Education Aid for Development (READ) Trust Fund for Armenia, in 2013-2014 a classroom assessment course was developed for tertiary level students preparing to join the teaching profession and a cadre of instructors from various universities has been trained to deliver this course.

(iii) **Putting rural students at a disadvantage:** *According to the Requesters, “[h]igh schools are largely inaccessible for students from rural areas. Hundred and two out of hundred and nine high schools are located in cities and only seven in rural areas. In rural areas there are still schools that work based on 12- year curriculum which is not designed and does not provide specialization. [...] Given higher rates of poverty and vulnerability in rural areas, as well as professionally and technically lower capacities of these schools compared to urban ones, the disadvantage is much greater and the risks for further limiting access to higher education is growing higher.”*

Management is aware that general education schools in Armenia have severe infrastructure and educational equipment needs, both in rural and urban areas, and Bank engagement has supported efforts to address those needs. While the infrastructure component of the EIP focuses on high schools, which are primarily located in urban areas, the Bank’s portfolio in Armenia is broad and covers schools all over the country, including important support for infrastructure and equipment needs of schools in rural and underserved areas, through other projects.

The Bank has already financed the rehabilitation or construction of 120 schools⁴ and provided 57,508 units of school furniture (desks, chairs, bookcases, blackboards and teachers' desks, etc.) worth US\$6.12 million for 812 educational facilities in poorer communities in Armenia. This financing has focused primarily on rural and underserved areas, and has excluded from coverage the city of Yerevan and the Marz (province) centers, where most of the high schools are located. The EIP seeks to improve the infrastructure and safety conditions of 17 urban high schools and improve educational equipment in all of them. Students in rural schools have and will benefit from the system-wide activities supported under the EQRP2 and EIP, such as in-service teacher training, connectivity to internet for all schools, curriculum revisions and improvements, and students' assessment activities (see Item 7 in Annex 1 for details).

(iv) **Ineffective teacher training:** *The Requesters allege that there are many “professionally unqualified teachers” but the teachers’ training aimed at professional development was ineffective, as it did not accommodate varying skill types and levels among the teachers.*

The support for in-service teacher training provided under the EQRP2 was aimed at leveling the field among teachers with regard to the many reforms that have taken place in Armenia in recent years, including curriculum reforms, the extension of the education system from 10 to 12 grades, and the introduction of ICT into the learning and teaching process. An impact evaluation of Bank supported in-service teacher training for the years 2011 and 2012 showed some positive impacts in the use of interactive teaching methodology. It also identified areas that required further support for improvements (e.g., timing of the trainings, logistical arrangements and heterogeneity of teachers in the training groups). However, since 2013 and by government decision, all in-service teacher training is funded by the government and provided by the National Institute of Education (NIE) (see Item 15 in Annex 1 for more details).

(v) **Lack of transparency in curricular and syllabus design, leading to gender bias and discriminatory behavior:** *The Requesters allege that “[c]ontent analysis of school textbooks shows that asymmetric representation of gender roles prevails. [...] Discriminatory norms and perceptions are widely promoted both in textbooks, teaching process, and teachers' attitude. [...] This is justified by further professional specialization for males and females, which does not provide a comprehensive development of individuals as specified in the standard and goal of the subject program.”*

The Bank has not provided support for the development of textbooks in Armenia under either of the two projects. However, independently of this allegation, the Bank is strongly committed to gender equality and gender inclusion, and will review this issue, while noting that it is outside the scope of the projects. If con-

⁴ Armenia has about 1,390 public schools.

firmed, the issue will be raised with the Borrower in the context of ongoing policy dialogue, including implementation support visits for the projects (see Item 11 in Annex 1 for more details).

(vi) **Discrimination against religious minorities:** *The Requesters allege that “[d]evelopment of subject standard for the Armenian Church History is single-handedly controlled and supervised by Armenian Apostolic Church through its Center for Christian Education and Propaganda. During the teaching process the doctrine of the Armenian Apostolic Church is preached. Discrimination and ill treatment are widely practiced by both teachers and students towards religious minorities.”*

The EQR2 and the EIP do not support any links between religion and education and the Bank strongly supports the principle of inclusive development and equal treatment of ethnic and religious minorities. This particular situation and the potential harm stemming from it is neither caused nor aggravated by the Bank-supported projects (see Item 14 in Annex 1 for more details).

28. ***On the alleged lack of consultations***

(i) *The Requesters state that the “beneficiary and public feedback was ignored both during the implementation and assessment of the project” which they feel would have improved both projects.*

Management disagrees with the assertion that feedback was ignored and maintains that supervision of the EQR2 and preparation of the EIP have included close contact and consultations with various stakeholders. During the supervision of the EQR2, the Bank team has maintained close contact with various stakeholders, including regular visits to schools, kindergartens and HEIs. During preparation of the EIP, the Bank team held extensive stakeholder consultations (students, teachers, principals, community members, HEIs, employers’ associations, among others), carried out a series of analytical studies to inform preparation, developed sound monitoring and evaluation mechanisms for tracking the impact of previous and ongoing projects, held regular supervision missions and maintained a continuous dialogue with the government. Four analytical reports were prepared during 2013 and disseminated and discussed in country in May 2013. These activities were conducted in line with OP/BP 10.00, and the complete list of consultations is included in Annex 3.

Management notes that the Bank team met with the Open Society Foundation (OSF)–Armenia in the fall of 2011 and three times during the EIP’s preparation. Even though the Requesters are anonymous, it is important to observe that OSF-Armenia has been the only organization to bring its concerns to the Bank’s attention. Bank representatives met OSF-Armenia on the following occasions during project preparation. First, the Country Manager for Armenia met OSF-Armenia in December 2013. Then, in a visit to the Bank’s headquarters in February 2014, OSF-Armenia met with the Bank team and presented its report on high-

er education during a meeting organized by the Bank's US Executive Director. Substantive discussion on project design ensued. Finally, as a follow up to the February 2014 meeting in Washington, the Bank team invited OSF-Armenia to continue the dialogue and learn more about its activities during a visit to Armenia in April 2014 (see details in Annex 1).

29. With regard to OP/BP 4.01 (Environmental Assessment), Management notes that the Requesters do not raise any issue pertinent to that policy. Management has reviewed the related documents that were prepared to address environmental and social impacts from the construction activities supported under the projects and found them to be consistent with the related policy.

30. With regard to OP/BP 13.05 (Supervision), Management asserts that the projects have been supervised in line with the requirements of the policy (see Annex 3).

31. With regard to OP/BP 10.00 (Investment Lending), Management asserts that the projects are "anchored in country policy/sector analysis; and reflect lessons learned from the Bank's experience," as required by the policy. Annex 2 gives an extensive overview of the sector work, internal reviews and evaluations of past operations that were taken into consideration in developing the projects that are the subject of this Request.

32. With regard to OP/BP 13.60 (Monitoring and Evaluation) and OP/BP 8.60 (Development Policy Lending), which are mentioned by the Requesters, Management would like to clarify that neither policy applies to the operations in question: OP/BP 13.60 establishes the requirement for results-oriented monitoring and evaluation of Bank-supported operations and strategies, including independent evaluation by the Bank's Independent Evaluation Group, but does not include obligations at the project level. Likewise there are no issues related to OP 8.60, which governs Development Policy Operations, while both the EQRP2 and the EIP are Investment Project Finance operations.

Conclusion

33. ***Bank Management has carefully reviewed the issues raised by the Requesters and does not agree with the allegations of noncompliance and harm. Moreover, Management questions the eligibility of the Request.*** Management believes that the Bank has made every effort to apply its policies and procedures and to pursue its mission statement in the context of the projects. In Management's view, the Bank has followed the policies and procedures applicable to the matters raised in the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.

34. ***Management also believes it is important to separate disagreements over project design, which are legitimate to entertain in stakeholder engagement settings, from claims of harm due to policy noncompliance.*** The former are normally addressed through evaluative mechanisms and not those for policy compliance. Further, as noted above, the Requesters' claims of harm are not linked to Management's actions, but are policy and practice disagreements the Requesters have with how the sector is managed.

35. *As Management disagrees with the allegations of harm stemming from policy noncompliance, no actions to bring the projects into compliance are required.* However, Management takes the opportunity provided by its own review of the issues raised in the Request to consider how relevant points made in the Request could be addressed by the Bank going forward. *Such actions are geared to help the education sector in Armenia improve, which is neither related to the projects, nor intended to acknowledge any alleged harm or noncompliance.* In this instance, Management proposes to further review and verify the Requesters' claim to ascertain if and where, and to what extent, gender discriminatory content exists in school textbooks. Based on that review, which is unrelated to any Bank activities, Management would consider raising this with the government with a view to encourage adapting or changing such school textbooks to include gender appropriate content.

ANNEX 1

CLAIMS AND RESPONSES

No.	Claim	Response
1.	<p><i>General Claim</i></p> <p>Our analysis indicates that the Education Quality and Relevance II Loan Program resulted in substantial harm to the Armenian education system, particularly in the areas of accountability, governance, quality, and accessibility. We [...] believe that the main directions of the Education Improvement Program in Armenia loan project are designed in such a way as not to address failures of the previous program and pose a threat of greater harm to the education system of the whole country and hence each and every one of us.</p>	<p><i>Management disagrees that the EQRP2 or the EIP has resulted in any harm, as alleged by the Requesters. There is no indication that the alleged harm is linked to the Bank-supported operations. The Requesters' representations do not portray any material deterioration or harm caused by the projects compared to the without-projects situation.</i></p> <p><i>Generally, the Request fails to specify the nature of the serious harm to the Requesters, as well as the relationship between the alleged harm and the Bank-supported program.</i></p> <p><i>Specifically, the Requesters appear to define harm as the full complement of underlying issues in the pre-existing condition of the education sector, which they view as undesirable.</i></p> <p><i>Further, the Requesters appear to believe that the projects should address all the underlying sector issues, which is an unrealistic expectation.</i></p> <p><i>While the Management acknowledges that there are many issues that present challenges to the sector's development, the projects were not designed to address all of them. The Bank typically engages to advance an agenda in a particular area. The Bank may choose to refrain from interventions when the overall sector framework is unsatisfactory or if it believes the context will not allow the project objectives to be met. The fact that the projects focus on certain areas for engagement and not others does not amount to "acts or omissions" by Bank Management in relation to a Bank policy or procedure for the purpose of the Inspection Panel Resolution.</i></p> <p><i>Hence, in Management's view the harm alleged by the Requesters represents what they see as non-coverage by the Bank-financed programs and must be viewed as unfulfilled expectations that do not represent a material deterioration compared to the without-project situation. This, however, cannot "be considered as a material adverse effect" for the purpose of the Panel Resolution.⁵</i></p>
	Second EQRP	
2.	Tertiary Education components of the WB Second Loan with described harms and bank procedure failure	<p><i>Management disagrees with the Requesters' claims that the Bank failed to raise problems related to quality assurance with the Borrower in order to re-</i></p>

⁵ 1999 Clarification of the Inspection Panel Resolution, para. 14.

No.	Claim	Response
	<p><i>Component. Establishment and Strengthening of the National Quality Assurance System [...]</i></p> <p><i>Harm.</i> In our assessment (coinciding with the WB's conclusion) the newly established institution, Armenian National Quality Assurance Agency allows for political control mechanisms and lack of integrity in the system. It does not meet standards for independence and its scope of authority is insufficient to fulfill its mission both per European standards and versus its own charter. [...]</p> <p><i>Bank failure.</i> The Bank failed to address the identified problems to the borrower to resolve them. Moreover, establishment of ANQA is considered as a major achievement of the loan project, despite its criticism by the Bank itself. Details: ENQA principles; ANQA own mission statement have been identified by the Bank as undermining the credibility of the agency.</p>	<p><i>solve them.</i></p> <p><i>Management's opinion is that the establishment of the ANQA was an important milestone to support the development of a proper quality assurance system in the higher education system. Management acknowledges that the ANQA faces institutional, governance, and capacity constraints and challenges, which are being tackled through Bank projects and sector policy dialogue.</i></p> <p>The ANQA was established in 2008 to strengthen the national quality assurance system and to pursue Armenia's commitment to raise the quality of higher education to European standards. Its main task is to implement "investigations, analyses, recommendations and evaluation in tertiary level education field." It has developed the Statute on State Accreditation of Tertiary Level Institutions and Academic Programs and Accreditation Criteria and Standards, which defines policies, procedures, criteria, and standards for external quality assurance. Under the new accreditation rules, institutional accreditation is a mandatory process for all HEIs within the territory of the Republic of Armenia every five years, whereas program accreditation is a voluntary process carried out only in the case of a positive result of institutional accreditation.</p> <p>The EQRP2 supported capacity building in ANQA by financing technical assistance from international experts. The World Bank report titled "Addressing Governance at the Center of Higher Education Reforms in Armenia" (January 2013) was explicit in signaling that the ANQA's governance structure had not yet met the requirement to become a full-member of the ENQA, an issue that has been noted by ENQA experts as well.⁶</p> <p>The Bank team maintains regular dialogue with the MoES regarding governance issues and has been made aware that the new Strategy for Higher Education which the MoES will present to the Prime Minister closely follows the recommendations of the Bank [and other partners] regarding ANQA's governance structure. Management is pleased to note that the Program for the Government of the Republic of Armenia, dated May 19, 2014 and presented for the approval of the National Assembly, reiterates government's commit-</p>

⁶ The ANQA currently is an associate member of the ENQA and is committed to become a full member by 2015. An independent expert evaluation by the ENQA concluded that the legislative framework governing the accreditation process in Armenia is in compliance with European standards but made two key recommendations for further improvement. First, the ANQA needs to address deficiencies in its governance structure arising from the composition of its Board of Trustees and second, experts recommend authorizing the ANQA Accreditation Committee to make the final accreditation decision.

No.	Claim	Response
		<p>ment towards international recognition of qualifications for joining the “European Quality Assurance Register for Higher Education” through full membership of the ANQA in the ENQA. A key criterion⁷ for it is that the ANQA achieves operational independence from the government. The Bank will continue the policy dialogue with the government and provide technical advice to facilitate the process to achieve this goal.</p>
3.	<p><i>Component.</i> Internal quality assurance system with policies and procedures for internal mechanisms, and establishment of QA units in universities. [...]</p> <p><i>Harm.</i> The current set up of university governance is regulated through ambiguous legal documents that allow overrepresentation of political entities in various ways into both education content and management, and uses as a tool for political/ideological control, brings to top down reform implementation, non-inclusive approaches for academic community.[...]</p> <p><i>Bank failure.</i> Despite own assessment of the tertiary sector governance issues and irregularities, failure to make corresponding changes in program design/concept and continuing to fund fragmented components that have little likelihood to sustain the system.</p> <p>To address qualitative, in addition to quantitative, measurement in Program Result Report and make adjustments for future activities.</p> <p>Details: The internal QA centers supported by the Bank program only structurally follow the policies and procedures on formal level. Whereas the goal is on the development of internal QA mechanisms, the measurement for this is only done through the number of QA units established. However, the quantitative indicators cannot be considered as measuring the quality system and quality per se.</p>	<p><i>Management disagrees and notes that the harm alleged by the Requesters pertains to the current set-up of university governance, a pre-existing condition that does not result from the Bank-supported projects.</i></p> <p><i>The establishment of internal quality assurance (IQA) within HEIs is a crucial pillar of the European Standards and Guidelines for Quality Assurance and is key for the integration of Armenian higher education into the European Higher Education Area. The IQA units are still in the process of being established and a full assessment of their impact will be undertaken by the MoES.</i></p> <p>The EQRP2 supported this process by providing grants to institutions to establish and strengthen this function. During supervision, the Bank team observed IQA units in some universities, taking note of their strengths and challenges. These units are still in the process of being established. A full assessment of their impact will be undertaken by the MoES as part of its assessment of the effectiveness of project activities.</p> <p>Management agrees that the establishment of IQA units in universities is only a first step and does not constitute evidence of actual quality improvement. Nevertheless, it is an important intermediate step, and therefore, the “number of public and private universities that have operational internal QA Units in place according to the new QA standards” is included as an intermediate outcome indicator to track component implementation and project progress.</p>
4.	<p>While quality assurance was a major component of the previous WB education project, the Central European University's Higher Education Observatory reports that higher education reforms in Armenia have not had a significant impact on the quality of teaching and learning in higher education, or on the content and substance of administrative or governance practices in the field. [...] Both the CEU's and the World Bank's own reports strongly emphasize the pernicious practice of the government directly influencing higher education governance by appoint-</p>	<p><i>Management partly concurs with the Requesters' assessment of the governance challenges facing higher education. Management notes that these issues were identified by the Bank, brought to the Borrower's attention and are being addressed through several Bank-supported projects. The design of the EIP was influenced by this assessment.</i></p> <p><i>Management disagrees with the Requesters' comments about secondary education and their arguments for conditionality-based funding. Manage-</i></p>

⁷ Information on ENQA membership criteria can be found in: <http://www.enqa.eu/index.php/enqa-agencies/membership-criteria/>

No.	Claim	Response
	<p>ing a majority of the members of HEIs' governing Councils. The reports further highlight systemic problems pertaining to conflicts of interest in the governing of HEIs, widespread corruption, and nepotism in the field. Quality assurance reforms have been carefully controlled, designed and carried out bureaucratically in a purely top-down manner, and are therefore met with distrust if not open opposition and simply lack of understanding by most intended beneficiaries, eventually resulting in poor quality reform of higher education in Armenia.</p> <p>Another significant structural problem is the overly tight political control of the sector. The reports by CEU and the World Bank indicate identical channels and means through which exaggerated and severely counterproductive control over higher education institutions is exercised. Regulatory ambiguity is consistently mentioned as a factor that allows state control over universities. Moreover, the 2002 Charter of the Ministry of Education and Science establishes that the state is nominally in control of universities despite the fact that the proportion of funds allocated to the sector by the state is very limited.</p> <p>Regarding secondary education -and particularly high school development as planned by the new loan-there are equally strong arguments against the unconditional new funding. The government and the ruling party (Armenian Republican Party) assert political control of the sector through control over the appointment of school principals, the composition of school governing bodies and financing mechanisms. Secondary educational institutions and their employees serve as an important administrative resource that is systematically and vastly abused for political ends during elections.</p>	<p>ment's view is that the government exercises the usual oversight role in managing public schools, including <i>"through appointment of school principals, the composition of school governing bodies and establishment of financing mechanisms."</i> However, the Requesters' statements that <i>"... the ruling party (Armenian Republican Party) asserts political control over secondary education"</i> and that <i>"secondary educational institutions and their employees serve as an important administrative resource that is systematically and vastly abused for political ends during elections"</i> are difficult to substantiate in the absence of any concrete proof.</p> <p><i>With regard to higher education, Management notes that the governance issues raised by the Requesters are broadly consistent with the findings of the Bank's 2013 higher education report.</i> This report identified the governance structure and regulatory framework as key to the development of overall higher education systems. It investigated how autonomy and accountability are regulated and exercised at the institutional level. It examined four dimensions of autonomy, i.e., organizational, academic, human resource, and financing, along with institutional accountability in terms of academic integrity, financial integrity, students' participation, and management administration capacity. The report revealed a number of contradictions in the existing regulatory framework and gaps between the theory and the reality of university governance. It then proposed policy reforms to strengthen the governance framework and its implementation in four areas: regulatory framework, quality assurance, financing, and capacity building.</p> <p>However, contrary to the Requesters' statement, the Bank report did not <i>"further highlight systemic problems pertaining to ... widespread corruption and nepotism in the field."</i></p> <p><i>Further, Management agrees with the importance of improving the governance of higher education in Armenia and both Bank supported projects have contributed to gradual improvement.</i> In fact, the Bank's overarching engagement with the government on tertiary education is precisely focused on furthering progress toward improved governance.</p> <p>First, Component 2 of the ongoing project (EQRP2) has supported specific actions aimed at improving availability of higher education information (critical step to achieve integration of the system), quality assurance, and new financing models – including the pilot of the CIF.</p> <p>Second, Component 2 of the new project (EIP) mainstreams the CIF after the successful pilot conducted under the previous project and sub-component 1.3 implements the information management system devel-</p>

No.	Claim	Response
		<p>oped under the previous project.</p> <p>Finally, as noted earlier, the Bank team maintains regular contact with the MoES and notes that the new Strategy for Higher Education closely follows the recommendations of the Bank and other partners. Moreover, the recently disclosed Program for the Government of the Republic of Armenia (presented to Parliament for approval through a Decree dated May 19, 2014) calls for increased transparency and accountability and autonomy in higher education.</p>
5.	<p>Components. 2. a) Designing a sustainable strategy for public financing of HE with components of legislative changes for the implementation of the higher education financing strategy's recommendations; financing new methods and mechanisms; expansion of students' financial aid; proper pricing policy and methodology of tuition fee formation.</p> <p>b) Designing a competitive innovation fund to develop and implement innovative plans for modernizing their curriculum and pedagogical methods, develop ECTS, build their fund-raising capacity, create linkages with industry, and engage in international cooperation activities.</p> <p><i>Harm.</i> Constraints in financial autonomy, control over university finances restrict universities and fragmented funding for research and modernization cannot assist in ensuring sustainable funding system, especially considering decreasing public expenditure on education. [...]</p> <p><i>Bank failure.</i> Key risks were identified with recommendations to the country government to resolve them, however no actions were taken other than "closing eyes" on the risks. Details: Situation with governance and funding principles was assessed as a major problem with the higher education sector. Despite own assessment, the Bank bypasses this situation and directs funding into compartmentalized sector, which given the current situation cannot soar.</p>	<p><i>Management notes that the alleged harm pertains to the prevailing financial constraints and control of universities, which is a pre-existing condition and does not result from the Bank-supported operations. However, Management disagrees with the Requesters' views that the Bank closed its eyes to risks and bypassed governance issues. In fact, the Bank's response to challenges in the sector was grounded on research, technical evidence and international best practice.</i></p> <p><i>The shortcomings in Armenia's higher education sector raised in the Request were all highlighted in the Bank's 2013 higher education report. In addition, the Bank team's approach has been based on technical evidence and on international best practice. The EQRP2 and EIP support for increased information on the education sector and for a competitive and transparent process of allocating funds to HEIs through a competitive innovation fund are key elements to improve governance in higher education. In addition, Management believes that continued engagement with the government in the education sector through entry points to address those shortcomings is a more productive approach than refraining from engaging in the sector.</i></p> <p>More than 30 innovation funds are being implemented in various parts of the world, some of them supported by the Bank. Bank experience supporting innovation funds indicates: (i) the value of establishing diversified funding mechanisms for higher education that are demand-driven and have transparent procedures, as opposed to designating resources to narrowly defined purposes and in a top-down fashion; and (ii) the flexibility of competitive funds to respond, using transparent procedures, to specific sector development needs and to reorient resources as needed, from investments</p>

No.	Claim	Response
		in teaching facilities to improvement of curricula and learning processes. ⁸
6.	<p>An additional obstacle to quality-based higher education is created by poor financing schemes in the field. Successful reform of existing financing mechanisms, which the government has already committed to implement, will require not only effective allocation of available funding, but a substantial increase in total public funding for higher education. In that case reforms can be expected to have a measurable impact on the quality and competitiveness of higher education. This will only be possible when there is a broad public consensus on the direction of the reforms and trust in HE governance.</p>	<p><i>Management agrees with the Requesters on the importance of sufficient funding for the sector. This message has been regularly brought to the attention of the government in the Bank's dialogue with both the MoES and the MoF.</i></p> <p>Armenia invests 2.6 percent of GDP in education overall, of which 0.3 percent of GDP is invested in higher education. Both amounts are very low compared to many other countries. Management agrees that the Government of Armenia should improve the allocation of financial resources to the education sector. This conclusion has been highlighted in the Bank's regular Public Expenditure Reviews and has been regularly brought to the attention of high-level officials in the MoES and MoF.</p> <p>The Bank's 2013 report also notes the need for increased and diversified financing for higher education. The CIF, piloted in the EQRP2 and mainstreamed in the EIP, aims to increase the diversification of sources of funding for higher education, through a competitive and transparent process of allocating funds.</p>
7.	<p>Enhancing General Education Component with harms and failures for bank procedures</p> <p>Component 1 Enhancing the Quality of General Education</p> <p>Subcomponent 4. Supporting the Implementation of High School Reform.</p> <p>Harms:</p> <p>High schools are largely inaccessible for students from rural areas. Hundred and two out of hundred and nine high schools are located in cities and only seven - in rural areas. [...] In rural areas there are still schools that work based on 12- year curriculum which is not designed and does not provide specialization. [...] Given higher rates of poverty and vulnerability in rural areas, as well as professionally and technically lower capacities of these schools compared to urban ones, the disadvantage is much greater and the risks for further limiting access to higher education is growing higher.</p>	<p><i>The Bank is aware that schools based on 12-year curriculum in rural areas have severe infrastructure and educational equipment needs. The Bank's portfolio in Armenia is broad and covers schools in rural areas through another project.</i></p> <p>The Bank has already financed the rehabilitation or construction of 120 schools⁹ and provided 57,508 units of school furniture (desks, chairs, bookcases, blackboards and teachers' desks, etc.) worth US\$6.12 million for 812 educational facilities in poorer communities in Armenia. This financing has focused primarily on rural and underserved areas, and has excluded from coverage the city of Yerevan and the Marz (province) centers, where most of the high schools are located.</p> <p>The EIP seeks to improve the infrastructure and safety conditions of 17 urban high schools and improve educational equipment in all of them.</p> <p>Students in rural schools have and will benefit from the system-wide activities supported under the EQRP2 and EIP, such as in-service teacher training, connectivity to internet for all schools, curriculum revisions and improvements, and student assessment activities.</p>

⁸ *References on CIF in higher education:* Saint, W. 2006. Innovation Funds for Higher Education: A Users' guide for World Bank Funded Projects. The World Bank; Fehnel, R. 2004. Higher Education Reforms and Demand Responsive Innovation Funds: Dimensions of Difference. The World Bank.

⁹ Armenia has about 1,390 public schools.

No.	Claim	Response
8.	<p>Parents' letter: 1. High schools, where our children study/ studied do/did not ensure provision of quality education services. All of us have had to either apply for additional tutoring or transfer children to private schools to get better quality education and preparedness to enter universities. We believe that our children would have never gotten quality education and enter the university if they had stayed at the state high schools.</p>	<p><i>Management recognizes that there are still several challenges for improving the quality of general education in Armenia. The projects seek to address many of those challenges.</i></p> <p><i>The EQRP2 and EIP aim to raise learning outcomes through their different activities. However, private tutoring is not expected to disappear, regardless of improvements in quality, as it is caused by a high-stakes university entrance exam – the Armenia Unified Entrance Exam – which is used for university admission. The widespread use of tutoring in addition to public education is not a phenomenon that is particular to the Armenian context. Tutoring coexists with some of the best public education systems in the world (e.g., Korea and Japan). In fact, tutoring is usually prevalent in upper secondary education in countries that have competitive, high-stakes exams for university admission, which is the case in Armenia.</i></p>
9.	<p>The existing per-capita financing mechanism does not ensure allocation of the relevant financial resources for provision of quality streaming education in high school. Students and parents still have to take private tutor classes for preparation to the final unified/admission exams.</p>	<p><i>Management agrees with the Requesters on the importance of sufficient funding for the sector. This message has been regularly brought to the attention of the government. The 2011 “Fiscal Consolidation and Recovery in Armenia” report by the Bank makes a specific recommendation to increase spending in education, in particular, to increase non-salary recurrent spending to improve quality.</i></p> <p><i>At 2.6 percent of GDP, public expenditures on education in Armenia are very low compared to most other countries. As a consequence, primary and secondary education levels are underfunded and the Bank has brought this to the attention of high-level officials in the MoES and MoF. See response in Item 6 above, which addresses a similar claim for the case of tertiary education.</i></p>
10.	<p>Parents' letter 3 and 5. High schools do/did not provide for the quality streaming education that would ensure professional orientation for our children. High schools are not equipped with the necessary technical capacities and do not have proper equipped laboratories and libraries that would provide for the quality education. Computer classes are not fully accessible for children. Teachers do not use the computers during the class. We faced the situations when teachers proposed us out-of-class private tutoring of our children, which in fact was the compensation for the under-taught content in the classroom.</p>	<p><i>The poor infrastructure and lack of availability of educational equipment at high schools is a concern shared by parents, the MoES and the Bank. The EIP focuses on improving infrastructure and the availability of educational equipment for student safety and improved learning conditions.</i></p> <p><i>With the support of the EIP, major rehabilitation works will be conducted in 17 high schools – selected on the basis of objective criteria, see Item 19 – which do not meet Armenia's construction and safety standards (including seismic stability). The project will also support the provision of contextualized digital learning materials, modern equipment and school furniture to all high schools in Armenia to enrich the learning environment. Teachers' proposals to provide out-of-class private tutoring to compensate for low quality classes are unacceptable and should be reported through the appro-</i></p>

No.	Claim	Response
		<p>appropriate channels that the MoES has available for these cases.</p>
11.	<p>Content analysis of school textbooks shows that asymmetric representation of gender roles prevails. [...] Discriminatory norms and perceptions are widely promoted both in textbooks, teaching process, and teachers' attitude. [...] This is justified by further professional specialization for males and females, which does not provide a comprehensive development of individuals as specified in the standard and goal of the subject program.</p>	<p><i>The Bank has not provided support or advice for the development of textbooks or the financing of textbooks.</i> Hence, neither of the Bank supported projects is responsible for the cited contents in textbooks.</p> <p><i>However, the Bank is strongly committed to gender equality and gender inclusion, and believes that progress toward gender equality is a prerequisite to ending extreme poverty and boosting shared prosperity (http://www.worldbank.org/en/topic/gender). Management strongly supports gender sensitive education in all of its dimensions, and intends to further review and verify the Requesters' claim to ascertain if and where, and to what extent, gender discriminatory content exists in school textbooks. If confirmed, the issue will be raised with the Borrower in the context of ongoing policy dialogue, including implementation support visits for the projects.</i></p> <p>With regard to other aspects of reform related to quality, the EQRP2 invested in the establishment of resource centers (libraries, computer labs, books and teaching materials) in each high school as well as training of librarians and teachers. The EIP is designed to support improvements in teaching and learning conditions through: (i) further curriculum revisions in general education by investing in technical assistance (working groups composed of subject experts, school teachers, university professors, and experts from the NIE) and consultative workshops; it is envisaged that these consultative workshops will enable collection of direct feedback from all key stakeholders throughout the entire period of project implementation; and (ii) provision of contextualized digital learning materials, modern equipment and school furniture to be used in classrooms in all high schools in Armenia, including training of teachers on using modern teaching methodologies and digital learning materials in the classrooms.</p>
12.	<p>Parents' letter 4. The textbooks and teaching are/were of low quality. Some of textbooks, like Social Science textbooks for 9 to 11 grades, include discriminative norms and are gender insensitive.. For example, in the 10th grade textbook the hypothesis of psychologist U.F.Harley is given according to which there are five basic needs of men and women, fulfillment of which guarantees stability of marriage, while dissatisfaction of those needs may lead to the conflict and even to divorce. The needs of a man are in sexual satisfaction, rest companion, a charming woman, household management and admiration. For a woman the needs are expressed in tenderness, conversation, honesty and frankness, financial support</p>	<p><i>See response in Item 11. above.</i></p> <p><i>Management acknowledges that this is a valid and important issue.</i> As indicated above, the Bank is strongly committed to gender equality and gender inclusion, and stands ready to further engage on this issue in its dialogue with the MoES. In addition, the envisaged curriculum revisions to be supported under the EIP provide a valuable opportunity to revisit textbook content issues, as textbooks will need to be aligned with the revised curriculum. Moreover, as detailed in its Project Appraisal Document, the EIP will promote gender sensitivity and prioritize the inclusion of women, the poor, the disabled and other vulnerable groups across all project activities, including project consulta-</p>

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	<p>and devotion to family. The textbook and teaching process do not provide children with opportunity to discuss and argue these statements. Hence there is real risk that children may accept them as norm and apply later in life. Another example from the same textbook says that "the societies, such as western ones, where women are fully involved in social life, turn to have a significant decrease in birth rate". Children can take the statement as granted and think that the only mission of women is to ensure population growth, thus making her reproductive function a priority in contrast to women's wish to become a fully integrated member of society.</p>	<p>tions and other mechanisms for stakeholder engagement. Direct consultation with beneficiaries, their representatives and other stakeholders throughout project implementation will provide an opportunity to engage in discussions on gender issues and gender biases or barriers. These consultations will also provide an opportunity for any group or individual to voice their concerns on textbooks and on aligning textbooks to the revised curriculum. Finally, the EIP will ensure that it monitors its gender impact, and the project results framework includes gender-disaggregated indicators on school readiness, preschool enrollment and high school attendance.</p>
13.	<p>The failures of previous standard development have already resulted in gender biased content of education materials and in compliance of civic education with human rights standards and Toledo principles. Along with gender insensitive content and the constant messaging of traditional gender stereotypes, the teacher's deeply biased attitude is particularly damaging for developing the notion of gender equality in youth during their formative years. The level of bias is well demonstrated in a survey on gender socialization among teachers according to which a majority of teachers strive to instill docility and modesty in girls and leadership in boys. Equally troubling is their statement that the educational benchmarks they presume for boys and girls are different with the boys being held to higher standards, with a justification that they need education more than girls. This is in a country where the number of women with higher education has been greater than men for decades and women in technical and scientific specialties constituted almost half of workforce as recently as ten years ago.</p>	<p>See response in Items 11 and 12 above.</p>
14.	<p>Development of subject standard for the Armenian Church History is singlehandedly controlled and supervised by Armenian Apostolic Church through its Center for Christian Education and Propaganda. During the teaching process the doctrine of the Armenian Apostolic Church is preached. Discrimination and ill treatment are widely practiced by both teachers and students towards religious minorities.</p>	<p><i>The EQRP2 and the EIP do not support any links between religion and education and the Bank strongly supports the principle of inclusive development. This particular situation and the potential harm stemming from it is neither caused by nor aggravated by the Bank-supported projects.</i></p> <p>The Bank does not support exclusion of any minority group and would encourage anyone affected by discrimination or ill treatment towards religious minorities (or any minority group) to bring forward cases to the appropriate channels within the MoES or to the office of the Human Rights Defender (Ombudsman) of the Republic of Armenia.</p>
15.	<p>Substantial part of EQRP2 was aimed at the professional development and in-service teachers' trainings. Initial stated aim of the teachers' professional development was the increased quality of education, capa-</p>	<p><i>Management disagrees with the Requesters' assessment of the teacher training.</i></p> <p><i>Support provided under the EQRP2 with respect to in-service teacher training was aimed at leveling the field</i></p>

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	<p>bility of using ICT technologies and e-content during the teaching process. However, the trainings conducted based on unified content and format, which was not efficient as teachers' professional and pedagogical skill, experience and needs vary.</p>	<p><i>with regard to many of the reforms that have taken place in recent years.</i> An impact evaluation has shown some improvement in the application of interactive teaching methods as well as areas that require further support for gradual improvement. The EQRP2 has also supported professional development at the school level through grants provided by the Union of School Centers. However, since 2013 and by government decision, all in-service teacher training is funded by the government and provided by the NIE.</p> <p>The teacher professional development trainings for certification were provided to 5,925 teachers (about 14.6 percent of all teachers) in 2011 and 6,241 teachers (about 15 percent of all teachers) in 2012. The training content was modular-based, emphasizing both subject matter content and pedagogy as well as ICT skills and educational legislation.</p> <p>An impact evaluation of teacher training programs was undertaken under the project in 2011 and 2012. According to the evaluation, there has been some improvement in terms of teaching practices: 94.3 percent of teachers in 2011 and 93.4 percent of teachers in 2012 spend most of their class time using interactive methods; however, only 57.75 percent (2011) and 63.2 percent (2012) of the teachers applied those methods during group work classes. Management is also aware of some of the weaknesses in the trainings offered, related to the timing of training, logistical arrangements and the heterogeneity of teachers in the training group. The government is well-informed about both the strengths and weaknesses of the training and has the opportunity to take these into account in future training provided by the NIE.</p> <p>The EQRP2 also provided support for the development of a national system for teacher professional development as well as for a shift in focus from in-service training of individual teachers to supporting school improvement as a collective process of change.</p> <p>In this regard, the work under the project supported the following: (i) modernization of the teacher policy framework through the development of new policies regarding recruitment/evaluation and promotion of teachers; amendments were made to the law on General Education (Article 26) introducing new teachers' certification and training regulations in October 2011 and the respective normative documents for the implementation of the attestation process were developed; and (ii) Establishment of the Union of School Centers to provide grants to schools for professional development purposes, networking, development of new educational materials, introduction and dissemination of good practice and innovation programs.</p>

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16.	[from parental authorization letter] 4. We all bear the harms that result from professionally unqualified teachers, their discriminatory attitudes and practices towards school children, unawareness of and incompetence in applying innovative teaching methods in classrooms. Some of the teachers in our schools do/did not take any action to promote interest of our children in particular subjects (e.g. physics) which resulted in zero motivation among children to study that subject.	<p><i>These issues do not stem from the EQRP2 or the EIP but are rather part of the existing challenges in the sector that must be addressed. Nonetheless, the Bank shares the concerns regarding the negative impacts of professionally unqualified teachers and discriminatory teaching.</i></p> <p>In fact and as explained above, the EQRP2 has promoted pre-service and in-service training activities aimed at improving the quality of teaching in the country.</p>
17.	The system of student aptitude evaluation is hugely problematic in principle and provides conflicting or even mutually exclusive results for student learning and skills evaluation. It does not enjoy broad support and trust among either the public or professional educators, a fact amply demonstrated by expert interviews and re-search.	<p><i>Armenia is making strides in improving student evaluation, although it still has some way to go. The Bank, through projects and trust funds, is providing support for gradual improvement and introduction of new forms of assessment of the learning process and of learners' achievements in compliance with international standards.</i></p> <p>Through its efforts and investments, Armenia has gradually established the foundations for a comprehensive student assessment system, including formative assessments, summative assessments, examinations, and national and international large-scale assessments.</p> <p>In 2011, Armenia conducted a benchmarking exercise on student assessment through the Bank's SABER initiative, which helps countries examine and strengthen the performance of their education systems to achieve learning for all. Armenia's student assessment system was identified as "advanced" (highest) for classroom assessment; "established" for examinations; "emerging" for national large-scale assessment; and "established" for international large-scale assessment. The benchmarking exercise identified possible next steps to further develop the different types of assessment activities. These steps have received support through the EQRP2 and a READ-Armenia grant, while the EIP may fund the participation of Armenia in the international student assessment, TIMSS 2015 (currently TIMSS 2015 is in the MoES budget).</p> <p>Many challenges remain to maximize the effectiveness of the system and ensure it best serves society. Meeting these challenges will require the engagement and action not only of the Assessment and Testing Center, the creation of which was supported by the EQRP2, but also of policy makers and the broader community of educational practitioners. None of these challenges are unique to Armenia and the country can learn from the experience of other countries through dialogue and exchange of experiences facilitated by the Bank.</p>
18.	Bank failures. Bank failed in setting proper monitoring and self-evaluation indicators for EQRP2 and relied on the borrower's M&E system (OP 13.60,	<p><i>Management believes that there are no issues related to OP 13.60 or OP 8.60.</i></p> <p>OP 13.60 establishes the requirement for results-</p>

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	<p>point 4.) and reporting. Irrelevant baseline data were considered for measuring the progress of EQRP2. The factual challenges of the high school reform were not taken into account during the development stage of the new Education Improvement Project (P130182), while the Bank Procedure, defines that "During appraisal, the task team assesses the adequacy of the proposed program to achieve its stated objectives." (BP 8.60, point 6). The beneficiary and public feedback was ignored both during the implementation, monitoring and assessment of the EQRP2 results and development of new Education Improvement Project, while according to the procedure (OP13.60) in addition to working with borrower, the Bank should "work with other development partners to agree on the results expected from development activities and to harmonize the monitoring, reporting, and evaluation requirements".</p>	<p>oriented monitoring and evaluation of Bank-supported operations and strategies, including independent evaluation by the Bank's Independent Evaluation Group, but does not include obligations at the project level.</p> <p>Likewise there are no issues related to OP 8.60, which governs Development Policy Operations; the EQRP2 and the EIP are both Investment Project Finance operations.</p> <p>Independently of this point, Management believes that the projects have appropriate monitoring mechanism in place. They include: (i) a short term consultant (under a contract of 150 days per fiscal year) to follow up on project activities and to carry out regular in-country dialogue; (ii) regular visits by the Task Team Leader to the country given the scope of the education portfolio; (iii) Implementation Supervision Reports that are filed at least once per year; (iv) the EQRP2 results framework, which is updated and monitored at least once a year; and (v) missions that are followed by Management letters to high level officials in the government: Minister of Education and Science; Minister of Finance; Minister of Economy; Deputy Ministers; and Head of Project Implementation Unit (PIU).</p>
	EIP	
19.	<p>By not addressing systemic problems and clearly identified failures the new loan threatens to exacerbate those and make the situation irreversible given the vast amounts that are supposed to be spent under flawed premise of reform. While further development of the high school system is stated as a priority in the new loan, it is limited to the physical refurbishment of a limited number of high schools (17 out of the existing 102) and will not address the issue of quality and accessibility of high schools.</p> <p>Education standards, curricula and the entire system of high school are considered as deeply problematic by both the public and the education community. The curricula and education standards and teachers' professional capacity are of particular concern. [...]</p> <p>The process by which the standards, the curricula and syllabus are reformed needs to become open and transparent; the benchmarks must exclude the possibility of propaganda of gender bias and discriminatory behaviors. Yet, there is no such guarantee as the same process that had created the problems is supported through the new loan.</p>	<p><i>Management disagrees that EIP does not address systemic problems and risks exacerbating their adverse effects. To the contrary, the EIP will contribute to the gradual improvement of educational quality in high schools in Armenia.</i></p> <p>The EIP does not intend to tackle or fully resolve all challenges of upper secondary education; however, it does intend to notably improve the educational environment and materials for many students. Specifically, around 10,200 high school students will benefit from the refurbished buildings and over 56,000 high school students will benefit from the upgraded educational equipment.</p> <p>More specifically, the EIP will support secondary education (high schools), through sub-component 1.2, which will provide enrichment for all 107 high schools in Armenia (specifically, the project will provide contextualized learning materials, modern equipment for teaching/learning, and updated furniture) and will rehabilitate and refurbish the facilities of 17 high schools housed in old and dilapidated buildings.</p> <p>The selection of the 17 high schools to be refurbished with the EIP funds was transparent (see criteria on page 29 of the Project Appraisal Document); the aim is one of safety, as the buildings to be refurbished have heating and humidity problems and are seismically unfit.</p>

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		<p>By upgrading the educational materials in all high schools and ensuring the safety of students that attend high school in potentially dangerous buildings, the project will contribute to the improvement of quality in upper secondary education in Armenia.</p> <p>The project will also contribute to the updating of curricula for grades 1-12, that is, including high schools, through sub-component 1.4. The updating process is expected to be open and participatory – including experts, school teachers, and university professors – which explains why the majority of the resources allocated to this sub-component are expected to be used in the hiring of experts and the convening of consultative workshops.</p> <p>Management realizes that while these efforts constitute a contribution towards gradual quality improvement, more efforts and resources are needed to attain the overarching objective of developing a world-class, high-performing high school network in Armenia.</p>
20.	<p>We believe the new financing in its current scope and form does not properly account for the vast governance and accountability problems in Armenia's education sector and would exacerbate the harm caused by the previous loan rather than improve the quality of and access to education in Armenia.</p> <p>We believe any new loan needs to take into account the problems with the previous loan program. Simultaneously in view of existing governance inadequacies demonstrated in dubious and conflicting legislative and regulatory frameworks and numerous obvious conflicts of interests (institutional, not personal) at the highest levels of governance, certain preconditions need to be established to satisfy minimal accountability standards before the World Bank moves forward with any new financing.</p> <p>The fact that the World Bank unconditionally approved the new program is particularly surprising given that the Bank's own assessment of the previous project concluded that in Armenia there are vast and systemic problems with education governance that hamper any potential for improvement. The World Bank's assessment alone, even without other credible supporting research commissioned by OSF Armenia, provided conclusive evidence that the objectives of the previous financing had not been achieved and that these failures posed risks for further improvement.</p> <p>In general, both the World Bank's and above noted outside researchers identified the main systemic problems that caused stagnation of the reform process and degradation of the quality and equity of the tertiary education system, including its key aspects -</p>	<p><i>Management does not believe that there is material deterioration or harm caused by the projects compared to the without-project situation.</i></p> <p>The Bank noted Open Society Foundations (OSF)– Armenia's main concerns and has discussed them with the MoES. Management agrees that strong government control negatively affects the higher education sector and this view has been made public through the Bank's 2013 higher education report and through the dissemination, workshops and dialogue with the MoES which the Bank has undertaken.</p> <p><i>The Bank's assessment is that postponing the EIP project would cause a greater harm to citizens, as the project supports a wide range of needed activities from preschool to tertiary education.</i> In addressing the shortcomings in higher education governance, the Bank team faced two options: (i) postpone the engagement with MoES until it addresses the higher education governance issues; or (ii) continue the engagement to attain gradual improvements. The team opted for the latter. At the same time the team acted on two fronts. First, and based on international experience, the project is financing activities that are aimed at improving governance, namely support for increased information to make the education system accountable, along with support for the CIF. Second, the Bank has maintained an ongoing dialogue on higher education governance with the MoES and stakeholders. Examples include the one day event to disseminate the Bank's 2013 higher education report (the first time that such issues were the subject of open discussion in Armenia) in May 2013. The seminar and workshop was attended by over 100 stakeholders from HEIs and in-</p>

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	learning and teaching, research, relevance to the economy, relevance to the needs of a democratic society and sustainability. These flaws are: poor governance and quality assurance, inadequate financing and overly-tight political control and a resultant lack of academic freedom. It is our contention that without a serious effort to address these problems in advance the World Bank's plan to support research through selected university grants will not contribute to improving Armenian universities' research capabilities or their sustainability (from either the financial or credibility points of view), development or contribution to industry and the labor market.	cluded a session in which the stakeholders discussed their recommendations to improve governance in higher education in Armenia. As a follow up activity, the Bank has secured funds in Fiscal Year (FY)15 to continue the technical work and dialogue on higher education governance.
	Suggestions to the Bank by the Requesters	
21.	Suspend implementation of the newly approved financing for education. Initiate thorough revision of the project with genuine involvement of local education community, public policy experts in design and consultation process.	<p><i>Management does not agree that fully resolving the issues should be a precondition or conditionality for further engagement in the sector, contrary to the wishes and desires of the Requesters.</i></p> <p>Management notes that these suggestions were previously conveyed to the Bank by the Executive Director of the OSF-Armenia, in a letter to the Bank's Country Manager dated December 9, 2013. During its interactions with OSF-Armenia, the Bank acknowledged the governance and legal challenges facing higher education, as noted in the Bank's 2013 higher education report. This report was widely discussed and publicized in the country. The Bank further drew the attention of the government to these issues within the framework of its ongoing policy dialogue.</p> <p>Management notes that the government is currently working on the legal framework for higher education. Management disagrees with the Requesters on the alleged lack of consultations and involvement of key stakeholders in the design of the EIP.</p> <p>During project preparation the Bank team held extensive consultations with various stakeholders (students, teachers, principals, community members, HEIs, employers' associations, among others) to inform project design (see Annex 3). The team carried out a series of analytical studies to inform preparation, developed sound monitoring and evaluation mechanisms for tracking the impact of previous and ongoing projects, held regular supervision missions and kept a continuous dialogue with the government. Furthermore, the EIP envisions strong stakeholder participation in project monitoring and supervision activities through mechanisms such as online surveys, social media applications and the project website.</p>
22.	Condition the WB support upon elimination of conflict of interest, government representation and political control in higher education governance through	<i>It is not the Bank's role or mandate to call for resignations of government officials from public bodies/entities in member states.</i>

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	resignations of high ranking officials (i.e. the president, the prime minister, etc.) from university governing boards, establishment of periodic public reporting mechanisms and separation of political and educational spheres via internal university regulations.	The Bank opted for remaining as a partner with some influence rather than standing on the sidelines inactive. See Item 20 above for more details and the rationale for this strategic choice.
23.	Use clearly defined conditionality tools while working with the Armenian Government. The main conditionality tool in the given context is the reform of the legislative framework to the effect of guaranteeing freedom and independence of HEIs in accordance with the requirements of Armenian Constitution and the Law on Education. Particular legal norms include: SNCO law that allows exercise of undue executive control over university financial management, university board governance and management, government Decree that allows appointment of political figures and government officials as board chairs and majority representation in the university governance.	<p><i>The Bank has a broad engagement in Armenia that covers many sectors and includes different aspects, such as strategic dialogue, lending and analytical reports. The use of conditionality is thus carefully considered as part of the overall country program.</i></p> <p>As indicated above, the Bank team has acted on two fronts: first, by including in the EIP activities aimed at gradually improving governance; and second, by maintaining an ongoing dialogue on higher education governance with the MoES and stakeholders. As part of this dialogue, the MoES has indicated that a new draft Strategy for Higher Education in Armenia, which includes a specific chapter on governance, is being prepared during 2014. This strategy addresses many of the conflict of interest issues raised in the Bank's report. The Program for the Government of the Republic of Armenia calls for broadening the autonomy of HEIs by introducing transparency and accountability instruments.</p>
24.	In addition to institutional enhancement of internal quality assurance, address internal quality improvement in practice based on clear measurement tools, such as number of internationally competitive research projects and research outcomes by the faculty and students, random sampling of academic papers written by faculty and students and checking of those against criteria of academic honesty, practice of academic freedoms, continuous and holistic plan of the training of faculty and staff, etc.	<p><i>Management agrees with the Requesters. The EIP will support efforts of the MoES to improve data-collection and monitoring of education system performance.</i></p> <p>The general EMIS and the TEMIS will be integrated in a common platform for increased access to information and accountability. This information system will serve as the basis for the University Ranking System that the MoES is currently developing.</p>
25.	In consultation with a wide scope of beneficiaries design quality measurement tools of specialized high school staff, its professional capacity, school facilities, and access to high schools in support of high school reform. Design further WB support to high school reform based on the measurement.	<p><i>The Bank team recognizes that high schools face many challenges; the design of the EIP aims at improving the quality of the education provided in high schools.</i></p> <p>Subcomponent 1.2 of the EIP on enrichment of high schools was included to give a response to the concerns voiced by parents in the consultations and by MoES in relation to the poor infrastructure and equipment available in the high schools. A needs assessment of all 107 high schools was carried out by the MoES to be used for investment planning and for dialogue with international organizations on funding needed civil works. The selection of the high schools was based on an index of infrastructure needs in which the structure and foundation, roof, floor, walls, and heating and electrical systems accounted for most of the weight in the index. The index gave a higher score to older schools,</p>

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		<p>to schools with a larger number of students and schools which service more villages.</p> <p>Also as noted earlier, the EIP will support the provision of contextualized digital learning materials, modern equipment and school furniture to all high schools in Armenia to enrich the learning environment. Furthermore, the EIP envisions strong stakeholder participation in project monitoring and supervision activities through mechanisms such as online surveys, social media applications and project website.</p>
26.	<p>Prior to deciding main directions of WB support, create a platform where wide circles of beneficiaries will come to reflect upon the directions and means of reform implementation consecutively contributing to the popularization of the education reform agenda itself.</p>	<p><i>Management disagrees.</i> The complete list of consultations is included in Annex 3. See also Item 21.</p>
27.	<p>Case studies:</p> <p>Case 1: The case shows lack of academic independence for credibility and sustainability of research, censorship of research and politicization in academia.</p> <p>Case 2: The case is illustrative of lack of academic freedom in research, irregular mechanisms of research within universities, political control and violation of secularity of university.</p> <p>Case 3: This case demonstrates that due to dubious legislative field executive control over universities is made possible</p>	<p><i>The individual testimonies (referred to as “case studies”) presented in the Request which seek to present anecdotal support for the governance issues in the education system in Armenia as seen by the Requesters do not offer any reasonable indication or evidence that the alleged incidents stem from the support granted under the two projects, or that they are related to the projects in any way.</i></p> <p><i>Case 1:</i> Management is not in a position to confirm or refute the due process of the cited decision. However, it is not clear how the two Bank-supported operations could be related to the individual decisions of professors or faculties regarding the acceptance or refusal of a proposed Ph.D. thesis topic.</p> <p><i>Case 2:</i> Management is not in a position to confirm or refute the due process of the cited decision. However, as the case study explains, the dispute that took place focused on different faculties’ views and the examination board let the candidate fail. Again, it is not clear how the two Bank-supported operations could be related to these individual decisions of professors or faculties regarding the acceptance or refusal of a Ph.D. thesis.</p> <p><i>Case 3:</i> Management is not in a position to confirm or refute the due process of the cited decision. However, the testimony confirms that the cited dismissal of the Rector was possible due to stipulations of existing laws, and not caused or supported by the Bank-supported projects.</p>
	Contact with the World Bank	
28.	<p>We presented our facts and analyses to senior World Bank staff in both Yerevan and in Washington DC. Meeting with [...the] Country Director, World Bank Armenia office in November 2013. Official corre-</p>	<p><i>Since the Requesters have asked that their identity be kept as confidential, Management has no means of verifying the cited prior contact.</i></p> <p><i>At the same time, Management notes that the meet-</i></p>

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	<p>spondence to [the Country Director] following the meeting dated December 9, 2013. Meetings with education team, Armenian ED's office and a round-table presentation at the World Bank Washington office in DC, February 2014.</p>	<p><i>ings cited by the Requesters pertain to meetings and exchanges between the Bank and OSF-Armenia.</i></p> <p>The Bank team met OSF-Armenia in the fall of 2011 and three times during preparation of the EIP. First, the Country Director met with OSF-Armenia in December 2013. The Bank team then met OSF-Armenia during its February 19-20, 2014 visit to Bank headquarters; OSF-Armenia was accompanied by the Bank Information Center (BIC). OSF-Armenia met separately with the Armenian advisor to the Dutch ED and with the US ED. As part of the visit, a meeting with other EDs on the topic of corruption in Armenia was organized by the US ED. During this meeting, OSF-Armenia presented its higher education report. The Bank's education team attended the presentation, which included a useful discussion on the Project's design during the Q&A.</p> <p>As a follow-up to the February 2014 meeting in Washington and at the Bank's initiative, the Bank team met with OSF-Armenia at the Bank's office in Armenia (March 31- April 4, 2014) to continue dialogue, learn more about OSF-Armenia's activities and obtain reports which could be useful for the Bank's work on education in Armenia.</p> <p>OSF-Armenia's main concerns on higher education – including the issues raised in OSF's letter dated December 9, 2013 – have been discussed with the MoES, as part of the ongoing dialogue following publication of the Bank's 2013 report on higher education in Armenia.</p>
29.	On OP/BP 4.01	<p><i>Management notes that the Requesters do not raise any issue pertinent to this policy.</i> Management has reviewed the related documents that were prepared to address environmental and social impacts from the construction activities supported under the project and found them to be consistent with the related policy.</p> <p>The draft of the Environmental and Social Management Framework (ESMF) for the EIP was disclosed in-country on December 4, 2013 in Armenian and English. The ESMF was posted on the web site of the MoES, including the announcement of public consultation date, time and venue.¹⁰</p> <p>A public consultation meeting on the draft ESMF was held in Yerevan on December 10, 2013. The ESMF was then finalized and re-disclosed in-country and through the InfoShop (on December 11, 2013). Site-specific Environmental Management Plans (EMPs), once drafted, will also be disclosed nationwide, with</p>

¹⁰ The link to the Ministry's web site is: <http://edu.am/index.php?id=-6432&topMenu=4&menu1=-1&menu2=4&arch=0>.

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		special emphasis on their accessibility to project-affected local communities. Draft EMPs will be open for public feedback, after which they will be finalized and included in tender packages. EMPs will be attached to contracts to be signed with works providers, and their implementation will be mandatory.
30.	On OP/BP 10.00 (specifically on lessons learned and consultations).	<i>Lessons from previous Bank projects were considered in the design of the EIP.</i> The design of the EIP has benefited from the following key aspects: (i) lessons learned from previous Bank supported education projects in Armenia as formally documented in their ICRs; (ii) the implementation experience gained as part of the ongoing EQR2 in Armenia, the successful elements of which were integrated into the EIP's design; (iii) lessons learned from international experience and best practices supported by the corresponding literature and evidence from the implementation of Bank education projects in different parts of the world; and (iv) analytic work and stakeholder consultations undertaken by the Bank. Annex 2 documents in greater detail the key lessons, studies and processes underpinning the EIP's design.

Annex 2

Lessons from Previous Bank Projects Considered in the Design of the EIP

The table below details the key lessons, studies and processes underpinning the EIP's design.

Sources of the Lessons	Consideration under the Project
<p>A. ICR lessons from previous projects in Armenia</p> <p>1. Despite changes of Ministers, continuity and commitment of senior level Ministry officials during the project's life are the key to smooth project implementation, and therefore to overall project success.</p> <p>2. Achieving public consensus on reform issues by sharing with the public the work accomplished and conducting open discussions on issues affecting beneficiaries are essential for building ownership and commitment to reforms and developing the culture of accountability. In particular, when big changes are expected.</p> <p>3. Good analytical work to inform project design, competent technical assistance as well as envisaging adequate time for the education system to accept changes and innovations (and for preparing it for the changes) at the initial stage are crucial when fundamental reforms are expected.</p> <p>4. Providing continuous guidance in the context of</p>	<p>1. There has been a continuity of key actors at both the MoES and the PIU level.</p> <p>2. The Bank team and the MoES held extensive consultations and discussions with key stakeholders during project preparation.</p> <p>On the Bank's side, these included (i) extensive consultations with various stakeholders during preparation visits (students, teachers, principals, community members, HEIs, employers' associations, among others); and (ii) dissemination workshops on the analytical products delivered in FY13 and used to inform project design and dialogue with the MoES and with stakeholders.</p> <p>On the side of the MoES, these included several consultations during the preparation of the social assessment in the areas of: (i) preschool; (ii) high school reforms; and (iii) process assessment of the pilot CIF. In addition, the Environmental and Social Management Framework was developed, disseminated and consulted in country prior to the disclosure in the Bank's InfoShop.</p> <p>3. Four analytical reports were launched in FY13 and delivered in FY14 as background analysis for the new project. These included: (i) analysis of higher education governance; (ii) case study on linking higher education and human capital needs in a priority industry; (iii) assessment of early childhood development in Armenia; and (iv) review of the quality of the general education review. The reports were disseminated and discussed in country in May 2013. Over 100 stakeholders were consulted on the findings and policy options arising from the reports during the two-day dissemination event.</p> <p>4. The Bank team has held regular implementation support visits and kept a continuous dialogue with</p>

Sources of the Lessons	Consideration under the Project
<p>an ambitious reform agenda is essential. IDA supervision must be continuous and intensive. Proactive and timely monitoring and support by the Bank team are crucial for project success.</p> <p>5. In order to get a “story behind the numbers,” projects should include an impact evaluation or at least an independent assessment of outcome indicators to evaluate the quality of training provided by the project, behavioral changes of teachers and effective use of technology.</p>	<p>the MoES during FY13 and FY14.</p> <p>5. Rigorous evaluation studies under the ongoing project have been contracted by the MoES: (i) Quantitative and Qualitative Assessment to evaluate the impact of the preschool component on the Education Development Index (EDI) of project beneficiaries vis-a-vis a control group. Results indicate a positive and statistically significant impact on EDI for the project’s beneficiaries as compared to the control group; and (ii) quality assessment of teacher training providers. Regardless of the evaluation results, which showed heterogeneity in the quality of training provided, in 2013 the MoES adopted a new policy requiring that all teacher training needs to be undertaken by the NIE and 20 percent of teachers need to go through mandatory training every year (so that 100 percent of teachers are trained over a 5 year period). Finally, regular information on usage of technology for education purposes is monitored through intranet usage (all schools in Armenia are now connected to intranet) and regularly assessed by inspectors in their visits to schools.</p>
<p>B. Lessons from the ongoing project</p> <p>1. Rigorous evaluation studies undertaken under the ongoing project show the important positive impact of preschool services on school readiness, as measured by the Early Development Index of children in the project’s supported preschools as compared with students with no preschool experience.</p> <p>2. Under the EQRP2, a pilot application of a Competitive Innovation Fund (CIF) was undertaken. A process assessment of the CIF was conducted as it is too early to assess the actual impact of the grants. The study revealed a relative shortage in competencies in higher education institutions to produce quality proposals for the CIF.</p> <p>3. Objectivity, impartiality and transparency of the selection criteria and processes are prerequisites for allocation of grants for preschool subprojects and CIF, and are essential for the schemes to be credible. Awareness campaigns and relevant training ahead of time (and throughout) are also necessary. Finally, building procurement and financial management capacities at the grant beneficiary level are also critical as cumbersome procurement arrangements can stall the implementation of preschool subprojects and innovation funds.</p>	<p>1. The EIP will continue the emphasis on school readiness of Armenian children through supporting increases in both access and quality of preschool education in poorer communities.</p> <p>2. The lessons learned from the CIF process assessment are being incorporated into the Project Operational Manual (POM) before proceeding to mainstream the CIF under the EIP. In particular, the POM will incorporate under the EIP the provision of technical assistance and training to the academic community, in particular to smaller institutions, to assist with drafting proposals for the CIF. The POM is an effectiveness condition for the EIP.</p> <p>3. The Bank team has discussed and provided technical and fiduciary advice on the respective chapters of the Project Operational Manual covering preschool and CIF grants.</p>

Sources of the Lessons	Consideration under the Project
4. Lack of reliable and timely information can hamper policy makers' role in fostering the development of a relevant and cost-effective education sector; it can also mislead families and students and reduce accountability of schools and teachers to citizens.	4. The EIP will support the efforts of the MoES to improve data-collection and monitoring of education system performance, while integrating into a common platform the general EMIS and the TEMIS for increased access to information and accountability.
<p>C. Lessons from International Experience</p> <p>1. Preschool Education: Worldwide evidence documents the significant impact of quality preschool education on children's school readiness and on their capacity to become productive citizens. Furthermore, investments in the early years (i.e., up to the age of six) are deemed to be the most cost-effective a government can make in the education of its people. Lack of access to preschool has been internationally documented as detrimental to children's capacity to learn in Grade 1 and beyond, to transition successfully from one grade to another, to complete their education and to eventually become fully contributing and productive members of society.¹¹</p> <p>2. Impact of improvements in the learning environment on student learning: Glewwe et al conducted a literature review followed by a meta-analysis study (based on 79 studies) of the relationship between school resources and test scores. Branham studied over 200 schools in the Houston Independent School District and Cuyvers et al analyzed the impact of school infrastructure on the well-being of students in Flemish secondary schools. It is important to underscore the fact that the evidence available is drawn mainly from regions whose needs may differ from those of Armenia in substantive ways. However, the overall assessment from this literature is that regardless of the region, improving infrastructure would lead to better learning outcomes by strengthening the motivation of teachers and students and reducing absenteeism.¹²</p>	<p>1. Promoting school readiness and equal opportunities at the start of general education is incorporated under the EIP as one of the key components to: (i) increase preschool access and enrollment, focusing on vulnerable populations, as a means of improving the school readiness of five- and six-year-old children entering primary education; and (ii) improve the quality of preschool education offered by community-based preschool initiatives.</p> <p>2. An enrichment of Upper Secondary Schools is included to strengthen 17 high schools that do not meet Armenia's construction and safety standards (including seismic stability). The EIP will also support the provision of contextualized digital learning materials, modern equipment and school furniture to all high schools in Armenia to enrich the learning environment.</p>

¹¹ *References on preschool education:*

- Cunha, F., and J. Heckman. 2007. "The Technology of Skill Formation." *American Economic Review* 97(2):31–47.

- Heckman, J. 2006. "Skill Formation and the Economics of Investing in Disadvantaged Children." *Science* 312 (5782): 1900–02.

- SABER. 2013. What Matters Most for Early Childhood Development: A Framework Paper. Working Paper Series No 5. The World Bank.

¹² *References on impacts of learning environment on student learning:*

- Glewwe, P., E. Hanushek, S. Humpage, and R. Ravina. 2011. School Resources and Educational Outcomes in Developing Countries: A Review of the Literature from 1990 to 2010, *NBER Working Paper* 17554.

Sources of the Lessons	Consideration under the Project
<p>3. Competitive Innovation Funds. More than 30 innovation funds are being used in various parts of the world. International experience suggests that innovation funds are highly effective mechanisms for improving transparency and efficiency of the budget allocation for tertiary education, for boosting educational quality, relevance and innovation within tertiary institutions, and for improving governance in higher education.</p> <p>The Bank has supported higher education systems through introducing CIF in several countries. The Bangladesh Higher Education Quality Enhancement Project (P106216), the Chile Higher Education Improvement Project (P055481) and the Tertiary Education Finance for Results project (P088498); the Cambodia Higher Education Quality and Capacity Improvement Project (P10605) and the Ghana Skills and Technology Development Project (P118112) are some of the examples. The experience accumulated in the Bank indicates (i) the value of establishing diversified funding mechanisms for higher education that are demand-driven and have transparent procedures, as opposed to designating resources to narrowly defined purposes and in a top-down fashion; and (ii) the flexibility of competitive funds to respond, with transparent procedures, to specific sector development needs and to reorient resources from investments in teaching facilities to improvement of curricula and the learning process.¹³</p>	<p>3. The mainstreaming of the CIF was incorporated into the EIP to enhance diversification of sources of funding for higher education targeted at quality, relevance and efficiency improvements in universities in Armenia. This builds upon a pilot CIF implementation under the EQRP2. A process assessment of the pilot CIF covering the areas of transparency, relevance, efficiency and preliminary impacts was undertaken to inform project design.</p>
<p>D. Recommendations from Analytical Studies:</p> <p>The design of the new education project was informed by the following analytical studies delivered in FY13: (i) analysis of higher education governance; (ii) case study on linking higher education and human capital needs in a priority industry; (iii) assessment of early childhood development in Armenia; and (iv) review of the quality of general education.</p>	<p>The recommendations arising from the higher education governance report of: diversifying higher education financing, building system-wide and institutional capacity, and establishing a diversified, integrated tertiary education system were addressed by the CIF. The international evidence suggests that the CIF can be a successful bottom-up catalyst to incentivize HEIs, even when the overall system governance is still weak. At the same time, through one of the funding windows, the CIF can be used to foster a closer link with a priority industry as recommended by one of the analytical studies.</p>

- Branham, D. 2004. "The Wise Man Builds His House Upon the Rock: Effects of Inadequate School Building Infrastructure and Attendance." *Social Science Quarterly*, 85 (5), p. 1112-1128.

- Cuyvers, K., G. De Weerd, S. Dupont, S. Mols, and C. Nuytten. 2011. "Well-being at school: does infrastructure matter." *CELE Exchange 2011/10*. OECD.

¹³ *References on CIF in higher education:*

- Saint, W. 2006. Innovation Funds for Higher Education: A Users' guide for World Bank Funded Projects, The World Bank.

- Fehnel, R. 2004. Higher Education Reforms and Demand Responsive Innovation Funds: Dimensions of Difference. The World Bank.


Sources of the Lessons	Consideration under the Project
<p>The main recommendations arising from the higher education governance report included: (i) diversifying higher education financing; (ii) building system-wide and institutional capacity; (iii) establishing a diversified, integrated tertiary education system; (iv) strengthening the country's quality assurance system; and (v) overhauling the regulatory framework for higher education.</p>	<p>Two recommendations from the higher education governance report were not included in the EIP. First, the recommendation on strengthening Armenia's Quality Assurance system was not included in the new project as the remaining required changes in ANQA governance structure are of legislative nature and without a clear role for the Bank. Second, the regulatory reform on higher education recommendation was not included in the EIP as the government is currently designing a draft strategy on higher education, which still needs to be discussed and agreed with multiple stakeholders. The Bank team also believes that the CIF's design will foster and model governance and financing that may facilitate the decision making on the strategy.</p> <p>The recommendations arising from the Early Childhood Development assessment regarding continuing the support to the expansion of the coverage of the one year National School Readiness Program and revising the requirements of contributions from poor communities for preschool expansion were incorporated in the EIP.</p> <p>Finally, recommendations arising from the analysis of quality of general education review and the need to strengthen student learning assessment systems were incorporated in the support to assessment activities that the Bank is providing under the Armenia READ program. Notwithstanding, the EIP does consider the funding of the application of the international student assessment TIMSS 2015 to increase public information (and accountability to citizens) on student learning in Armenia.</p>

Annex 3

Consultations and Due Diligence

Consultations in Preparation of EIP

During preparation the MoES prepared the following reports as part of the Social Assessment. Extensive stakeholder consultations were conducted during their elaboration:

Report	Consultations with	Reports and Timing of Consultations
Evaluation of the CIF pilot phase mechanisms <i>[Deliberative document available in the project files.]</i>	<ul style="list-style-type: none"> - Interviews with CIF applicants (state and non-state HEIs): 5 selected projects and 4 non selected projects. - Interviews with CIF Secretariat. - Interviews with CIF Decision Making Body. 	September – November 2013
School Readiness Enhancement program (preschools) <i>[Deliberative document available in the project files.]</i>	<ul style="list-style-type: none"> - 8 focus groups with heads of the communities and with parents. - 9 in-depth interviews with pre-school principals and teachers. 	October – November 2013
Current Situation of High School Reforms in Armenia <i>[Deliberative document available in the project files.]</i>	<ul style="list-style-type: none"> - 4 focus groups with students, parents, school principals and teachers. - 29 expert interviews with high school directors (10), high school teachers (12), and representatives of the national and subnational level (7). 	October – November 2013
Environmental and Social Management Framework for the Infrastructure Component  CEP_ESMF_10Dec2013.fin.doc	<ul style="list-style-type: none"> - ESMF disclosed December 4, 2013 on the web page of the MoES and on the PIU web page in Armenian and English. - 14 people attended the public consultation on December 10, 2013. 	Consultation held on December 10, 2013.

Meeting with Stakeholders during Supervision and Preparation Missions

During all visits¹⁴ to Armenia, the Bank team carried out field visits and interacted with various stakeholders. These included:





- Teachers and community members to gauge their perception on the Early Childhood Development micro-projects to be supported by the project;
- High schools to interact with students, teachers and principals;
- Universities to learn more about their challenges, advances on quality assurance and their experiences with CIF; and
- Employers' associations (Union of Manufactures and Employers of Armenia and the Chamber of Commerce and Industry) to learn more about the perception of mismatch between the demands of the labor market and the skills provided by the higher education system.

The Bank team also had informative meetings with the EU/EC European Training Foundation local experts, Eurasian Development Bank, GIZ, UNICEF, and USAID.

Dissemination and Discussions with Stakeholders on Education Sector Work

The analytical reports were disseminated and discussed with various stakeholders, as shown in the table below.

¹⁴ Source: Aide memoires from September 8-16, 2011; July 9-19, 2012; November 12-16, 2012; December 10-14, 2012; March 25-29, 2013; May 6-10, 2013; June 17-21, 2013; July 22-25, 2013; and September 23-27, 2013 visits. Aide Memoires are not available to the public as they are classified as “official use only” due to their deliberative nature.

Date	Topic	Attendance
May 7, 2013	Higher Education Conference  Addressing Governance at the Cē	About one hundred stakeholders from the Armenian higher education community participated in the event, including representatives of HEIs, colleges, research institutions, and government officials from various ministries. In his opening remarks, the Minister informed the audience that a working group had been established to reform the legislative framework on university governance and urged HEIs to strengthen their capacity and accountability to exercise autonomy. The conference included a group discussion session centered on the main conclusions of the report.*
May 8, 2013	Quality and Equity in Armenian General Education  Quality and Equity in Armenai General Educ	15 key stakeholders in general education, including officials of the MoES and MoF, representatives from schools, and donor partners.
May 8, 2013	Early Childhood Development  SABER ECD.pdf	15 key stakeholders including officials of the Ministries of Education and Science, Labor and Social Protection, and Health, and donor partners.
May 8, 2013	Pharmaceutical Case Study – Linking Higher Education and Economic Development  Pharmaceutical Report.pdf	10 key stakeholders from HEIs and the private sector working on the pharmaceutical industry.

* More information on the May 7 dissemination event for the Higher Education report can be found in the following link: <http://www.worldbank.org/en/news/press-release/2013/05/07/world-bank-places-governance-at-the-heart-of-higher-education-reform>

Supervision of the EQRP2 and Missions (OP/BP 13.05)

Appropriate supervision was conducted on the EQRP2. Project files contain nine Implementation Supervision Reports (ISRs), as follows:

ISR Sequence #	Date
1	June 19, 2009
2	September 15, 2009
<i>Project Effectiveness</i>	<i>October 2, 2009</i>
3	June 28, 2010
4	January 11, 2011
5	November 30, 2011
6	June 26, 2012
7	December 26, 2012
8	June 23, 2013
9	January 15, 2014

Additionally, the Armenia education team includes a Short Term Consultant based in Yerevan (under a contract of 150 days per fiscal year), who follows up on project activities and carries out regular in-country dialogue.

The Bank's ongoing sector engagement includes regular visits from the Task Team Leader to Yerevan focused on implementation support to the EQRP2, the Armenia READ Trust Fund, and EIP preparation. Whereas those three activities are addressed in an integrated manner, visits to Yerevan also often focus on one or two specific aspects of sector engagement. The table below lists all the team's visits to Yerevan that have taken place since project effectiveness and the team's primary area of attention during those visits (as documented by the respective Aide Memoires or Back to Office Reports). Nonetheless, in each visit issues related to the whole portfolio were discussed with the MoES, the PIU and stakeholders.

Date	EQRP2	EIP	READ TF
March 2014	X	X	
December 2013		X	
October 2013		X	
September 2013		X	
July 2013	X		X
June 2013	X	X	
May 2013		X	X
March 2013		X	X
December 2012	X		X
November 2012		X	
July 2012	X	X	X
January 2012			X
September 2011	X		
July 2011	X		
May 2011	X		
December 2010	X		
October 2009*	X		

* Project launch.