**Mid Term Evaluation- Final Report**

**Fostering Regional and Local Development in Georgia, Phase 2**

**For: UNDP Georgia in cooperation with the Swiss Agency for Development and Cooperation, Austrian Development Cooperation and Ministry of Regional Development and Infrastructure of Georgia**

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#### List of Acronyms

ADC Austrian Development Cooperation

CSOs Civil Society Organizations

DAC Development Assistance Committee

DANIDA Denmark’s Development Cooperation

EU European Union

FRLD Fostering Regional and Local Development

FRLD2 Fostering Regional and Local Development, Phase 2

GIZ German International Cooperation Agency

GoG Government of Georgia

IDPs Internally Displaced Persons

LED Local Economic Development

LSG Local Self Government

MDD Municipal Development Document

MoED Ministry of Economy and Sustainable Development

MoF Ministry of Finance

MRDI Ministry of Regional Development and Infrastructure

NALAG National Association of Local Authorities of Georgia

OECD Organization for Economic Cooperation and Development

PMS Performance Management System

SDC Swiss Agency for Development Cooperation

SDGs Sustainable Development Goals

SIDA Sweden International Development Cooperation Agency

TOR Terms of Reference

UNDAF United Nations Development Assistance Framework

UNDP United Nations Development Programme

USAID U.S. Agency for International Development

WHO World Health Organization

*For questions regarding this document please contact the author at apcostanzo@bgsi.net*

# ADC Results Assessment for Mid-Term Evaluation

Results-Assessment Form for Mid-Term and

Final Project Evaluations/Reviews

 (Final Format Nov. 2016)

|  |
| --- |
| Title of project/programme (please, spell out): Fostering Regional and Local Development in Georgia – Phase 2 |
| Contract Period of project/programme: 15 December 2017 – 30 November 2021 |
| ADC number of project/programme: |
| Name of project/programme partner: Swiss Agency for Development Cooperation and UNDP |
| Country and Region of project/programme : Georgia |
| Budget of this project/programme: USD 5,486,145 total; ADC USD 1,802,885, SDC USD 3,531,060, Government of Georgia USD 151,200, In-Kind USD 196,000 |
| Name of evaluation company (spell out) and names of evaluators: Anthony Costanzo |
| Date of completion of evaluation/review: 2 April 2020 |
| Please tick appropriate box:1. Evaluation/review managed by ADC/ADC Coordination Office
2. Evaluation managed by project partner:

X |
| Please tick appropriate box:a) Mid-Term Evaluation b) Final Evaluation c) Mid-Term Review d) Final Review XOthers: please, specify: |
| **Project Outcome *(Please, include as stated in the Logframe Matrix):*** Project Goal: People in the regions of Racha-Lechkumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli[[1]](#footnote-1) benefit from stronger local self-government institutions for better economic development and employment generation. |
| **For Final Evaluation/Review: Project Outcome: To what extent has the project already achieved its outcome(s) according to the Logframe Matrix? Please, tick appropriate box** Outcome(s) was/were:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved: | Not achieved: |

**Please, also explain your assessment: What exactly was achieved and why? If not achieved, why not?** (Please, consider description of outcome and relevant indicators) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **For Mid-Term Evaluation/Review: Project Outcome: To what extent do you think the project will most likely achieve its outcome(s) according to the Logframe Matrix Please, tick appropriate box**Outcome(s) will most likely be:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved:X | Almost achieved: | Partially achieved: | Not achieved: |

**Please, also explain your assessment:** (Please, consider description of outcome and relevant indicators)Outcome 1- National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development – outcome is on target to be completed3 policies were adopted (target 2) to include the Strategy for Decentralization (2020-2025) and Strategy for Development of High Mountain Settlements of Georgia (2019-23) and associated action plans. A law on Public-Private Partnerships was adopted1 local competency adopted and one in the process (target 4)Increase in the percent of fiscal transfer to local governments increased to near target 9.8% (target 13%Outcome 2- Strengthen municipalities and community centres to deliver relevant services and incentives for the business environment and social economic actors. Needs attention as policy framework is in place, project can concentrate more at local level and has increased activity in late 2019-early 2020.39 municipalities have LED measures incorporated in in MDDs and budgets (target 23)1 municipality with new gender sensitive and environmentally sustainable LED related measures planned and implemented (8 target)7,300 new businesses registered in 4 regions (34% owned /run by women) (500 target)4 outcome indicators are not achieved and planned to be achieved by project endOutcome 3- CSOs and local businesses are empowered to participate in inclusive LED planning and decision making. On track to be achieved. Attention needed to certain activities under indicators.14.6% (12% target) of citizens participation in targeted local decision making and/or budget planning in 23 municipalities (12.5% women, 17.5% youth)34 (200 target) local businesses benefitting from new local economic initiatives (23.5% owned by women, 11.7 % owned by youth)45.7% of population (no target defined) who believe decision-making is inclusive and responsive (43% women, 49.1% youth; 29.4% ethnic minorities, 51.9% vulnerable groups) |
| **Project Outputs: To what extent has the project already achieved its outputs according to the Logframe Matrix? Please, tick appropriate boxes****Output 1.1*:*** LED related aspects of decentralization strategy at the local level and action plan implemented by municipalities and central government institutions. Output was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** 38% of LED activities in the decentralization strategy supported by the project (target 40%)11.5% increase in local budget revenue as a result of the implemented activities (30% target)**Output 1.2:** LED initiatives from the Mountainous Development Strategy and Action Plan (e.g. strengthening the potential of local enterprises and farms, creating conditions for their development and improving access to markets, etc.) implement by municipalities and central government institutionsOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators)18% of activities implemented from action plan (target 30%)6.9% decrease in local budget revenues collected from local businesses (target 12% increase). Decrease is most likely attributable to change in law allowing central government to collect certain taxes and certain tax exemptions allowed in mountain region.**Output 1.3*:*** National and local capacities strengthened to facilitate LEDOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators)306 civil servants (29.4% women) trained in LED related qualifications (target 300) 2 learning instruments introduced to support capacity development of local officials in LED (5 target)383 local civil servants (39% women) participating in planning and implementation of new LED initiatives (target 200)  **Output 1.4*:*** Package of policy initiatives to enhance LED enabling environment prepared and advocated by NALAG as a result of consultations with member municipalities and adopted by GoGOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 4 recommendations elaborated and advocated of gender sensitive policy proposes supporting LED (target 4)21 advocacy activities including meetings workshops, presentations and negotiations with relevant institutions (target 20)1 policy proposal adopted and 2 reflected in decentralization strategy as a result of advocacy efforts for policies (gender sensitive) adopted as a result of advocacy activities (target 2)**Output 2.1*:*** Municipal profiles and business support services in place to attract potential investors and entrepreneursOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 8 municipalities in progress of having LED profiles (8 target)1 in progress of municipalities with land use and zoning documents (others planned; 3 target)3 indicators are not yet realized: number of municipalities with focal points to provide guidance to potential investors (being addressed), number of investors applying to focal point’s services (focal points not trained yet), number of business projects initiated in target municipalities as a result of provided support services (not yet tracked since based on previous two incomplete indicators)**Output 2.2:** Municipalities and private sector implement pilot LED initiatives in the areas of tourism, agriculture, trade facilitation, etc.Output was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 1 joint LED initiative piloted (target 4, 1 per region) 8 initiatives are in progress**Output 2.3*:*** Local stakeholders (municipalities, local businesses, CSOs) facilitate Cross Border CooperationOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 1 cross border business and trade event organized (Georgia-Armenia); one more to be organized for Georgia-AzerbaijanNumber of joint activities developed as a result of LED forum to be addressed with NALAG and project proposals to be received in first half of 2020 (target 4), although, this date and initiative is subject to change due to the COVID-19 crisis. **Output 2.4*:*** Performance Management System (PMS) complemented with Best Practice Programme in place to foster better service delivery and share the knowledgeOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 2 services in progress with performance management instruments (target 1)PMS to be piloted in 8 municipalities (work underway) (target 6)Percent of local businesses reporting improvements in their activities as a result of PMS- not addressed given that PMS is not yet applied in the 8 municipalities**Output 2.5*:*** Community Centres in selected boarder areas in place and functioningOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) Two community centres constructed and operational in December 2019 and January 2020. Data to be collected during 2020 (4,000 target, 1,000/year)Satisfaction rate of citizens using community centre services to be measured with a survey in 2020**Output 3.1*:*** Local communities (citizens, LSG, CSO, local business sector representatives, associations and institutions) are equipped with relevant knowledge and skills to engage in LED initiativesOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved:X | Partially achieved: | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 13.3% (11.4% women, 19% youth) of population with understanding and knowledge of their rights and roles to engage in LED in four regions (target 30%)69 local CSOs and SMEs (43 women run) with strengthened capacities in sustainable LED (target 20)12 local CSOs engaged in participatory planning of sustainable LED initiatives (target 25)39 private sector representatives (10 owned by women, 4 by youth) engaged in participatory planning of sustainable LED initiatives**Output 3.2*:*** Capacities of LSGs and Civil Advisory Councils strengthened to effectively apply citizen participation mechanismsOutput was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) 8 municipalities provided with direct grant funding to implement sustainable LED initiatives involving CSOs and/or business associations (target 8). Projects have been awarded and set to start in 20201 municipality in progress to apply guidelines to address citizen enquiries (target 5)**Output 3.3*:*** *CSOs design and lead participatory LED activities*Output was:

|  |  |  |  |
| --- | --- | --- | --- |
| Fully achieved: | Almost achieved: | Partially achieved:X | Not achieved: |

**Please, explain your assessment:** (Please, consider description of output and relevant indicators) Number of consultations meetings with advisory councils held in project target municipalities in progress7 participatory LED initiatives (5 led by women) funded through small grants scheme in progress (target 20). A second round of the grant scheme is planned for 2020. |
| **Impact/Beneficiaries:** How many women, men, girls, boys and people in total have already benefited from this project directly and indirectly? Please, explain Direct beneficiaries as reported in the 2019 Annual Report:

|  |  |
| --- | --- |
| Indicator | Progress (Cumulative results for 2017 - 2019) |
| 1.3.1. # of civil servants trained in LED related qualifications (disaggregated by national/local civil servants and M/W) | 306 national and local civil servants trained in LED related qualifications: 90 women (29.4%), 216 men (70.6%),299 local/regional, 7 national |
| 3.1.2. Number of local Civil Society Organizations (CSOs)/businesses (mostly SMEs)/Business Associations with strengthened capacities in sustainable LED (disaggregated by ownership by women/ youth) | 69 local CSOs and SMEs (43 women/26 men) with strengthened capacities in sustainable LED (generating LED initiatives) in 4 target regions  |

 Project Partnered with UNJP to sponsor the International Day of Rural Women, in October 2019. The project organized training-workshops for 110 women representing local SMEs, foundations, cooperatives, associations, and others in the four project target regions. Among other topics, the trainings focused on areas that empower women in rural areas to combat the limited access to state programs and donor funding, become familiarized with the production standards in accordance with the DCFTA guidelines and increase their productiveness overall, integrating energy efficiency, and health and safety at work. The project implemented Social Impact Award cycle encompassing 6 workshops on social entrepreneurship for 128 young peopleinterested to engage in starting a social enterprise. Three winning teams identified through the competitive process were provided with seed funding for the implementation of social projects. There are a total of 613 beneficiaries of project activities collected by the project in a disaggregated database.  For indirect beneficiaries, it is difficult to estimate given the Decentralization Strategy and Action Plan applies to the entire country (3.7 million people) and the Strategy for Development of High Mountainous Settlements applies to 300,000 people. Also, many of the project activities apply to the entire 4 target regions. The project is operational in 23 municipalities covering a population of 988,186 people including 462,340 women, 176,187 youth (15-29 years), 210,610 ethnic minorities, 85,156 residents of mountainous areas and 60,090 internally displaced people (IDPs). The 2 Community Centers built in 2019 and early 2020 provide over 200 public and private services to more than 23,000 local beneficiaries. (Numbers on usage to be provided in 2020).What exactly has already changed in the lives of women, men, girls, boys and/or institutions from this project? Please, explain:Feedback from individuals, municipalities and small businesses has been positive in terms of touching lives and positively impacting their communities. Anecdotal evidence includes:* There’s a family in village Bakhvi in Guria Region, whose female member had been living and working abroad, providing for the family through foreign remittances. After launching the Tea Route, one of the successful initiatives funded and supported by the project, she returned to her family, runs a guesthouse and offers services to the tourists participating in Tea Route. She is contributing to the development of local economy.
* The 2 community centers were built in the settlements inhabited by ethnic minorities and highland populations changed the culture of those communities and introduced a progressive safehouse for women, children, minorities and youth. As a Vice Mayor commented, “the community centre has changed peoples’ lives.”
* The ongoing CSO grants are expected to bring a wave of positive changes based on initial feedback.
* The training series for LSG officials and public servants has had significant positive feedback from the participants and their respective institutions alike, according to which, the trainings and the effective communication with the project team has fundamentally changed their understanding of LED, bottom-up policymaking, participatory planning, private sector engagement, and inclusion of vulnerable groups in local economic development. As one young female participant expressed, the training had not only given here a better understanding of her work and improve what she does to contribute to her community’s development but also changed her life by exposing her to new ideas and approaches.

Which positive and/or negative effects/impacts in terms of gender can be possibly be attributed to the project? Please, explain:The project has planned for gender inclusion and has executed it per the various interventions. There is a willing and able beneficiary group in each target region. Participation by women has been satisfactory in terms of attending training, submitting proposals for the grant schemes and civil society input to municipal planning, etc.The negative is that the project has had to spend much time on the policy framework for the first two years. Ramping up to address gender, youth, and vulnerable groups has quickened during 2019 and into 2020 with planned activities at least for the short and medium term.If applicable, which institutions have benefitted from this project/programme and how?* MRDI (implementing partner) - coordination of adoption and implementation of two major strategies of the country: Decentralization and Development of High Mountain Settlements; support in events organization; support in information exchange and coordination with other government institutions; facilitation of public consultations; consultancy support, provision of resources for research, conducting trainings for public officials based on the identified needs.
* Enterprise Georgia (LEPL of the MoESD) – Collaboration in preparation and dissemination of the info-videos for small and medium businesses for its small grant scheme; testing innovative tools to support integration of small businesses operating in the regions in the country’s economy with possibility of scaling up; conducting feasibility study for such tools (online platform, e-merchandise, value chain development); conducting a case study of a successful international practice of Growth Hubs to be replicated in Georgia as a pilot project.
* NALAG – building advocacy capacity to promote LED legal and policy framework; also support in developing the Strategy for Provision of Membership Services, which shall include LED related service for municipalities
* PSDA (LEPL of the Ministry of Justice) – Building 2 Community Centers in the villages of Kachagani (mostly inhabited by the ethnic minorities) in Marneuli Municipality and in Chrebalo (a remote mountainous village) in Ambrolauri Municipality. Both centers provide over 200 public and private services to more than 23,000 local residents.
* Public-Private Partnership (PPP) Agency – project provided consultancy support on Law on PPP (enacted in 2018) granting municipalities authority to engage in partnership with private sector. In 2019, when the PPP Agency was established, the project was one of the first stakeholders to approach the Agency and offer partnership opportunities to: a) organize inaugural event to raise the countrywide recognition of the Agency; b) establish a policy framework and networking platform for PPP in Georgia; c) ensure the participation of the LSGs in such framework, and d) offer a practical workshop for testing the PPP tools and cooperation mechanisms among the stakeholders.
* 23 target municipalities – Continuous learning opportunities for the LSG officials and public servants; on-the-job training; consultancy support; provision of funding for LED initiatives; facilitation of municipal work towards business enabling environment; support in preparation of municipal investment profiles; assistance in update of the municipal development documents (MDDs); support in land zoning and spatial planning; and strenuous efforts to encourage the LSGs become a part of the core implementation team of newly adopted Decentralization Strategy and Strategy for Development of High Mountainous Settlements.
* 7 Grant recipient CSOs in 4 target Regions – in total USD 389,414 has been contracted through low-value grants. 4,441 direct and 426,020 indirect beneficiaries are expected upon completion.
 |
| **Mainstreaming cross-cutting issues:****Gender:** To what extent was gender mainstreaming included in the project? To what extent were the recommendations - if any- from the ADC internal gender-assessment considered and implemented? Gender has been mainstreamed throughout the project from the design of logframe indicators to the planning, implementation and monitoring of all project activities.**Environment:** To what extent was environmental mainstreaming included in the project? To what extent were the recommendations - if any- from the ADC internal environment-assessment considered and implemented? There are no indicators or targets that related to environmental mainstreaming. Please see the statement belowWhich positive and/or negative effects/impacts in terms of environment can be possibly be attributed to the project? Please, explain**Social Standards:** To what extent were the social standards monitored by relevant partners? Have any issues emerged? Please, explainProject monitoring is continuing per the logframe. No social standard issues have emerged as of this time. The project has been sensitive to address all groups involved including women, youth, IDPs and other vulnerable groups. Such activities have included training, promotional efforts inclusive of business development, and grant schemes.For gender, environment and social standards, UNDP, through the 2030 Agenda, is committed to the notion of leaving no one behind. To achieve this goal the UNDP Georgia’s Country Office, in close collaboration with its projects and contractor organizations, applies a three-pronged approach to:1. Examine the disadvantages people face in and across the five factors - discrimination; place of residence; socio-economic status; governance; and vulnerability to shocks; 2. Empower those who are being left behind (or who are at risk of being left behind); and 3. Enact inclusive, far-sighted and progressive policies of the Sustainable Development Goals. Subsequently, it’s in the best interest of the FRLD2 to ensure mainstreaming the cross-cutting issues on gender, environment and social standards, especially if it also attends to the agenda of its donor organization, ADC. For this purpose, the project has made sure that all its contractor organizations, as well as its grant recipient CSOs and partner municipalities have put the mainstreaming measures into respective documents and are effectively implementing them. An example of this effort would be an LOA signed with Zugdidi municipality where the following condition has been included: for every wooden stand installed at the handicrafts market, the municipality is to plant a tree for environmental sustainability. The guidelines for small grant schemes have gender equality, environment protection and promotion of social standards listed as considerable advantages in the selection process. |
| **Overall/Other Comments:**Please see report. |

# Executive Summary

Governance decentralization and countrywide oriented development have been key components of Georgia’s development agenda. The Decentralization Strategy
(2020-2025) and Action Plan (2020-2021) approved on 31 December 2019 and the Strategy for Development of High Mountain Regions of Georgia (2019-2023) approved on 18 July 2019 exemplify the prioritization of decentralization and local economic development (LED). The legal, regulatory and policy framework is also substantiated by various other laws, policies and programs to help facilitate decentralization.[[2]](#footnote-2) This framework has been under constant development since the late 1990s.

Given the progress of the FRLD project in 2017 and a persistent need to further advance decentralization and foster regional and local development, there was viewed as a continued need by the government and development partners that further interventions were needed to improve the legal and policy framework and institutions as well as the human resource capacities at the local level while also catalyzing economic development initiatives by municipalities and Civil Society Organizations (CSO’s). The FRLD 2project intervention was designed with the recognition and consideration of other development agency activities in the same space to include those by the EU, GIZ, USAID, DANIDA, SIDA, World Bank and others.

The goal of the four-year project (December 2017 to November 2021) is: people in the regions of Racha-Lechkumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli[[3]](#footnote-3) benefit from stronger local self-government institutions for better economic development and employment generation. The project is operational in 23 municipalities covering a population of 988,186 people including 462,340 women, 176,187 youth (15-29 years), 210,610 ethnic minorities, 85,156 residents of mountainous areas and 60,090 internally displaced people.[[4]](#footnote-4)

The following is a summary of project achievement measurement according to OECD and some additional evaluation criteria.

***Relevance***

The project remains relevant to helping advance decentralization and LED. The project has helped to advance the decentralization and LED legal and policy framework with MRDI, other national government agencies, and at the local level with municipalities and CSOs. This has been done through its own interventions as well as collaboration with the DGG project and other development partner efforts. Decentralization remains a priority for the national government as exemplified by the decentralization and mountain strategies and other policy and legal reforms. Importantly, the MRDI and other government leadership as well as municipality leadership and staff have confirmed the project adds value to their efforts including the involvement of public participation.

***Timeliness***

The project interventions are timely with the note that decentralization has been an ongoing effort since the late 1990s. The pace of addressing this reform agenda item has been slow or can be described with times of high attention but weak implementation. However, in the last several years, there is more of a countrywide consensus to advance on devolving services, authority and public finances to the local level. It appears that municipalities are very aware of the needed changes and are participating in an active and even proactive manner. The project is contributing to these efforts. The future risk to the project and decentralization and LED in general is the timing of future reforms and advances, which depend mainly on the national political commitment as well as the capacity to adequately absorb change at the local level. The project did have a slow start that can be attributable to: 1) change in MRDI senior management and time for that management to be comfortable with advancing the project’s agenda; 2) establishment of the appropriate policy framework so that changes can occur; and 3) establishment of relationships with and conducting assessments of the four targeted regions and their respective municipalities. It appears from a review of the logframe and results-to-date that there has been a catch-up to implement activities in a more timely manner, especially during the last 3 quarter of 2019 and ongoing or planned activities for early 2020.

***Effectiveness***

The project has become more effective after central government and the municipalities “bought in” to the project and saw how it was advancing decentralization and LED. The project was effective in providing direct support in establishing the national strategies and action plans and, at the same time, helping to strengthen capacities and processes at the local level. Outreach has been done to include CSOs and citizens in the development planning process as well as other areas so LED can occur. The effectiveness has rapidly advanced more in year 2. It is expected to increase in year 3 and 4 as more on-the-ground activities are implemented since the policy framework, intervention design, and piloting are completed. There have also been several promotional efforts that have given visibility to the project’s endeavors as well as fulfilled activities and interests of the local governments and communities. Given the concentration on Outcome 1 for the first two years, additional attention is needed to Outcomes 2 and 3 during the last two years.[[5]](#footnote-5) Coordination with other development partners is ongoing but can be improved if done in a more coordinated way and if led by the MRDI.

***Efficiency***

A review of the outcome performance (Annex F) and expenditure allocations to date (Annex H) shows that most activity accomplishment and expenditure was for Outcome 1 with about 42.5% of budget remaining. Outcomes 2 and 3 have more budget resources remaining (62.6% and 68.8%, respectively) that show more attention is needed to those two outcomes over the next two years. Plans indicate that there are committed funds (such as for grant schemes) that will help bring delivery and expenditure more in line with the project timeframe. At this point of time, the project has made some key investments in some major activities, such as MDD training and respective capacity building, performance management system launch, construction of 2 Community Centres, various studies and other interventions. With about 59% of project expenditure remaining, careful consideration should be given to the results of these investments during the first six months of 2020. Also, a work program to plot out activities for the next 2 years is warranted with more of a focus on Outcomes 2 and 3. Such a program should also have accompanying financial envelopes for the planned activities.

***Sustainability***

It is difficult during a mid-term evaluation to come to firm conclusions about sustainability. At the national level, the entities that are dealing with decentralization and LED issues are in place and there seems to be attention and competence to carry out what already has been agreed to through the laws, strategies and policies adopted. At the local level, there is some sustainability since there is demand to advance decentralization and LED and capacity is being built with active participation of municipal management and staff. CSOs are engaged and their roles will continue to develop. There does need to be a better understanding of LED at the municipal level. There is a short-term sustainability risk given an election cycle beginning in 2020. Activities should be oriented to consolidate gains made to date and initiate other activities that can be implemented without being impinged by the electoral environment. At about the middle of year 4, a simple review should take place to see what is sustainable and what future interventions may be warranted.

***Results***

The project personnel has been following the logframe attentively. The logframe is oriented towards outcomes and outputs. There should be more emphasis on the planning and review of activities and their results (and then how they are tied to the logframe). A detailed annual work program would help this matter. That said, there are evident results for each outcome and output area as identified in logframe and evaluated in the mid-term report.

***Transfer of Capacity***

There is a transfer of capacity mainly provided by the training conducted or planned, especially under Outcomes 2 and 3. However, it is not yet possible to measure if such transfer is sustainable over the long run. As with any public administration capacity development effort, people change jobs or priorities change. That said, capacity efforts with municipality management and staff and CSOs will have an impact since they will carry capacities developed to future endeavors with the entities they may work for in the future. The project has made a considerable investment in establishing methodologies and approaches so that there are ongoing and documented processes and not one-off training and document output events.

***Gender Equality***

The project has had an emphasis on improving opportunities for women in terms of CSO involvement, business development, public participation, and related training. While it is difficult to conclude that the project has impacted women’s inclusion in participatory governance and development planning or business development as a result of project interventions, it can be said that women (as well as youth and vulnerable groups) have been a key emphasis of the project’s activities at the local level. An example is the results of the first round of the CSO small grant scheme. Of the 12 proposals, 9 were from organizations led by women; of the 7 selected, 5 were from organizations led by women. Also, of those trained at the municipal level on LED, 29.4% were women.

***Human Rights and Social Inclusion***

A chief component of the project design is to help develop public participation in local governance and in providing input to LED planning. This has been done together with the DGG project as well as the FRLD2 project on its own. The methodology for the MDD’s includes public participation of various stakeholders either through Civil Advisory Councils or other bodies. Also, there have been outreach or advocacy efforts to various groups to include women, youth, disabled, and IDPs. Some of these efforts are built in through the participatory and advocacy approaches being advanced by the project while others are more one-off, such as participating in promotion type events. The Community Centres have had an impact in providing various public and private services to all community groups.

***View of Direct Beneficiaries***

MRDI, as the main counterpart agency, is positive about the project and sees the value added by what has been provided to date. Future cooperation is sought and there are further areas of support and collaboration such as more formal development partner cooperation, working on devolving more public services, and further addressing spatial planning at the local level. Other national government agencies see the project as one of the several that are advancing decentralization and LED. All national government agencies see the need for the subject areas to be addressed in a multi-development partner approach given the pace of transformation and the need to help advance the reforms to the municipal level. Municipalities see the advantages of the project and are active participants. This appears to be among political leaders as well as management and staff participating in project activities and performing the actual implementation. Some attention is needed to the understanding of LED. CSOs are prepared to take advantage of the participatory approach and have had some unique ways to advance LED, as exemplified by the CSO small grant scheme proposals.

The following are a set of key findings:

*Decentralization and Local Economic Development are happening.* Decentralization is a fact and numerous laws, policies and strategies have been developed and implemented. This legal/regulatory/policy framework is essential to allow for LED to occur. As referred to by one of the interviewees, “the pipes are present” to allow the progression of decentralization and LED. Municipalities are interested and becoming better prepared to facilitate, participate and direct the efforts. There is local “ownership” of the process.

*Project Slow Start and Confronted Impediments.* The project had a slow start as indicated above. The project did confront some of the risks identified in the project document.

*Central versus Local Struggle.* There is still a struggle between what is done at the national level and what is done at the local level. Further attention is needed to decentralize and devolve funds, decision-making (and planning and implementation), and services to the local level. The project’s interventions are alleviating some of this struggle to help move things forward.

*Strong Emphasis on Tourism Development and Need for Economic Diversification.* There is a strong emphasis on tourism sector development. While tourism is an avenue for development it is not the only sector that should be concentrated on. A business development enabling environment is needed to help business formation and growth possible in the following areas: 1) agriculture and agribusiness (including downstream processing), 2) manufacturing and/or assembly, and 3) information technology, 4) business support and other services (finance, accounting, legal, transportation, communications, wholesale/retail, etc). General economic and development training may contribute to this understanding. It should also be defined what is the municipal governments’ role in this area in terms of providing business support services for entrepreneurs, micro and small business to begin and grow.

The following are a set of lessons learned:

*Emphasis on Strategic Planning.* With the Mountainous Area Development Strategy and Decentralization Strategy, and other policies and laws, the strategic framework is in place. The strong emphasis for the future project activity (and decentralization and LED in general) must be on implementation and monitoring. Both MRDI and municipalities need support in implementation and monitoring. As the strategies go through implementation there will be the need of adjustments given national government and local government needs and capabilities as well as the implementation and results of development partner activities.

*Attention to Private Sector-Oriented Development.* There does not seem to be a consistent or comprehensive understanding of local economic development by national and local government officials. There is a general definition in the project document.[[6]](#footnote-6) There is still an emphasis (depending on municipality) on government driven and participatory economic development. There needs to be a more conscious effort to focus on private sector led economic development and a clear definition of local government role, private sector role and the role of civil society organizations. There is also room for advancing more of a public-private sector approach. The project’s grant programs (municipal, CSO and promotional efforts with Enterprise Georgia) are good ways to apply this approach.

*Participatory Approach Appear to be Working.* Efforts to include various stakeholders are happening. Civic Advisory Councils or other such bodies are working and outreach efforts are happening at least in the municipalities visited. This has included women, youth and other vulnerable groups such as minority groups and people with disabilities. Also, the CSO grant scheme has had some positive impact and unique ideas to facilitate participation, outreach and economic development approaches using creative local initiatives.

*Community Centres Built, Used and Appreciated.* The two community Centres built under the project are completed. The Centres are high profile. The centres show the cooperation of the project with central government (Ministry of Justice) and local governments and communities. As the Ambrolauri municipality Vice Mayor said, “that center has changed peoples’ lives.” The Vice Mayor’s statement was authentic and unsolicited.

*Municipal Development Documents Are Being Developed and/or Near Completion.* There was support for the Municipal Development Document (MDD) process and training. Some of the feedback was very enthusiastic since it changed their understanding of planning in general and economic development, specifically. Support was evident amongst political authorities as well as the civil servants who are preparing the MDDs and participating in the training. The feedback on the consultant engaged for the effort was positive with responsiveness rated high. There appears to be no conflict between the MDDs and the more budget-oriented Priority Documents. There was a clear understanding of the differences between the two. There is also an understanding that the documents complement one other. There appeared to be active civil society participation in MDD preparation. Once completed, an emphasis is needed on implementation and monitoring and project support should be ongoing in this effort. It should not be “one and done.” There should be full attention through the planning-management/implementation-monitoring/evaluation cycle.

*Grant Scheme Awareness and Participatory Interest.* The grant schemes seemed to have a slow implementation period given the above reasons. In retrospect, it was probably a good thing that other components of the project advanced first so the project was not viewed as a grant providing donor initiative. A review of scheme documentation shows an organized approach and qualified selection. Also, the criteria for the grant schemes should be reviewed. For instance, the LED Initiatives Program for Municipal Governments should not fund municipal government activity providing a good or service that can be done by the private sector. Collaboration with Enterprise Georgia on their grant and Growth Hub schemes should continue and possibly be strengthened during the last 2 years of the project.

*Programme Approach Shows Complementarity.* The FRLD2 and DGG projects are part of a programmatic effort. There is some collaboration and coordination between the two projects. Such collaboration should continue especially when dealing with the government stakeholders so there is a unified approach.

*Decentralization of Public Services.* Related to the above regarding the programmatic approach and in coordination with other donor efforts, a next step appears to be the devolution of public services to the municipalities. While some of this is happening, a further cycle of activity is needed and is part of the decentralization strategy. The project should find targeted interventions to help make progress on this topic. Another area is property transfer and how such property can be used for LED including expanding efforts on spatial planning beyond the current pilot scheme with one municipality.

*Development Cooperation Coordination at the Central Level and Municipal Levels –* Decentralization and LED are areas of priority by the national government and by development partners. There is an opportunity to have a more formal government - development partner coordination approach led by MRDI with the involvement of NALAG. Such an approach can facilitate programme/project definition, implementation and monitoring.

The municipal governments have limited human resource capacities and organizational structures that are not deep. They are being approached by various development partners to plan, implement and monitor/evaluate interventions and government activities as well as implement participatory planning, budgeting and other decision-making. While there has been some development partner coordination, a continued coordination effort is needed so as to most effectively apply the assistance being provided.

*Project Management, Implementation and Oversight:*

* *Project Logframe and Indicators* – The project logframe has various layers with general indicators as well as outcome and output indicators. Activities are separated out. It is a bit complicated and may have been a challenge for implementation and is a challenge for reporting. There are a total of 53 indicators to be measured (DGG has 20). It is a challenge to get up-to-date statistics and other targeted info on a semi-annual or annual basis or even a multi year basis for some indicators unless specific surveys are done.
* *Project Communications and Oversight –* Given the slow start, there has been concern by the, project donors, SDC and ADC, that was relevant.[[7]](#footnote-7) With the increased implementation rate experienced since mid 2019, intensive oversight has continued, as have critical comments and information requests and approvals sought that appear to absorb the time of project personnel. This observation was a result of interviews with SDC and ADC, interviews with UNDP, and interviews with project management and staff. Also steering committee agendas, meeting notes and other documents were reviewed to contribute to this observation. A review of the project logframe results to date show the project is accomplishing what was originally planned though there has been some catch-up. Project management and staff are competent in execution and reporting and have shown commitment to not only implement activities but also collect disaggregated data on all indicators, as available at this time. Feedback from MRDI and municipal officials were positive with satisfaction with project activities and project office attention and responsiveness. There is a risk of project personnel becoming oriented towards responding to donors instead of stakeholders, if this is not already happening. A more positive working relationship and a constructive way forward are needed. Project personnel should be facing toward serving the municipalities at this point to accomplish Outcome 2 and 3 activities. There should be no decrease in transparency or information provision though information provision has to be simplified and not as resource demanding, as suggested in the next bullet. UNDP, ADC and SDC should work with the project office to help further advance the decentralization and LED policy framework at the national level, as needed, in cooperation with other development partners.
* Project Reporting - The project has been producing semi-annual and annual reports. To help in communication with donors and MRDI, quarterly technical meeting could facilitate relations in a timely manner, replacing daily communications and information requests.
* Project Staffing – There have been changes in project staff including a change in Project Manager. International expertise appears to be several short-term interventions.
* Focal Points – Focal points in municipalities appear to be active on project related activities and in contact with the project office. Focal points and other municipal management/staff seem to benefit from the exchange of information and experience amongst colleagues from other regions and municipalities. Other country experience is also sought but there must be careful consideration of how such other country experience is related to the Georgia context.
* *Project Financing and Contract Monitoring –* Project delivery has increased and with it the increase of contracting-out leading to component outlays of almost 50% of budget financing. These contracts need to be carefully monitored to ensure outputs are accomplished in a quality manner. Lessons learned should be recorded for each major contract and the outputs achieved. There should not be an emphasis on reaching full expenditure by the end of year 4. A no cost extension may be needed, especially in regard to completion of grant schemes.
* *Annual Work Plan –* a two-year work plan should be developed to identify the activity areas (per output and outcome) for 2020 in a more specific manner and 2021, in a more general manner to allow for adjustments based on 2020 performance. The plan will help determine what can realistically be achieved and begin setting the groundwork for a no cost extension and/or a further related project intervention. MRDI, UNDP, SDC and ADC should agree to the work plan. Such a review could also be done with the DGG project and DANIDA.

There are three key risks for the remainder of the project timeframe:

*1. Political and Governance Environment at the National and Local Level.* A risk at project initiation and throughout the first 1.5 years was the change in the governance environment with changes at the main counterpart agency (MRDI) as well as adjustments in the legal, regulatory and policy framework. Such changes may be experienced in the last two years especially given parliamentary elections in 2020 and other elections in 2021. Despite potential changes, the project should continue to implement its work program since most of its activities are aimed at the local level. Even if roadblocks do occur, the project needs to show flexibility to adjust and move forward. Municipalities and CSOs will need to be continuously engaged to help maintain momentum and ingrain processes and capacities.

*2. Project Management, Oversight and Reporting.* As indicated above, a formal communication and reporting plan is needed with the project donors so the project team can concentrate on executing the project and be forward facing to stakeholders. If project donor information and reporting demands as well as intermittent input into project planning and review of all project plans/activities continues to occur, it will slow down the accomplishment of outcomes and outputs and have other repercussions.

*3. COVID-19 Pandemic.* In March 2019 the spread of a novel strain of coronavirus (COVID-19) was termed a pandemic by the World Health Organization (WHO). The pandemic is having significant effects globally, including in Georgia. The effects of these events is ongoing and being responded to by UNDP and the project management and staff. The extent of the impact on the project will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. While some project activity may continue during the crisis, a reevaluation of the timeline should be considered to ensure project completion in a reasonable manner or if any project outputs should be adjusted.

The following is a summary of recommendations

*1. Advancing the Decentralization and LED Strategic Framework*

1. Continue to advance the already agreed upon policy and legal framework at the central level and municipal level.
2. The project has already made an effort to concentrate on discrete portions of the mountain development and decentralization action plans. This effort should be coordinated with MRDI and other stakeholders and development partners active in the component areas so that action plan activities are addressed in a coordinated manner.
3. There should be a focus on implementation and monitoring to apply what has been planned or for what people have been trained for. The project should work with both MRDI and municipalities to further build capacities and monitor implementation of processes and methodologies adopted.
4. With DGG and other development partners, look at public services or other areas (financing, larger property transfer) that can be devolved to the local level to improve the economic development-enabling environment.
5. From project implementation, provide feedback to central government level that may contribute to advancing the policy framework beyond from where it is today.

*2. Decentralization and LED Development Partner Coordination*

1. At the central level, more formal development partner coordination can occur with MRDI as coordinator. Meetings should take place at least semi-annually. MRDI coordinates other central government inputs. NALAG is involved in a support key role to help provide local government input and coordination. The project can also assist since UNDP has experience in such development partner coordination but should not be a main actor.
2. At the municipal level, municipal government officials meet with regionally involved development partners and other stakeholders together on a periodic basis.
3. The project team should have constant outreach to other development partners (formal or informal; some is already being done) to coordinate efforts at the central level and within regions where there are related activities being implemented.
4. The EU is designing and seeking approval of a new multi-year reform programme with various components to include decentralization and LED. Some efforts will be national and some targeted in their pilot regions of which there appears to be overlap in two regions (Guria and Racha-Lechkhumi Kvemo Svaneti). As is being done, UNDP, SDC and ADC should stay in contact with EU counterparts as the intervention components are determined and revealed, as well as the project office, as needed, on a technical basis. There will be synergies and opportunities to help advance decentralization and LED. Cooperation and collaboration will be needed as stressed above.

*3. Emphasis on Private Sector-Oriented Local Economic Development and Diversification*

1. Interventions should be aimed at private sector-oriented economic development with local governments providing the enabling environment to support business formation and growth, not being the economic development actor except in areas of infrastructure (roads, bridges, public lands, etc.) and public services, and not crowding out private sector. Training is needed to advance on this topic.
2. Economic diversification is to include tourism but tourism should not be the only economic sector being developed. Project and municipal government attention is needed to catalyze other economic areas: 1) agriculture and agribusiness (including downstream processing), 2) manufacturing and/or assembly, and 3) information technology, 4) business support and other services (finance, accounting, legal, transportation, communications, wholesale/retail, etc.). It is recognized that local private sectors are weak in some municipalities. However, that should not prevent their involvement or outreach to them. Outreach on these topics to the private sector should be more widespread with the participation of women, youth and vulnerable groups. Training is needed to advance this topic. Simple training will go a long way and could be coordinated with other development partners or in-country educational institutions on business formation and management to include business plan development, management, marketing, and accounting.
3. Establishing a pro-business enabling environment. Employment generation will occur through the formation of new businesses or the expansion of existing ones. Municipal governments need to position themselves as the actor that creates the environment for businesses to be created and flourish. There have been efforts through other development partner interventions to help municipalities take on this role. These efforts should be reviewed and see how they apply in the four target regions. Other country experience may be helpful to identify appropriate approaches.

*4. Advance Grant Schemes At Least One More Cycle*

1. Review criteria for project selection. Criteria should include, but not limited to: 1) innovation, 2) entrepreneurial or growth orientation, and 3) jobs, skills or experience development. For LED Initiative Program for Municipal Governments, having local government as implementers that crowd out private sector or other CSO involvement should be discouraged. They should receive grants that help further the business enabling environment or activities that add to LED where they are a catalyst but not a service or production-oriented provider.
2. There should be at least one more cycle for the municipal and CSO grant schemes. There should be a review after the first cycle of grants is completed and a final review once the two grant cycles are completed. The final review should include lessons learned and recommendations for future similar interventions.
3. Cooperation should continue with Enterprise Georgia to advance hub zones and its micro and small business grant scheme, possibly beyond the current promotional efforts. At the end of year 3, the cooperation should be reviewed to see if the project could provide any further support.

*5. Project Management, Staffing, Reporting and Oversight*

1. Programme Approach – The programme approach between DGG and FRLD2 should continue. It has provided weight to advance the policy framework, there are efficiencies in execution, and stakeholders view it as a cooperative effort. There should be agreement on what could be collaboratively done in the next two years (and included in each project’s work programme).
2. Management and Oversight – The project should be oriented toward implementation and monitoring while executing activities and serving stakeholders (mainly municipalities, CSOs and businesses at this point). Meetings with project donors should be during semi-annual and annual review meetings. Technical meetings could be done quarterly but should not be done more than quarterly. Donor related reporting should be for these meeting so as not to interfere with project execution.
3. Staffing- The project should be fully staffed which includes filling the current vacant position. While international consultants should be considered, long-term consultants or management is not recommended though intermittent interventions are warranted on specific topics. What is needed is international expertise on specific issues or relating on how LED can work in the Georgian context. This later point is important so that new ideas and experience enter the discussion and can be adapted to the Georgian context.
4. Indicators- The logframe indicators should be reviewed to streamline them for reporting purposes. Such a review should follow SMART indicator selection rules. Also, it should be considered that even if the indicators are measurable, if it is worth the time and effort to measure them given other indicators that may supply the same or similar information. This should be a collaborative effort with the initial review by project management and staff doing an analysis of the indicators, possibly with external expertise. A workshop with MRDI, UNDP, SDC, ADC, and project management and staff could then take place to refine the indicators. An external facilitator, possibly the external expert, can manage the discussion and report on results. The workshop should happen as soon as possible. If there is no support for the indicator review then the monitoring and evaluation specialist’s time should be increased from 50% to 100% for work on the FRLD2 project.
5. Municipality Focal Points – Focal Points should continue and continuous training should be provided to keep them engaged. Meetings/conferences/workshops with counterparts (not only focal points) across the country or within their respective regions should take place to encourage networking. There is an evident competition of ‘who does best’ and such should be encouraged while transferring knowledge, processes, functions and experience. Regional (out of country) experience should be used via international consultants, country visits, etc. so there is exposure to different ways of applying LED.
6. Annual Work Plan and Reporting – A two-year work plan should be prepared as soon as possible with a detailed one year work plan (2020) and a more general year two work plan (2021) that can be adjusted based on 2020 results. The work program should be activity oriented with the activities also responding to project outcomes and outputs. The project risks should be considered. The work plan should be agreed to by MRDI, UNDP, SDC and ADC. The review could be done with the DGG project and DANIDA.
7. Timing and No Cost Extension – Given the time remaining, consideration should be given to a no cost extension at the end of year 3. The drivers for such a decision should be factors such as the number and results of the grant schemes, full implementation and monitoring of MDDs, observance of results of capacity building activities, and amount of financing remaining. This is not an all-inclusive list of factors that must be considered.

# Introduction

Governance decentralization and countrywide oriented development have been key components of Georgia’s development agenda. The Decentralization Strategy
(2020-2025) and Action Plan (2020-2021) approved on 31 December 2019 and the Strategy for Development of High Mountain Regions of Georgia (2019-2023) approved on 18 July 2019 exemplify the prioritization of decentralization and local economic development (LED). The legal, regulatory and policy framework is also substantiated by various other laws, policies and programs to help facilitate decentralization.[[8]](#footnote-8) This framework has been under constant development since the late 1990s.

UNDP in partnership with the Austrian Development Agency (ADC) and Swiss Agency for Development and Cooperation (SDC) initiated the Fostering Regional and Local Development (FRLD) project in 2012 to facilitate the government’s efforts to further decentralization and LED. The project’s objective was to improve the legal and policy environment to provide for local development and strengthen the capacities of local officials.

The main achievements of the FRLD project were:

* Promoted and/or contributed to the revised code on local self-governance (LSG Code) adopted on 14 February 2014 and the Law on Mountainous Areas and the Good Governance Strategy.
* Helped advance: the preparation of 9 Regional Development Strategies and respective Action Plans, increased central government funding to regional and municipal development, and the preparation of 43 Municipal Development Documents (MDDs) and the accompanying instruction manual to prepare such documents.
* Developed a National Training System for local authorities.

While the FRLD contributed to the foundation to improve the legal and policy framework, capacities, and institutions to advance decentralization and LED, challenges continued as the decentralization and local economic development agenda deepened and widened across the country.

Given the progress of the FRLD project in 2017 and a persistent need to further advance decentralization and further regional and local development, there was viewed as a continued need by the government and development partners that further interventions were needed to improve the legal and policy framework and institutions as well as the human resource capacities at the local level while also catalyzing economic development initiatives by municipalities and Civil Society Organizations (CSO’s). The FRLD2 project intervention was designed with the recognition and consideration of other development agency activities in the same space to include those by the EU, GIZ, USAID, DANIDA, SIDA, World Bank and others.

FRLD2 was designed in response to these needs and in recognition of the Government’s priorities and the activities being undertaken by other development partners. The project responds to the 2030 Sustainable Development Goals (SDGs) that the Government has committed to advance.[[9]](#footnote-9) The project fits into the UNDP Strategic Plan 2018-21 through the outcome: advance poverty eradication in all its forms and dimension with output 1.2.1: capacities at national and subnational levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services. The project is responsive to Switzerland’s Federal Dispatch on International Cooperation 2017-2020 and the Swiss Cooperation Strategy South Caucasus 2017-2020 Domain 2 on effective democratic institutions, human safety and security. And, the project is responsive to the 2012 Austrian Country Strategy for Georgia which seeks to support Georgia in its economic and democratic transition process and its efforts to align with European structures, standards and values in the framework of the Eastern Partnership and the Neighborhood Policy of the EU.

The goal of the four year project (December 2017 to November 2021) is: people in the regions of Racha-Lechkumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli[[10]](#footnote-10) benefit from stronger local self-government institutions for better economic development and employment generation. The project is operational in 23 municipalities covering a population of 988,186 people including 462,340 women, 176,187 youth (15-29 years), 210,610 ethnic minorities, 85,156 residents of mountainous areas and 60,090 internally displaced people (IDPs).[[11]](#footnote-11)

The main indicators to measure the performance of this goal are:

1. Number of people benefitting from new local economic development (LED[[12]](#footnote-12)) initiatives (including policy measures) disaggregated by direct and indirect beneficiaries.
2. Amount of new investments (public and private) made in four regions as a result of project interventions (in total and per region).
3. Percent increase in the level of public satisfaction with the local self-governments in four projects regions (disaggregated by women/youth).
4. Percent of decrease in the proportion of population in 4 project target regions living below the national poverty line.
5. Percent decrease in unemployment rate in the 4 project target regions.
6. Percent of increase in women’s economic activity rate in the 4 project target regions.

The project is broken down into three main components, identified as outcomes. They are:

1. Georgia implements adequate policy and institutional frameworks to foster decentralization and enable LED.

2. Government institutions at the local level are strengthened to deliver quality services enabling the business environment and incentivizing local economic actors.[[13]](#footnote-13)

3. Local stakeholders, particularly communities, are economically empowered and have improved access to related participation in decision-making processes

Table 2 provides a summary breakdown of outcome, outputs and indicators.

**Table 2: FRLD2 Logical Framework Summary**

| **Outcomes and Outputs** | **Outcome Indicators** |
| --- | --- |
| 1. Georgia implements adequate policy and institutional frameworks to foster decentralization and enable LED1.1 LED related aspects of good governance strategy at the local level and action plan (e.g. property transfer, inter-municipal cooperation, municipal service improvement, etc.) implemented by municipalities and central government institutions (MRDI, MoED, MoF, etc.)1.2 LED initiatives from the Mountainous Development Strategy and Action Plan (e.g. strengthening the potential of local enterprises and farms, creating conditions for their development and improving access to markets, etc.) implemented by municipalities and central government institutions (MRDI, MoED, MoF, etc.)1.3 National and local capacities strengthened to facilitate LED1.4 Package of policy initiatives to enhance LED enabling environment prepared and advocated by the National association of Local Authorities of Georgia (NALAG) as a result of consultation with member municipalities and adopted buy GoG | 1. Number of new gender sensitive norms, policies and political processes developed and adopted by national and municipal government in the fields of LED as a result of project interventions.
2. Number of LED-related additional competences delegated to municipalities as a result of project interventions
3. Percent of increase in the share of municipal budget in consolidated GoG budget as a result of the improved fiscal transfer schemes and/or local tax income and private investments.
 |
| 2. Government institutions at local level are strengthened to deliver quality services enabling the business environment and incentivizing local economic actors2.1 Municipal profiles (containing general statistics about the municipality, economic potential analysis, available services, resources and SWOT analysis, etc.) and business services (focal points and referral mechanisms to potential funds and credit opportunities in place) to attract potential investors and entrepreneurs2.2 Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation, etc.2.3 Local stakeholders (municipalities, local businesses, Community Service Organizations (CSOs) facilitate cross border cooperation2.4 Performance Management System (PMS) complemented with the Best Practices Programme in place to foster better service delivery and share the knowledge[[14]](#footnote-14)2.5 Community centers in selected border areas in place and functioning (establishment of 2 community centers) | 1. Number of municipalities with new gender sensitive and environmentally sustainable LED related measures incorporated in their MDDs/budget and implemented.
2. Number of implemented new gender sensitive and environmentally sustainable LED related measures from MDDs/budgets
3. Number of municipalities with new gender sensitive and environmentally sustainable LED measures planned and implemented.
4. Percent increase in municipal budget allocations for new LED initiatives in project target municipalities.
5. Percent of increase in central budget allocations for new LED initiatives in project target municipalities.
6. Number of new businesses/extended businesses in project regions (disaggregated by women/youth).
7. Number of people employed by new businesses/extended businesses (disaggregated by women/youth)
 |
| 3. Local stakeholders, particularly communities, are economically empowered and have improved access to related participation in decision-making processes3.1 Local communities (citizens, LSG, CSO, local business sector representatives, associations and institutions) are equipped with relevant knowledge and skills to engage in LED initiatives3.2 Capacities of LSGs and Civil Advisory Councils strengthened to effectively apply citizen participation mechanisms3.3 CSOs design and lead participatory LED initiatives | 1. Number and percent of citizens participating in targeted local decision making and/or budget planning in 23 municipalities (disaggregated by women/youth) of target 4 regions.
2. Number of businesses benefitting from new local economic initiatives (disaggregated by ownership of women/youth)
3. Percentage of population who believe decision-making is inclusive and responsive (disaggregated by women/youth/ethnic minorities/vulnerable groups)
 |

The main government counterpart and Implementing Partner is the Ministry of Regional Development and Infrastructure (MRDI). Other government agencies included are the Ministry of Economy and Sustainable Development, Ministry of Finance, and municipal and village governments in the four target jurisdictions, NALAG, business associations, and CSOs.

The total budget for the project is $5,486,145 with SDC contributing $3,531,060, ADC $1,802,885, GoG $151,200 and in kind contribution of $196,000.

The mid-term evaluation was conducted from 21 January to 3 April 2020. The purpose of the evaluation was to review and assess the project implementation to date, with a focus on the key achievements and challenges, taking full account of the political context. Where relevant, the evaluation was to also recommend how implementation strategies might be adjusted to better achieve the project goal. The objectives included: 1) assessing project implementation and results against the project’s logframe and budget, taking full account of the implementation context and 2) assessing the relevance, effectiveness efficiency and sustainability of the project implementation.

This document contains 4 main parts with the first being this introduction. Part II aims to place the project into the context of the development need, and describes the approach and methodology of the evaluation. Part III contains the main findings, lessons learned, and conclusions from the information analysis and discussions. Part IV is an attempt to identify the main recommendations that could provide guidance to the key stakeholders for future related or unrelated project endeavors.

The Evaluator would like to thank the project team for their collaboration and coordination of the assignment. The assignment was implemented in a short time frame but the efforts with the project team to provide the necessary documentation, coordinate meetings, and provide insights helped to make the assignment proceed smoothly, especially for the in-country visit. The travels to the four target regions and visits with the municipal governments, CSOs and other stakeholders were beneficial to help collect information on implementation and provide practical feedback. The Evaluator would also like to thank the UNDP Country Office for their support and insights as well as SDC and ADC for their inputs. The MRDI and other national government entities were helpful to gain an understanding of the project’s context, collect feedback on the project’s performance, and receive perspectives on national efforts regarding decentralization and LED.

# Mid Term Evaluation Framework, Development Context and Intervention Description

## Mid Term Evaluation Scope and Objectives

Given the mid-point of the project (December 2017 – November 2021) it is timely to conduct a mid-term evaluation to assess the extent project objectives are being met and outputs and outcomes accomplished, summarize the lessons learned, and contribute to future programming, policymaking and overall organizational learning by outlining recommendations for the remaining term of the project. The Terms of Reference (TOR) for the evaluation is provided as Annex A.

The evaluation was conducted from 21 January to 3 April 2020 with the following time schedule:

* 17 January Contract Signed
* 6 February Inception Report submitted
* 9-21 February Field Visit conducted

 10-13 February Tbilisi,

 13-16 February travel to target municipalities- Ambrolauri, Chrebalo, Oni, Tsageri, Senaki, Zugdidi, Lanchkhuti, Ozurgeti,

 16-20 February Tbilisi with travel to 2 target municipalities (Marneuli and Tetritskaro)

* 28 February Draft Report submitted
* 25 March UNDP and donor comments to the draft report received
* 3 April Final Report and PowerPoint Summary Presentation submitted

 and assignment end

The evaluation included reviews of the project documents, reports and associated work plans. There were discussions, in person and via Skype, with project management and staff, development partners, government counterparts at the national and municipal levels, and CSOs.

As indicated in the evaluation TOR, the evaluation was focused on the following, according to the criteria established by the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC):

* + 1. *Relevance* (approach, objectives, modalities of implementation, etc.) and to include to what extent the project is responding to the national context.
		2. *Timeliness* to include the degree the activities were carried out in a responsive and timely manner.
		3. *Effectiveness* of the approach used to produce results and to what extent the project is on track to achieving the project outputs and outcomes.
		4. *Efficiency* of project and project management, including the delivery of inputs in terms of quality, quantity and timeliness, and the monitoring system, including how economically resources or inputs (such as funds, expertise and time) were converted to results.
		5. *Sustainability* of the project to measure to what extent the benefits of the activities will have after project completion and if the capacity will be maintained or expanded.
		6. *Results* with regard to the indicators of progress.
		7. The *transfer of capacity* to nationals.
		8. The *views of the direct beneficiaries* on the outcomes and on the consultative process used for the project.
		9. *Gender equality* in regard to the extent gender equality and empowerment is being addressed and any positive changes to date.
		10. *Human Rights and Social Inclusion* in regard to the extent disadvantaged and marginalized groups benefitted from the project activities and to what extent has the project taken account of social inclusion/equality, e.g. participation of marginalized/vulnerable groups in decision making processes.

 An analysis of each of the above criteria is provided in Section III.

The target audiences for the evaluation are:

* Main partners to deliver the project services: UNDP, ADC, SDC, MRDI
* Direct stakeholder: MRDI and local government entities in the 4 target regions
* Indirect stakeholders: End-users and others stakeholders to include private sector, associations, CSOs, and poor, disadvantaged and vulnerable groups

## Evaluation Approach and Methodology

The evaluation approach and methodology was based on a triangulation approach to include: 1) a review of relevant documents and the collection of data regarding project activities and resulting impacts; 2) interviews of the direct and indirect stakeholders and project partners; and 3) a performance review analysis of the information gathered, particularly the log frame and other performance-related data. All findings, lessons learned, conclusions and recommendations are a result of at least two if not three or more sources so as to verify the information provided and provide a sound basis for the project to move forward.

All findings, lessons learned, conclusions and recommendations are those of the independent consultant.

The documents reviewed include, but were not limited to, the following documents. A complete list of documents reviewed is provided as Annex B.

* Project document (FRLD2 and DGG) to include attachments (results and resources tables, indicator performance tables, etc.),
* Project semi annual and annual reports (including draft 2019 Annual Report)
* Planned and actual budgets
* Project outputs (or contribution to) such as the Strategy for Decentralization Strategy (2020-25), Development of High Mountain Settlements of Georgia (2019-23) and their respective accompanying action plans, etc.
* Project management and staff position descriptions and contractor terms of reference

The in-country visit included interviews in target regions with municipal governments (mayors, vice mayors and economic-related management and staff), national government stakeholders, development partners active in the decentralization and LED space, and CSOs, The following is a summary of those visited. A complete list of those interviewed is provided as Annex C.

Target municipalities: Ambrolauri, Chrebalo (Community Center), Senaki, Zugdidi, Lanchkhuti, Ozurgeti, Marneuli Tetritskaro, Rustavi

National Government: MRDI, MOF (Budget Office), Enterprise Georgia, PPP Agency, National Tourism Administration, NALAG, Civil Service Bureau

Development Partners: Project Management and Staff, DGG Management and Staff, UNDP, SDC, ADC, USAID, GIZ, DANIDA, EU Commission, EU M4EG,

CSOs: Hangi, Edena, LDA, Mercy Corps

Given the complexity of the project, a set of tables was provided to the project team for completion. The purpose of the tables was to identify the performance based on the macro indicators identified in the project document and the outcome and output indicators to determine what has happened, per indicator, since project initiation to the end of 2019. In addition to the standard reporting format, there is a section to identify any issues confronted and next steps. The tables were used to help measure performance at a macro and micro level, including financial delivery. The assessments of these table feed directly into the findings, lessons learned, conclusions and recommendations. The tables are provided as Annex E (macro indicator status), F (outcome indicator performance), and G (output indicator performance). Annex H shows the project budget by outcome and output and for project management including the amounts budgeted and expended and the percent remaining for the term of the project. Attachment I provides the ADC gender, social standard and environmental appraisal which is a summary of the relevant project indicators. The report also includes the ADC required Results-Assessment Form for Mid-Term and Final Project Evaluations/Reviews. This form rates the outputs and indicators and summarizes performance.

The final outputs are the following per the TOR:

* Evaluation Inception Report
* Draft Evaluation Report
* Final Evaluation Report
* PowerPoint presentation of the evaluation

The evaluation did have limitations. The Terms of Reference were very broad with the identification of several statements of stated research interest, a set of objectives to assess, specific areas that were to be reviewed, and the identification of the OECD evaluation criteria cited above with a total of 33 questions under these criteria. While the evaluation criteria questions were considered in the analysis provided below, there was some donor expectation that all questions would be answered in a more straightforward manner. Also, as indicated above, the indicators from the log frame (53) are presented and were reviewed for the purpose of the analysis. Two of the macro indicators did not have data. No time or resources were provided to collect data on the two indicators. A total of 20 days were allotted to the assignment with 12 days spent in-country for data gathering, interviews and a presenting of initial findings, lessons learned and recommendations. The information was collected, analyzed and presented within that timeframe.

## Development Context, Intervention Description and Main Results to Date

Georgia has made progress over the last decade in terms of political, economic and social development. As of 2018, Georgia ranks 70th Aon the Human Development Index with a rate of 0.786 in 2018 compared to 0.769 in 2015 and 0.710 in 2010.[[15]](#footnote-15) It has held peaceful elections with accompanying transfers of power, improved trade and economic relations with Europe and other countries, and strengthened the social support framework. Despite the advances, unemployment, poverty and inequality remain key policy challenges to sustainable and inclusive economic growth. The share of population under the poverty line is 20.1% countrywide with 18.0% urban and 23.1% rural. The national unemployment rate was 12.7% in 2018, down from 14.2 in 2015, with divergences between the urban centers and rural areas. There are also disproportional employment rates of youth (31% 2014). Table 3 provides the percent of population living under the poverty line and unemployment rates for the four project target regions.[[16]](#footnote-16)

**Table 3: Poverty in Four Target Regions, 2018**

|  |  |  |
| --- | --- | --- |
| **Region** | **% of Population Under Poverty Line** | **Unemployment Rate** |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 23.0% | 12.4% |
| Samegrelo-Zemo Svaneti | 24.9% | 11.9% |
| Kvemo Kartli | 21.3% | 15.3% |
| Guria, Samtskhe-Javakheti, and Mtsketa-Mtianeti | 24.1% | 1.8% |

Though there have been economic gains, it is recognized that the growth is not evenly distributed across the country.[[17]](#footnote-17) Rural areas are much less developed than the city centers in terms of infrastructure, economic and social services, and private sector production and services with most economic activity centered on agriculture. Table 4 shows the access to basic services in rural mountainous areas.

**Table 4: Access to Public Services**[[18]](#footnote-18)

| **Public Services** | **Rural** | **Mountainous Areas** |
| --- | --- | --- |
| Water Access | 42.0% | 36.0% |
| Sewerage | 4.0% | 4.0% |
| Waste Disposal | NA | 9.0 |
| Gas | 59%% | 44% |

Female labor participation rates have fluctuated in the 56-58% range countrywide with no clear upward trend.

**Table 5: Female and Male Labor Participation Rates**[[19]](#footnote-19)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** |
| Female | 55.9% | 57.9% | 56.7% | 58.2% | 55.6% |
| Male | 76.6% | 77.2% | 77.4% | 74.6% | 73.6% |

For the four target regions, the female participation rates have varied by region.

**Table 6: Female Labor Participation Rate in 4 Target Regions**[[20]](#footnote-20)

|  |  |
| --- | --- |
| **Region** | **Female Labor Participation Rate** |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 59.5% |
| Samegrelo-Zemo Svaneti | 58.1% |
| Kvemo Kartli | 62.2% |
| Guria, Samtskhe-Javakheti, and Mtsketa-Mtianeti | 68.1% |

The child poverty rate in rural and mountainous regions is estimated to be 50% more than in urban areas.[[21]](#footnote-21) Kindergarten access is 83.0% nationwide with varied access in the targeted regions (53.0% for Kvemo Kartli and 82.0% for Racha-Lechkhumi-Kvemo Svaneti and Imereti).

Given the socioeconomic situation decentralization and LED have been a focus of the government’s development efforts with development partner collaboration. As stated previously, various steps have been take to establish a viable framework to allow decentralization to occur so more decisions are taken at the local level and resources are available to implement those decisions. The project was designed to help establish the overall policy, legal and regulatory framework, assisted in strengthening the institutions at the central and municipal levels, and catalyze municipal and CSO activities to generate economic opportunities and employment.

Table 5 provides a summary of the main macro project indicators. Four of the six indicators are provided since two of the indicators were not measured.[[22]](#footnote-22) The indicators provide a picture of what the situation was at project start-up and the status as of December 2019 (not all data for status is of December 2019 but what was available at the time). While progress has been made in certain areas and in certain regions, performance is mixed given some advances but more declines. The statistics do exemplify the challenges of decentralization and LED, some of which the project is addressing. However, it is difficult, if not questionable, to attribute advances or declines of such statistics solely based on project interventions and results, especially at the mid-term stage. The indicators show more the impact of overall decentralization efforts and general country-wide economic performance. The indicators and the role of the project in terms of impact on them are analyzed in more detail in Section III.B.1.

**Table 7: Main Macro Project Indicators Performance by Target Region**

| **Main Indicator/Region** | **Baseline (2018)** | **Target (2021)** | **Status** **(12/19)** |
| --- | --- | --- | --- |
| *1. Percent increase in the level of public satisfaction with the local self-governments in four project regions (disaggregated by women/youth)* |
| 4 Target Regions | 73.2%71.1% women74.2% youth | 77% | 69.1%70.9% women62.5% youth |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 85.7% |  | 80.8% |
| Samegrelo-Zemo Svaneti | 74.7% |  | 72.5% |
| Kvemo Kartli | 69.0% |  | 63.1% |
| Guria | 77.3% |  | 74.5% |
| *2. Percent decrease in the proportion of population in 4 project target regions living below the national poverty line (contributing to the SDG GAI indicator: 1.2.1.* *proportion of population, including children, living below the national poverty line, by location (urban/rural) and by sex, reduced by 20%)* |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 25.6% | 25.0% | 23.0% |
| Samegrelo-Zemo Svaneti | 21.7% | 21.0% | 24.9% |
| Kvemo Kartli | 24.9% | 24.0% | 21.3% |
| Guria | 24.9% | 24.0% | 24.1% |
| *3. Percent decrease in unemployment rate in 4 project target regions (contributing to the SDG GAI 8.5.2 Unemployment rate - 9.5%)* |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 10.8% | 10.0% | 12.4% |
| Samegrelo-Zemo Svaneti | 10.0% | 9.0% | 11.9% |
| Kvemo Kartli | 8.6% | 8.0% | 15.3% |
| Guria | 4.1% | 3.6% | 1.8% |
| *4. Percent increase in women’s economic activity rate in 4 project target regions (contributing to the SDG GAI 5.4.1 Women's economic activity rate - 77%)* |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 59.1% | 60.0% | 59.5% |
| Samegrelo-Zemo Svaneti | 63.5% | 65.0% | 58.1% |
| Kvemo Kartli | 65.8% | 67.0% | 62.2% |
| Guria | 74.0% | 75.0% | 68.1% |

Note: Data sources are provided in Annex E table.

More specifically, public satisfaction with local self-government has declined during the time measured. For the same period, the percent of population living below the poverty line has decreased in 3 of the 4 target regions with 2 target regions below the target rate envisioned for 2021. The unemployment rate has increased in 3 of the 4 target regions with a substantial decline in Guria, well below the target rate. And, the percent of women’s economic activity has actually worsened in 3 of 4 target regions.

The following are some of the main results to date, per outcome. More detailed results are provided in Annex F and G.

***Outcome 1: National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development***

***Outcome Indicators***

* 3 policies/political processes developed and adopted to included Law on Public-Private Partnerships (1 July 2018), Decentralization Strategy (2020-2025) and Action Plan (2020-2021) (31 December 2019), and Strategy for Development of High Mountain Settlements of Georgia and Action Plan (2019-2023) (18 July 2019)
* Amendment to the Local Self Government (LSG) code granting municipalities the competency in the area of child protection (20 September 2019) and the property management competency transfer is currently in progress
* A 9.8%, compared to 8.6% baseline and 13.0% target, increase in share of the municipal budget in the consolidated national government budget resulting from improved fiscal transfer scheme and/or local income and private investment

***Output Indicators***

* 38.0% of Decentralization Strategy LED activities supported by the project (6 activities)
* Rules of property transfer from central to municipal governments defined and applied
* Developing Investment Profiles for municipalities
* Update of development planning documents and methodology and providing accompanying training in 23 municipalities
* 11.5% increase in local budget revenues (0% baseline, 30% target). Government enacted an amendment to the Budget Code in January 2019 to allow the Value Added Tax (VAT) to be a shared tax resulting in a distribution of 19% of collected VAT tax to municipalities
* Implementing 18% of LED activities in the Action Plan for the Strategy for Development of the High Mountain Settlements (4 activities of the Action Plan)
* Supported the creation of the e-map mobile application for touristic routes in Tetritskaro
* 6.9% of local budget revenue collected from local businesses (0% baseline, 12.0% target)
* 306 national and local civil servants trained in LED (90 women- 29.4%; 216 men- 70.6%; 299 local/regional, 7 national)
* Guidebook on LED prepared for municipalities
* Methodology for Municipal Development Documents (MDDs) prepared
* 383 local civil servants (148 women- 39%; 235 men- 61% from 34 municipalities involved in training and preparing MDDs.
* Recommended updates and advocated for 4 gender sensitive policy proposals supporting LED (PIT sharing, central-local property transfer, citizen participation in budget planning, delegation of tourism and other management to the local level).
* Helped gain feedback to the Decentralization Strategy from municipalities by sponsoring 10 public discussions (277 local stakeholders- 61 women, 216 men), 3 working groups to present decentralization recommendations based on a needs assessment of over 1,000 local officials, and meeting with GoG representatives responsible for public administration reform and its relevance to local authorities.
* Recommendations in Decentralization Strategy to have citizen participation mechanisms to allow for citizen participation in local decision-making and budget planning

*Outcome 2: Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors*

***Outcome Indicators***

* 39 municipalities with LED measures incorporated in MDDs
* 1 municipality (Tetritskaro) and 8 in progress (Tsageri, Lanchkhuti, Chokhatauri, Zugdidi, Senaki, Martvili, Tsalenjikha, Porti) for municipalities with new gender sensitive and environmentally sustainable LED related measures planned and implemented
* 7,300 new business registered in four regions (2,454- 34% owned by women)

|  |  |
| --- | --- |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 24644% women |
| Samegrelo-Zemo Svaneti | 2,56742% women |
| Kvemo Kartli | 3,60526% women |
| Guria | 88239% women |

***Output Indicators***

* Development (not final) of Municipal Investment Profile toolkit for 8 municipalities
* Preparation (not final) of land use and zoning documents for Lanchkhuti
* 1 joint LED initiative piloted in Ozurgeti with 8 in progress (Tsageri, Lanchkhuti, Chokhatauri, Zugdidi, Senaki, Martvili, Tsalenjikha and Poti)
* 1 cross border business and trade event organized
* Developing 2 performance management systems for 2 public services; will be piloted in 8 municipalities
* 2 Community Centres constructed and functioning in Chrebalo (Ambrolauri municipality, January 2020) and Kachagani (Mameuli municipality, December 2019)

***Outcome 3:*** *CSOs and local businesses are empowered to participate in inclusive LED planning and decision making*

***Outcome Indicators***

* Number and percent of citizen participation in targeted local decision-making and/or budget planning in 23 municipalities of target 4 regions (target 12%):

|  |  |
| --- | --- |
| 4 Target Regions | 14.6%12.4 women17.5 youth |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 23.5% |
| Samegrelo-Zemo Svaneti | 13.9% |
| Kvemo Kartli | 14.6% |
| Guria | 14.1% |

* 34 local businesses and entrepreneurs (23.5% owned by women, 11.7% owned by youth) benefitted from “Guria Tea Route,” a public-private cooperation effort piloted in Ozurgeti municipality.
* Percentage of population who believe decision-making is inclusive and responsive:
	+ 45.7% for 4 target regions
	+ 43.0 women
	+ 49.1% youth
	+ 29.4% ethnic minorities
	+ 51.9% vulnerable groups

 ***Output Indicators***

* Percent of population with understanding and knowledge of their rights and roles to engage in LED in 4 regions (target 30%):

|  |  |
| --- | --- |
| 4 Target Regions | 13.3%11.4 women19.0 youth |
| Racha-Lechkhumi-Kvemo Svaneti and Imereti | 20.1% |
| Samegrelo-Zemo Svaneti | 19.3% |
| Kvemo Kartli | 6.5% |
| Guria | 17.4% |

* 69 CSOs and small/medium sized businesses (43 women and 26 men) with strengthened capacities in sustainable LED in 4 regions.
* 12 CSOs (9 led by women) engaged in participating planning of 7 LED initiatives funded through the CSO Small Grants Scheme. Of the 7 funded, 5 led by women.
* 39 private sector entities (10 owned by women, 4 by youth) from 24 municipalities targeted to engage in participatory planning and sustainable LED initiatives.
* 8 municipalities (Tsageri, Senaki, Martvili, Zugdidi, Tsalenjikha, Poti, Lanchkhjuti and Chokhatauri) provided with funding, under the LED Initiatives Program for Municipal Government, to implement sustainable LED initiatives involving Civil Advisory Councils and other public participatory bodies

There have been no changes in the project goal, outcomes or outputs for the first two years of the project. Activities have developed as a result of project planning oriented around the logframe and the national policy framework, as well as the needs assessed at the municipal level with local governments and CSOs. Consultations have been ongoing with UNDP, SDC and ADC on project implementation, as exemplified in the semi annual and annual reporting and other interactions. Communication and collaboration has also been performed with other development partners working on decentralization and LED either in the four-targeted regions or in helping to develop the legal and policy framework.

# Project Achievement Measurement, Findings, Lessons Learned and Conclusions

## Project Performance Per Evaluation Criteria

The purpose of this section is to identify the findings, lessons learned and conclusions based on the data gathered for the evaluation. The findings, lessons learned and conclusions are grouped together per the different evaluation factors. This section prepares the groundwork for the recommendations in Section IV.

The following table provides a summary of key conclusions based on the evaluation factors formally discussed in Section II.B. The conclusions are further substantiated in this section and in Section IV.

**Table 8: Project Achievement Measurement Summary**

|  |  |
| --- | --- |
| **Evaluation Factors** | **Result** |
| Relevance | The project remains relevant to helping advance decentralization and LED. The project has helped to advance the decentralization and LED legal and policy framework with MRDI, other national government agencies, and at the local level with municipalities and CSOs. This has been done through its own interventions as well as collaboration with the DGG project and other development partner efforts. Decentralization remains a priority for the national government as exemplified by the decentralization and mountain strategies and other policy and legal reforms. Importantly, the MRDI and other government leadership as well as municipality leadership and staff have confirmed the project adds value to their efforts including the involvement of public participation.  |
| Timeliness | The project interventions are timely with the note that decentralization has been an ongoing effort of the Government since the late 1990s. The pace of addressing this reform agenda item has been slow or can be described with times of high attention but weak implementation. However, in the last several years, there is more of a countrywide consensus to advance on devolving services, authority and public finances to the local level. It appears that municipalities are very aware of the needed changes and are participating in an active and even proactive manner. There is definite attention to including public participation from a variety of citizens and stakeholder groups and this relationship will most likely evolve over time as the municipalities strengthen their capacities and more formal institutions or processes for such participation emerge, some of which are being advanced by the project. The project is contributing to these efforts. The future risk to the project and decentralization and LED in general is the timing of future reforms and advances, which depend mainly on the national political commitment as well as the capacity to adequately absorb change at the local level. The project did have a slow start that can be attributable to: 1) change in MRDI senior management and time for that management to be comfortable with advancing the project’s agenda; 2) establishment of the appropriate policy framework so that changes can occur; and 3) establishment of relationships with and conducting assessments of the four targeted regions and their respective municipalities. It appears from a review of the logframe and results-to-date that there has been a catch-up to implement activities in a more timely manner, especially during the last 3 quarter of 2019 and ongoing or planned activities for early 2020. |
| Effectiveness | The project has become more effective after central government and the municipalities “bought in” to the project and saw how it was advancing decentralization and LED. The project was effective in providing direct support in establishing the national strategies and action plans and, at the same time, helping to strengthen capacities and processes at the local level. Outreach has been done to include CSOs and citizens in the development planning process as well as other areas so LED can occur. The effectiveness has rapidly advanced more in year 2. It is expected to increase in year 3 and 4 as more on-the-ground activities are implemented since the policy framework, intervention design, and piloting are completed. There have also been several promotional efforts that have given visibility to the project’s endeavors as well as fulfilled activities and interests of the local governments and communities. Effectiveness should be closely watched during the remaining two years to see if the investments made to date are having the impact as intended. Such feedback will help to plan future interventions either through this project or future efforts. Given the concentration on Outcome 1 for the first two years, additional attention is needed to Outcomes 2 and 3 during the last two years. Coordination with other development partners is ongoing but can be improved if done in a more coordinated way and if led by the MRDI. Future interventions will be needed and effectiveness (and efficiency) would be greatly improved if there were more development partner cooperation especially in regard to advancing the national policy and legal framework and working with the municipal governments.  |
| Efficiency | A review of the outcome performance (Annex F) and expenditure allocations to date (Annex H) shows that most activity accomplishment and expenditure was for Outcome 1 with about 42.5% of budget remaining. Outcomes 2 and 3 have more budget resources remaining (62.6% and 68.8%, respectively) that show more attention is needed to those two outcomes over the next two years. Plans indicate that there are committed funds (such as for grant schemes) that will help bring delivery and expenditure more in line with the project timeframe. At this point of time, the project has made some key investments in some major activities, such as MDD training and respective capacity building, performance management system launch, construction of 2 Community Centres, various studies and other interventions. After a slow start in execution, expenditure significantly increased in year 2, especially towards the end of the year mainly due to the selection of the recipients of the CSO small grant scheme and the LED Initiative Program for Municipal Governments. With about 59% of project expenditure remaining, careful consideration should be given to the results of these investments during the first six months of 2020. Also, a work program to plot out activities for the next 2 years is warranted with more of a focus on Outcomes 2 and 3. Such a program should also have accompanying financial envelopes for the planned activities.  |
| Sustainability | It is difficult during a mid-term evaluation to come to firm conclusions about sustainability. At the national level, the entities that are dealing with decentralization and LED issues are in place and there seems to be attention and competence to carry out what already has been agreed to through the laws, strategies and policies adopted. At the local level, there is some sustainability since there is demand to advance decentralization and LED and capacity is being built with active participation of municipal management and staff. CSOs are engaged and their roles will continue to develop. There does need to be a better understanding of LED at the municipal level (further addressed below). There is a short-term sustainability risk, as described more fully below, given an election cycle beginning in 2020. Activities should be oriented to consolidate gains made to date and initiate other activities that can be implemented without being impinged by the electoral environment. At about the middle of year 4, a simple review should take place to see what is sustainable and what future interventions may be warranted. This recommendation is further explained in Section IV.2. |
| Results | The project has been following the logframe attentively. The logframe is oriented towards outcomes and outputs. There should be more emphasis on the planning and review of activities and their results (and then how they are tied to the logframe). A detailed annual work program would help this matter. That said, there are evident results for each outcome and output area as identified in Section II.C and further evaluated below. Given the effectiveness and efficiency comments above, there should be a focus on results over the next two years since some key investments have been made in the past year. Feedback from this measurement will help to identify future activities through the project’s framework. |
| Transfer of Capacity  | There is a transfer of capacity mainly provided by the training conducted or planned, especially under Outcomes 2 and 3. However, it is not yet possible to measure if such transfer is sustainable over the long run. As with any public administration capacity development effort, people change jobs or priorities change. That said, capacity efforts with municipality management and staff and CSOs will have an impact since they will carry capacities developed to future endeavors with the entities they may work for in the future. Civil service data shows that most public sector employees move around in the civil service so the skills or capacities gained will move with them. Training provided to public groups will most likely carry forward as citizen participation and feedback will be constant as decentralization and LED efforts continue into the future. Also, the project has made a considerable investment in establishing methodologies and approaches so that there are ongoing and documented processes and not one-off training and document output events.  |
| Gender Equality | The project has had an emphasis on improving opportunities for women in terms of CSO involvement, business development, public participation, and related training. While it is difficult to conclude that the project has impacted women’s inclusion in participatory governance and development planning or business development as a result of project interventions, it can be said that women (as well as youth and vulnerable groups) have been a key emphasis of the project’s activities at the local level. Attachments E and F show the number of women participating in or impacted by the project via the various interventions. A good example is the results of the first round of the CSO small grant scheme. Of the 12 proposals, 9 were from organizations led by women; of the 7 selected, 5 were from organizations led by women. Also, of those trained at the municipal level on LED, 29.4% were women.  |
| Human Rights and Social Inclusion | A chief component of the project design is to help develop public participation in local governance and in providing input to LED planning. This has been done together with the DGG project as well as the FRLD2 project on its own. The methodology for the MDD’s includes public participation of various stakeholders either through Civil Advisory Councils or other bodies. Also, there have been outreach or advocacy efforts to various groups to include women, youth, disabled, and IDPs. Some of these efforts are built in through the participatory and advocacy approaches being advanced by the project while others are more one-off, such as participating in promotion type events. The Community Centres have had an impact in providing various public and private services to all community groups. |
| Views of Direct Beneficiaries | MRDI, as the main counterpart agency, is positive about the project and sees the value added by what has been provided to date. Future cooperation is sought and there are further areas of support and collaboration such as more formal development partner cooperation, working on devolving more public services, and further addressing spatial planning at the local level. Other national government agencies see the project as one of the several that are advancing decentralization and LED. All national government agencies see the need for the subject areas to be addressed in a multi-development partner approach given the pace of transformation and the need to help advance the reforms to the municipal level. Municipalities see the advantages of the project and are active participants. This appears to be among political leaders as well as management and staff participating in project activities and performing the actual implementation. Some attention is needed to the understanding of LED (addressed below). CSOs are prepared to take advantage of the participatory approach and have had some unique ways to advance LED, as exemplified by the CSO small grant scheme proposals.  |

## Responsiveness to Goal, Project Implementation, Findings, Lessons Learned, Key Risks and Conclusions

#### 1. Responsiveness to Goal

The goal of the four-year project (December 2017 to November 2021) is: people in the four targeted regions benefit from stronger local self-government institutions for better economic development and employment generation. From a project implementation and output perspective, the project is responding to the goal since all of the outcomes and most of the outputs have been or are being addressed. Though initial implementation was slow, the activity implementation to date has proven that the project is responsive to an evident need and is catalytic in advancing decentralization and LED. However, given the scope and breadth of the need countrywide, the project effort is one effort of several by the government and various development partners to help advance the reform and development agenda.

A review of the project’s macro indicators show there is more of a blurred picture with no clear impact of the project evident when viewed through the indicators (Table 5).

The percent increase in the level of public satisfaction with local self-governments in the four target regions has not occurred with a decrease overall and within each region. The most alarming indicator is the decrease in youth satisfaction that has decreased from to 62.5% from 74.2%. It is difficult to say that in just over one year’s time a development project can improve attitudes. The survey results could be more in response to the general economic conditions countrywide, the overall impact of decentralization and LED that local governments are grappling with, the political climate, and the increased public participation that allow individuals to more freely express a response. A next step could be to obtain more up-to-date information and to also obtain information to see what is the source of the dissatisfaction to make the national and local government entities aware of the areas of dissatisfaction. Some of this is being done as shown in the indicators for Outcome 3. The percent of citizens participating in targeted local decision-making and/or budget planning in 23 municipalities (Indicator 3.3.1) has exceeded the target level (12%) in the targeted municipalities with a rate of 14.6% with 12.4% being women and 17.5% youth. The percent of population who believe decision-making is inclusive and responsive (Indicator 3.3.3) shows a rate 45.7% with 43% women, 49.1% youth; 29.4% ethnic minorities, 51.9% vulnerable groups.

The percent decrease in the proportion of the population living below the national poverty line in the four target regions has had mostly positive results. There have been reductions in three of the four regions: Racha-Lechkhumi-Kvemo Svaneti and Imereti, Kvemo Kartli and Guria with an increase in Samegrelo-Zemo Svaneti. Two of the regions are below the target (Racha-Lechkhumi-Kvemo Svaneti and Imereti, and Kvemo Kartli) with Guria very near the target rate. Even though there have been reductions in three of the regions it is difficult to attribute the reduction to the project. Some of the more macro economic factors cited above have a more potent impact. Again, a closer look is warranted to why rates have dropped in three of the regions and why an increase in Samegrelo-Zemo Svaneti.

The percent decrease in the unemployment rate in the four target regions shows only a decrease in Guria, and quite a substantial decrease showing full employment. The other three regions have had increases, moving away from the target percentages. Such a drop in Guria should be verified and information gathered why such a steep drop in a short period of time. If the Guria rate is correct, the question should be asked, “Why the success in Guria?” It cannot be said that the decrease is because of project activities just as it cannot be said that increases are attributable to the project. Unemployment increases in the other regions show the challenges of LED especially within a more general country economic environment as well as regional and global environment.

The percent increase in women’s economic activity rates in the four target regions shows only an increase in Racha-Lechkhumi-Kvemo Svaneti and Imereti while decreases in the other three regions. This indicator is more aligned with the above unemployment rate showing overall regional economic performance. It is also aligned with the national female and male labor participation rates (Table 5) that also show decreases. To more minutely see the impact project interventions, especially for a mid tem review, have on women’s activity rates it is better to review the outcome and output indicators (Section III.B.2, below and the Annexes F and G) that provide more specific data on gender-related activities and their results. A review of those indicators does show that increasing women’s economic activity rates, as well as participaiton in LED planning and decision making, is being addressed.

As noted below in Section III.B.2, below, an emphasis during the first two years of the project has been on establishing or furthering the policy, legal and regulatory framework which falls under Outcome 1. Most of this work has come to fruition in 2019. Such policy framework changes take time to be implemented and to have any substantive impact, especially on macro indicators as previously described. While activities are bieng implemented for Outcomes 2 and 3 that are more targetted within the municipalities, more attention is needed to focus on these outcomes.

The first indicator is a result of a public perception survey while the other three are economic indicators. The project has more of a chance to impact the public perception survey indicator rather than the economic indicators, especially since the measurement is just over a year period. Such changes take time and it would be better to revisit the indicators at project end. However, it must be kept in mind that this is one project intervention to improve policies, capacity and create some development and employment opportunities. The ability to substantially deliver on employment generation is limited through the project directly. Once development planning cycles, budget cycles, investmet generation efforts and other interventions are completed, more of an impact (positive or negtive) could be reviewed. Thus, trying to explain a causative factor based on the project alone would be inaccurate based on the economic indicators at this time. The indicators show more trends and should be reviewed at least annually to see if decentralization and LED are having the impact intended and placed in the context of general economic performance in Georgia as a whole. This should not only be a project effort alone but with central and local governments as well as relevant CSOs, like business associations, and other development partners active in this subject area.

Also, there were two indicators that have not been measured: 1) number of people benefiting from new LED iniatives (including policy measures) disaggregated by direct and indirect beneficiaries (direct beneficiaries disaggregated by women and youth); and 2) amounts of new investments (public and private) made in the four target regions as a result of project interventions (in total and per region). These indicators need separate survey tools if such data is wanted. These survey tools were not in place at the time of the mid term evaluation. No time or resources were provided to collect such information during this evaluation exercise. The first indicator would be difficult to measure since it would take a tailored public perception survey. With the strategies just developed in 2019 and other project activities more recently activated it would be difficult to see an immediate project impact for this indicator. There are other indicator measures in the logframe (Annexes F and G) that show directly the numbers of people participating in the project and some impacts of activities. However, this data does not directly fulfill the needs of this indicator. The number of new investments (public or private) is measurable. However, for both indicators, it is questionable if the changes in these indicators can be solely attributed to the project’s interventions since other factors could be at play such as actions by the municipality or central governments, other development partners, or self starting private sector initiatives, as examples. If data, is desired for these two indicators, carefully crafted survey tools would be needed to obtain the information desired.

The project’s logical framework is built upon the three outcomes and accompanying outputs. Each outcome has a set of indicators (13 in total). And, there are total of 34 output indicators. Together with the 6 macro indicators, there are total of 53 indicators to be measured. Compared to other projects, this appears to be a large number of indicators. Comparatively, the DGG project has 20 indicators. The outcomes or outputs are not directly linked to project activities. It becomes a complicated task to link outputs, outcomes and activities and their respective indicators. This may have added to the slow start-up though this is not a definitive finding. Attempting to make the linkages is at least time consuming and reporting on each indicator is definitely time consuming. Project management and staff appear to spend significant amounts of time collecting data and reporting on indicators. There is even time spent on interpreting indicators. While not definitive, there is evidence that there is an emphasis on meeting indicators rather than clearly designing and implementing activities that can accomplish the outcomes. A two-year work programme, recommended below, that is more activity oriented may be helpful in this regard. Also, the indicators should be reviewed according to SMART criteria to streamline the amount that must be measured.[[23]](#footnote-23)

The project does appear to be meeting national and municipal government expectations. It is difficult to measure, at this point, if other stakeholder expectations are being met exce[t by a review of indicator performance (provided below).

For the national government, the main stakeholder, MRDI, is supportive of the project and realizes it strengths and weaknesses (with the slow start-up). There is recognition of the contribution to the national decentralization and mountainous regions development strategies and action plans. There is also evidence that the project added weight or input to other reforms that are currently being implemented. Other national government actors or entities (NALAG, PPP Agency, Tourism Agency, Civil Service Administration, Ministry of Finance, etc.) are aware of the project and how it relates to their efforts at the local level. These entities view the project as one of several that are addressing various aspects of decentralization and LED with the exception of the MRDI that sees a closer partnership.

At the municipal level, as mentioned previously, there is “buy in” by the various governments. There also seems to be active participation as shown by the indicator numbers and by interview feedback. Capacity has been developed and processes are being implemented and activities are being undertaken. There was positive feedback for the most part and in some cases municipalities are initiating their own activities, such as a second “tea route” promotional event or implementing projects that were not funded by the LED Initiative Program for Municipal Governments. As one young female municipal employee said, “The training has not only advanced me professionally but also taught me things I never thought I would learn and helped me as a person.” That said, there does need to be a clear understanding of LED so it is not government driven or sponsored economic activity but enables opportunities for the private sector or public-private partnerships.

Civil society input is being provided for various efforts, such as the MDDs. And, training has occurred to make citizens aware of input opportunities and what LED means for them. This seems to be at a beginning stage. It may take several cycles of MDD preparation and updating and budget planning for citizen input processes to firm and even advance. Project activities like the two Community Centres, CSO Small Grant Scheme, UNDP and project-sponsored Women’s Day event (including women-owned business promotion), tea route promotion, Georgia-Armenia LED forum, etc. have been received positively. As one Vice Mayor said of one of the Community Centres, “The Centre has changed peoples’ lives.” And, the small grant scheme recipients have come up with unique approaches to create economic opportunity. One CSO visited is impacting young women by providing training and jobs and, the objective, skills to start their own businesses. Another grant scheme recipient is made up of people with disabilities and their plan is to help create other businesses involving people with disabilities. The approaches are more aimed at spawning the establishment of numerous new entities, via a multiplier effect, that will generate economic opportunity and employment.

The project operates in the decentralization and LED space that is occupied by several development partners. MRDI and other national entities and the municipalities themselves have worked with development partners to help allocate the support across the country to help eliminate repetition or competition. There is some overlap or competition for attention but not in the same regions for the most part. The various development partners and their project teams coordinate more on an ad hoc basis than a formal basis. Discussions with other development partner projects have shown that there is on the ground collaboration. There is awareness of the FRLD2 project and most see the project as another intervention to help advance decentralization and LED over the medium to long term. As mentioned in other parts of this evaluation, more development partner cooperation is needed at the central and local government levels with MRDI being the central coordinating point. Several of the development partners see that UNDP has a comparative advantage in helping strengthen coordination in this subject area.

#### 2. Project Implementation and Performance

Project implementation and operations are ongoing. The project structure and management is responsive to project needs. There was a change in the Project Manager during the first half of 2019. The new Project Manager was previously one of the two Project Coordinators. The transition has been smooth with a clear increase in project activity. There has been much oversight by the project’s donors that has been critical and may now be impeding attention to implementation. At times, it was not clear if the project management and staff were responding to the donors or to the project’s stakeholders.[[24]](#footnote-24) One of the Project Coordinator positions is open with shortlisted candidates being interviewed at the time of the evaluation.[[25]](#footnote-25) Given the pace of work and needed focus on outreach to the municipalities and their respective communities, the project should remain fully staffed for the remainder of the term. External expertise, either locally or internationally should be added as needed depending on the subject areas being addressed to supplement staff knowledge and expertise.

Feedback on staff performance has been positive from an MRDI and municipal government perspective. The project management and staff have been responsive to their information and support needs as well as conducting activities that appear to them to be value added.

Project implementation performance has progressed.[[26]](#footnote-26) Initially, an emphasis was on Outcome 1 to develop the policy framework so the project, and other decentralization and LED activities, had guidance on the application of activities and resource allocation. Such an approach makes sense since the absence of a policy framework could cause a misallocation of resources and activities could get ahead of central government interests and municipal government readiness.

At the outcome level for Outcome 1, of the 3 indicator targets, 1 indicator was over achieved (3 policies/political adopted versus the target of 2. The resulting documents include the decentralization strategy and high mountain development strategy and accompanying action plans. The project provided inputs and assistance to both strategies and action plans and are key achievements. The development and acceptance of these plans may have taken longer than expected but the delays were not the fault of the project.

The second indicator of competencies delegated to municipalities, 1 competency was accepted and another is in progress. With the target being 4 competencies delegated, 2 more are needed. The decentralization strategy provides sufficient attention to this subject so that the project can assist with the transfer of additional competencies. There are project plans in place to fully address this indicator.

The third indicator is the percent increase in the share of municipal government budget in consolidated budget as a result of the improved fiscal transfer scheme and/or local tax income and private investments. To date a 9.8% increase has occurred with a target of 13%. There appears to be continued interest in increasing municipal government fiscal transfers from the central level. There is, of course, interest by municipal governments to develop their revenue sources from the central level as well as increase local revenue generation. LED, either spurred by the project or other general economic development will help to increase the percent to the target, and potentially past the target. It should be noted that other development partners are also working on increasing fiscal transfers to the municipal level.

At the output level:

Output 1.1 LED related aspects of decentralization strategy at the local level and action plan implemented by municipalities and central government institutions.

* + 1. Percent of activities implemented from the action plan – Currently, there are 38% of LED activities being implemented with project support. This progress is already close to the target of 40%. This shows the project was working on these efforts prior to the decentralization being approved. However, these are not “one-off” activities and will require attention for the remaining term of the project.

1.1.2 Percent of increase in local budget revenues as a result of the implemented activities – Currently, there has been an 11.5% (based on planned 2019 municipal budgets) increase compared to a target of 30%. With the national VAT tax now a shared tax (as of January 2019- 19% of collected revenues to go to local municipalities), this figure may increase. It is difficult to attribute budget increases solely to project activity. Many external factors should be considered. However, the project should continue to advocate for increased share of generated revenue as well as concentrate on LED activities of Outcomes 2 and 3. Other project activities may contribute to business formation and expansion that may result in more local tax revenue.

Output 1.2 LED initiatives from the Mountainous Development Strategy and Action Plan implemented by municipalities and the central government.

1.2.1 Percent of activities implemented from the action plan – 18% of LED activities contribute to the action plan compared to the 30% target. This indicator is on target with activities accomplished, ongoing or planned. Collaboration will need to be continued with MRDI and municipalities in the target areas.

1.2.2 % of increase in local budget revenues collected from local businesses as a result of the implemented activities – This indicator is off target. There has been a decrease of 6.9% of local budget revenues collected from local businesses (target 12% increase). The underperformance can be at least partially attributed to some taxes (on private entrepreneurs, property realization, gifting of property to a physical person) has been transferred from local budgets to the national budget. And, tax exemptions for local businesses were envisaged in the law on High Mountain Region Development. The project is advocating for retaining a share of income tax at the local level through the decentralization strategy.

Output 1.3 National and local capacities strengthened to facilitate LED.

1.3.1 Percent of civil servants trained in LED related qualifications – 308 local civil servants trained, over the target of 300. Of the number trained 90 women (29.4%) and 216 men (70.6%). Data is not provided for the number of youth trained. While the target is met additional training may be needed more related to Outcomes 2 and 3.

1.3.2 Percent of additional learning instruments introduced to support capacity development of local officials in LED – 2 learning instruments developed (5 target) to include a guidebook on LED for municipalities and the methodology on municipal development planning. The project is developing the LED Capacity Development System Model. The model is to be tested in nine municipalities. A contractor has been selected to implement the model. The indicator is on track.

1.3.3 Percent of civil servants participating in planning an implementation of new LED initiatives - 383 civil servants (148 or 39% women and 235 or 61% men) were trained in 34 municipalities to update municipal development planning documents with a focus on LED. While the target is over achieved (200 target), attention is needed to document completion, implementation and monitoring.

Output 1.4 Package of policy initiative to enhance LED enabling environment prepared and advocated by NALAG as a result of consultations with member municipalities and adopted by GoG.

1.4.1 Number of gender sensitive policy proposals supporting LED elaborated and advocated - 4 recommendations have been elaborated and advocated (target 4). 3 of the 4 are accepted with one waiting parliamentary approval.

1.4.2 Number of advocacy activities including meetings, workshops, presentation and negotiation with relevant institutions, such as MRDI, MoED, MOF, Parliament and other – 21 advocacy activities accomplished, over the 20 activities targeted.

1.4.3 Number of policies (gender sensitive) adopted as a result of advocacy activities – 2 policies were adopted and 1 is in the decentralization strategy (target 2). The VAT sharing with local municipalities and property transfer regulations have been adopted but it appears that more advances are needed to increase local share of revenue and increase the amount of property that could be transferred. A recommendation was made on citizen participation and is being implemented through the MDDs and by various municipal government citizen advisory councils.

Outcome 2 to strengthen municipalities and community centres to deliver relevant services and incentives for the business environment and social economic actors is partially accomplished with attention needed during the remaining two years. The key achievement is the building and operation of the two community centres. However, attention is needed to other outcomes and indicators. And, there should be a review of indicators to see if they are necessary given lack of data or undefined parameters according to SMART indicator criteria.

At the outcome level, of the 7 indicator targets, 2 indicators are being achieved while the remainder are under target or not yet measured.

The first indicator shows 39 municipalities (target 23) have LED measures incorporated in the MDDs including gender sensitive and environmentally sensitive related measures. The MDDs still need to be adopted and implemented and insure links to municipal budgets.

The second indicator is the percent of new gender sensitive and environmentally sustainable LED related measures from municipal developments plans and budgets. Activities for this indicator are in progress. This applies to implementation of the LED Initiative Program for Municipal Governments s and the MDDs. Attention is needed on implementation and collecting data to address this indicator.

The third indicator is the number of new gender sensitive and environmentally sustainable LED related measures planned and implemented. It has been addressed in 1 municipality (target 8) with progress in 8 other municipalities.

The fourth indicator is the percent increase in municipal budget allocations for new LED initiatives in project target municipalities. This indicator is not yet measured (target 20%). This indicator should be reconsidered following SMART indicator rules. A precise definition of LED is needed to be able to measure it accurately for such an indicator especially in terms of public financing. There must be clear criteria of what is considered an LED public investment. For instance, if municipalities start financing business activities, they may be crowding out businesses or subsidizing private sector activity. This indicator needs to be better thought out or removed.

The fifth indicator is the percent increase in central budget allocations for new LED initiatives in project target municipalities. This indicator is not yet measured (target 20%). The same comment as the previous indicator applies. Nationally or locally funded infrastructure development may fall into this category. Specific criteria should be developed so the indicator could be measured. If not, the indicator should bee eliminated.

The sixth indicator is the number of new businesses/extended businesses in project regions increase by 500 with at least 30 percent owned/run by women and/or youth). A total of 7,300 new businesses have been registered in project regions (2,454 or 34% owned/run by women). This indicator is achieved. However, the statistics should be monitored annually to see if there is turnover in the businesses (how long they stay in business) and the number of new business created in years 3 and 4.

The seventh indicator is the number of people employed by new business/extended businesses. The target is 1,000. Data has not been collected because of a lack of a data source according to the project office. More research is warranted to find a data source. A suggestion is to use general employment statistics for the targeted regions and not changes year-to-year. However, it would be inaccurate to attribute employment gains and losses solely to project activity. There are other factors to be considered that are macro and micro economic related.

At the output level:

Output 2.1 Municipal profiles and business support services are in place to attract potential investors and entrepreneurs.

2.1.1 Number of municipalities with LED profiles – The toolkit for drafting the investment profiles is being developed according to international best practices. The 8 municipalities are to be selected (8 target). The indicator appears to be on target if municipalities are identified soon in year 3.

2.1.2 Number of municipalities with land use and zoning documents – 1 is in progress in progress with MRDI (target 3). The project is working with MRDI to identify other municipalities.

2.1.3 Number of municipalities with focal points to provide guidance to potential investors promotion – The activity is planned for 2020 with a contractor working with focal points to increase capacity.

2.1.4 Number of investors applying to focal point’s services – This indicator can only be addressed after the accomplishment of the previous indicator. Focal points should also receive training on accurate data collection for related indicators.

2.1.5 Number of business projects initiated in target municipalities as a result of provided support services - Same as previous comment.

Output 2.2 Municipalities and private sector implement pilot LED initiatives in the areas of tourism, agriculture, trade facilitation, etc.

2.2.1 Number of joint LED activities piloted – 1 joint LED initiative piloted (target 4); 8 other initiatives are in progress. In addition, the project is working with municipalities that didn’t receive funding through LED Initiative Program for Municipal Governments to include LED initiatives in their MDDs.

Output 2.3 Local stakeholders facilitate cross border cooperation.

2.3.1 Number of LED forums (Georgia-Armenia, Georgia-Azerbaijan) organized – 1 cross border business and trade event conducted (Georgia-Armenia) (target 2). The planning for the second event has been hindered by the global pandemic crisis, affecting Georgia among other countries in the world.

Output 2.4 Performance Management System (PMS) complemented with Best Practice Programme in place to foster better service delivery and share the knowledge.

2.4.1 Number of services with performance management instruments – While the target is 1, 2 services are currently under development for street cleaning (streets, parks, public gardens and other public spaces) and waste management.

2.4.2 Number of municipalities with established PMS – The PMS methodology is under preparation. Once completed, it will be piloted in 8 municipalities (6 target).

2.4.3 Number of municipalities replicating the PMS – Once the previous activity is completed, the plan is to replicate the PMS in 15 municipalities (11 target). Attention will be needed to overachieve targets for 2.4.2 and 2.4.3.

2.4.4 Percent of local businesses reporting improvements in their activities as a result of PMS – Not yet tracked given above indicators are not yet achieved. Collecting such data from private sector businesses will be difficult. There does not appear to be training included for private sector in other indicators or activities. The PMS will at least be applied to contracted out public services and the indicator should apply to those businesses. Applying to 40% (target) of businesses is unrealistic.

Output 2.5 2 Community Centres in selected border areas in place and functioning.

2.5.1 Number of individuals applying to community centres – The two community centres were built and are operational (1 in December 2019 and 1 in January 2020). A target is 4,000 (1,000 per year). The indicator is not yet measured. The statistics should be made available to the project office, disaggregated to include women and youth. Information is to be gathered in 2020.

2.5.2 Satisfaction of citizens using community centre’s services – The indicator is not yet measured per the previous comment. Satisfaction statistics are planned to be provided in 2020. Information is to be gathered in 2020.

Outcome 3 is to empower CSOs and local businesses to participate in inclusive LED planning and decision-making is also partially accomplished with attention added during the remaining two years.

The first indicator shows that 14.6% (12% target) of citizens participate in targeted local decision-making and/or budget planning in 23 municipalities. There are differences between the 4 regions but all are above the target. A public awareness campaign is ongoing in cooperation with the DGG projects.

The second indicator shows that 34 local SMEs and entrepreneurs (23.5% women, 11.7% youth) benefitted from new local economic initiatives. The companies are those that participated in the “Guria Tea Route” exhibition in Ozurgeti municipality. The municipality said they would sponsor another similar exhibition on their own. Other municipalities said they would exploit their wine routes and other initiatives. The LED Initiative Program for Municipal Governments and CSO small grant scheme also fall under this indicator, as does the collaboration with Enterprise Georgia. The target is 200 businesses so data should be collected on an ongoing basis from the various initiatives.

The third indicator is the percentage of population who believe decision-making is inclusive and responsive. For the four target regions, 45.7% have responded positively composed of 43% women, 49.1% youth, 29.45 ethnic minorities and 51.9 vulnerable groups. There is no target for this indicator as of this time. The target is to be determined by a 2021 satisfaction survey.

At the output level:

Output 3.1 Local Communities are equipped with relevant knowledge and skills to engage in LED initiatives.

* + 1. Percent of population with understanding knowledge of their rights and roles to engage in LED in 4 regions – For the 4 regions, 13.3% (11.4% women, 19% youth) with 30% the target. All 4 regions are below target with one extremely low (Kverno Kartli). An effort should be to increase advocacy in all regions to achieve the indicator.
		2. Number of local CSOs and businesses, business associations with strengthened capacities in sustainable LED – 59 CSOs and SMEs (43 women, 26 men) have strengthened capacities (target 20).
		3. Number of CSOs engaged in participatory planning of sustainable LED initiatives – 12 local CSOs (9 led by women) were engaged in participatory planning of 7 LED initiatives funded through the small grants scheme (target 25). Continued activity in this area is planned including a second round of the small grants scheme.
		4. Number of businesses engaged in participatory planning of sustainable LED initiatives – 39 businesses (10 owned by women; 4 by youth) from 24 municipalities were involved in LED planning teams facilitated by a project contractor and collaboration with the DGG project. While the target of 15 was achieved, further follow-up activities may be warranted to see how the intervention impacted the businesses and if the training could be easily replicated to reach a wider target group.

Output 3.2 Capacities of LSGs and Civil Advisory Councils strengthened to effectively apply citizen participation mechanisms.

* + 1. Number of sustainable LED initiatives implemented by LSGs as a result of advocacy measures of Civil Advisory Councils and business associations – 8 municipalities were provided funding to implement LED initiatives involving Councils (target 8). The project plans to continue to work with the Councils and business associations to improve their LED advocacy capacities.
		2. Number of municipalities applying the guidelines to address citizen enquiries – In progress in 1 municipality (Marneuli). The project is also working with Rustavi municipality. The target is 5 and appears to be on-line to project completion.

Output 2.3 CSOs design and lead participatory LED activities

2.3.1 Number of consultation meetings with advisory councils held in project target municipalities – This indicator is in progress with no clear measurement to date and project plans to address in years 3 and 4. The target is 50.

2.3.2 Number of sustainable LED initiatives implemented by CSOs through small grants scheme – 7 (5 led by women) were funded through the small grants scheme in 2019-2020 (target 20), at least 25% led by women or youth). A further round of the grant scheme is scheduled for 2020. To meet the target, the number of grant recipients has to be expanded to 13 for the second round.

Most activities have been for Outcome 1. While the main pillars are in place, the policy framework does need constant attention to further the decentralization efforts that will facilitate LED. Areas that need attention are further devolution of public finances and decision making to the local level, devolution of services and the authority to manage or contract out, and further progress in property transfer. UNDP, ADC and SDC can further collaborate with the project team, MRDI and other development partners active in this space to further evolve the policy, legal and regulatory framework.

Attention is needed to Outcomes 2 and 3. This is not a result of underperformance but more of a result with time and resources devoted to Outcome 1 during years 1 and 2 and putting the building blocks in place to fulfill Outcome 2 and 3 indicators. It is also a matter of a project time line. Not all project activities could be addressed at once given the limitations of project personnel resources as well as the absorptive capacity of central and municipal government activities. Also, advocacy with stakeholders such as CSOs and businesses, take time. No alternative strategies are being recommended given that 2 years remain in the project’s lifecycle. A carefully crafted 2-year work plan, recommended below, is needed to help address the areas that need attention so they are addressed in a timely and effective manner.

If a deficiency exists, it is in the design of the logframe and the many indicators. There is a strong emphasis on data collection and reporting given the 3 layers of indicators (goal, outcome and output). The goal indicators are macro and challenging to attribute their performance to project activity or performance. Some of the outcome and output indicators do not have data collection methodology yet – either those should be developed soon or be eliminated. Some of the indicators are very similar and providing much of the same information. And, much time is spent on indicator statistic gathering and reporting. The monitoring and evaluation staff person is shared 50:50 with the DGG project. Unfortunately, that person was absent during this evaluation period due to maternity leave.

Various contractors (individuals and companies) have also been engaged to do assessments, Performance Management System design, capacity assessments, MDD methodology training, \investment profiles, etc. No negative feedback has been received from contractor performance. Given the amount of contracting out during 2019, attention is warranted to provide oversight of contractors to ensure intended results are being accomplished. Project team time should be sufficiently allocated to do this monitoring and insure quality delivery.

Annex D provides a list of project personnel and contractors.

**Table 9: Project Financial Expenditure Status as of 31 December 2019**

|  | **Total Budget** | **Total Expended** | **% Remaining** |
| --- | --- | --- | --- |
| **(SDC, ADC GoG**) |
| Outcome 1: National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development | 870,000 | 500,281 | 42.5 |
| Outcome 2: Municipalities and Community Centres are Strengthened to deliver relevant services and incentives for the business environment and local economic actors | 1,948,002 | 727,642 | 62.6 |
| Outcome 3: CSOs and local businesses are empowered to participate in inclusive LED planning and decision making | 1,169,848 | 365,083 | 68.8 |
| Project Management Total | 1,090,988 | 487,155 | 55.3 |
| *Total Net* | 5,078,838 | 2,080,161 | 59.0 |
| General Administration Fee | 406,307 | 166,413 | 59.0 |
| **Grand Total** | **5,485,145** | **2,246,573** | 59.0 |

Source: Project Office. Full financial table is provided as Annex H.

A review of project expenditure shows that expenditure is following the implementation of project activities. Most activity has been in Outcome 1 (42.5% of budget remaining), as reflected in the number of outputs accomplished to date or at least underway. Given more emphasis on Outcomes 2 and 3 during 2019 (62.5% and 68.8% remaining, respectively), expenditure is not quite at the halfway point yet and these are the areas where more attention is being given and is needed. There are also committed funds under Outcomes 2 and 3 to follow through on planned activities such as funds for the LED Initiative Program for Municipal Governments, further work on MDDs and investment profiles, and further outreach to CSOs.

Project management expenditure is on target (55.3% remaining) and in line with the delivery rate of all 3 outcomes and their respective activities. Overall, while the project is at its mid way point, the budget is not, even given an increase in expenditure in 2019. Careful attention is needed to monitor the results of recent spending. As well, the 2-year work program recommended below can help to plot out activities and accompanying spending for the remaining two years. It should be noted that expenditure, and accompanying activities, should not be rushed to be completed by the project deadline. If during 2021 it is seen that substantial funds will remain, a no cost extension should be considered. A complete budget and expenditure table, by outcome, output and program management, is provided as Annex H.

Based on the above review of project outcomes and outputs and the budget expended to the end of 2019, activity appears to be in line with expenditure. There is not over expenditure for any one area. There is under expenditure for Outcome 2 and 3 but this aligns with rate of delivery. There are no efficiency issues. There is an effectiveness issue for Outcomes 2 and 3 that deserve attention as indicated in other parts of this report in terms of more of a focus these two areas for the remainder of the project timeframe. Project personnel understand this and activities within these two outcomes were ramped up in late 2019 and into 2020. If the continued emphasis is on Outcomes 2 and 3 while still maintaining activity on Outcome 1 (but to a lesser degree than in the first two years), effectiveness should even out during the last two years.

The project activities and progress to date remains consistent with the Theory of Change as expressed in the Project Document.[[27]](#footnote-27) The problem statement of the theory remains relevant and the action statement is being addressed:

“The given context indicates the need to refocus development assistance from central to local level, provide targeted assistance directly to localities as well as design and carry out tailor-made sub-national development policies together with local stakeholders (municipalities, business, CSOs, community groups). At the same time, it is also important to maintain and upgrade national policy framework and reinforce resources, competencies and capacities available to local stakeholders as a foundation for promoting bottom up regional/local development.”

Direct responses to the above statement include: improvements in the national policy framework especially the mountain and decentralization strategies and action plans and associated devolutionary changes; the upgrading of the MDDs and creation of investment profiles, various training efforts at the local level, emphasis on citizen participation, municipal and CSO grant schemes, etc. In terms of the theory, the project is on track at this mid-term point.

As mentioned earlier in this section, the monitoring and evaluation of the project is ongoing and it appears that substantial effort is placed on gathering, documenting and reporting on indicators. The semi annual and annual reports provide updates of this data, as the data is available. The system that is in place by the project office seems to be working. All data that is reported in semi annual and annual reports are linked to the log frame. Data requests for this mid-term evaluation were provided in a timely manner even with the absence of the monitoring and evaluation specialist. While the data was provided, it is obvious that these requests have taken time away from management and staff on other tasks to continue project delivery. There is also a cautionary note that some data depends on sources that only collect the relevant data annually or is only done periodically. Thus, if there are lags in data, it is mainly because of the cycle of the data producer.

Project reports and interviews show project management and staff document all activity. They have identified areas where data is weak or non-existent and in some cases have tried to fill the gaps. But there are gaps such as with first two goal indicators.

The project has been resourceful in sharing information with the main counterpart entity, MRDI, and with and amongst the municipalities and some of the CSOs in the region. The project is known in the four regions. Part of the effort is aimed at a “multiplier effect” whereas the project starts pilot interventions before expanding them to all four regions. This methodical approach has helped to iron out issues and deliver interventions in a more efficient and effective manner. There seems to be constant internal learning to improve delivery. Contractors are used as needed to support activity implementation with most being in-country sources. And, communications with municipalities and CSOs in the regions appear constructive with the project team seen as a resource to help advance on interventions as needed.

The project is also known by at least the other development partners interviewed during the in-country visit. There does seem to be exchanges of information and discussion between development partners active in this space, or at least other development partner project/programme managers and staff. UNDP and the project office have a positive relationship and UNDP’s processes and practices appear to be utilized with no apparent issues arising during the time of this mid-term evaluation.

#### 3. Findings and Lessons Learned

The following are a set of key findings:

*Decentralization and Local Economic Development are happening.* Decentralization is a fact and numerous laws, policies and strategies have been developed and implemented. This legal/regulatory/policy framework is essential to allow for LED to occur. As referred to by one of the interviewees, “the pipes are present” to allow the progression of decentralization and LED. Municipalities are interested and becoming better prepared to facilitate, participate and direct the efforts. There is local “ownership” of the process to some extent that will contribute to sustainability. The project’s donors need to be medium to long term oriented since it will take time for the evolution to occur.

*Project Slow Start and Confronted Impediments.* The project had a slow start that can be attributable to: 1) change in MRDI senior management and time for that management to be comfortable with advancing the project’s agenda; 2) establishment of the appropriate policy framework so that changes can occur; and 3) establishment of relationships with and conducting of assessments of the four targeted regions and their respective municipalities. There was time needed to establish relevant and “engaged” relationships in municipalities and generate interest and initial capacity. The project did confront some of the risks identified in the project document.

*Central versus Local Struggle.* With the development of the national framework, there is still a struggle between what is done at the national level and what is done at the local level. Further attention is needed to decentralize and devolve funds, decision making (and planning and implementation), and services to the local level. The project’s interventions are to alleviate some of this struggle or tension and help to move things forward so there is a benefit to both levels’ understanding and successful decentralization and LED. More success could occur if more formal cooperation between the national government (led by MRDI) with development partners active in the space.

*Strong Emphasis on Tourism Development and Need for Economic Diversification.* There is a strong emphasis on tourism sector development. While tourism is an avenue for development it is not the only sector that should be concentrated on. A business development framework and enabling environment is needed consisting of facilitating: 1) agriculture and agribusiness (including downstream processing), 2) manufacturing and/or assembly, and 3) information technology, 4) business support and other services (finance, accounting, legal, transportation, communications, wholesale/retail, etc.). General economic and development training may contribute to this understanding as well as case studies of local level enabling environments in other countries. It should also be defined what is the municipal governments’ role in this area in terms of providing business support services for entrepreneurs, micro and small business to begin and grow. There are some efforts in this area by other development partners and Enterprise Georgia that may be applicable to the four target regions. Also, the project may want to gather experience to date, especially with the initial implementation of the grant schemes, to see what can be specifically done to involve women, youth and vulnerable groups in further business development. There are some examples under the grant scheme of initiatives that will provide “mulitpier effects” i.e., spinning of more businesses. If such efforts succeed some replication may be warranted with the project providing catalytic support either through grants (via the next round of grant schemes), mentoring by successful multipliers, or modeling successes.

The following are a set of lessons learned:

*Emphasis on Strategic Planning.* With the Mountainous Area Development Strategy and Action Plan (2019-2023) and Decentralization Strategy (2020-2025) and Action Plan (2020-21), and other policies and laws, the strategic framework is in place. The strong emphasis for the future project activity (and decentralization and LED in general) must be on implementation and monitoring of these strategies and action plans. The strategies appear to have cross national government support, municipal government support, and development partner support. Both MRDI and municipalities need support in implementation and monitoring. As the strategies go through implementation there will be the need of adjustments given national government and local government needs and capabilities as well as the implementation and results of development partner activities. Collaboration between ADC, SDC, UNDP and possibly other development partners, in coordination with the project office, can help to advance the policy framework.

*Attention to Private Sector-Oriented Development.* There does not seem to be a consistent or comprehensive understanding of local economic development amongst national and local government officials. There is a general definition in the project document.[[28]](#footnote-28) There is still an emphasis (depending on municipality) on government driven and participatory economic development. Some of this is a natural reaction to the social and economic development and training over the years. And, public sector initiatives are needed in terms of providing the enabling environment for private business development and making public investments so the necessary infrastructure is in place to allow for commerce (roads, bridges, utilities, etc.). That said, there needs to be a more conscious effort to focus on private sector led economic development and a clear definition of local government role, private sector role and the role of CSOs. There is also room for advancing more of a public-private sector approach. The project’s grant programs (municipal, CSO and promotional activities with Enterprise Georgia) are good ways to apply this approach. As well, general economic development training at the local level would be helpful.

*Participatory Approach Appear to be Working.* Efforts to include various stakeholders are happening. Civic Advisory Councils or other such bodies are working and outreach efforts are happening at least in the municipalities visited. This has included women, youth and other vulnerable groups such as minority groups and people with disabilities. Also, the CSO grant scheme has had some positive impact and unique ideas to facilitate participation, outreach and economic development approaches using creative local initiatives. CSO participation is critical and its participatory emphasis should be continued throughout the project term.

*Community Centres Built, Used and Appreciated.* The two community Centres built under the project are completed. The Centres are high profile. The Chrebalo Community Centre was visited. It showed the cooperation of donors with central government (Ministry of Justice) and local governments and communities. As the Ambrolauri municipality Vice Mayor said, “that center has changed peoples’ lives.” The Vice Mayor’s statement was authentic and unsolicited.

*Municipal Development Documents Are Being Developed and/or Near Completion.* There was support for the Municipal Development Document (MDD) process and training. The feedback was very enthusiastic since it changed their understanding of planning in general and economic development, specifically. The MDD’s also relate to the project’s Theory of Change and improves upon the efforts achieved in the original FRLD project. Support was evident amongst political authorities as well as the civil servants who are preparing the MDDs and participating in the training. The feedback on the consultant engaged for the effort was positive with responsiveness rated high. There appears to be no conflict between the MDDs and the more budget-oriented Priority Documents at the municipal level. There was a clear understanding of the differences between the two at the municipal level though that cannot be said of some development partners. The Priority Documents, as defined by the Ministry of Finance and accompanying law, are budget documents and are to budget national and local public resources, including for public financed LED at the municipal level. This Priority Documents are process being developed with the support of a development partner according to the law.The MDDs are broader documents that are more strategy oriented and could include other non-public funds, public-private ventures, etc. There was an effort, through the project, to gain an understanding of the differences between the two processes and allow for further discussions.[[29]](#footnote-29) Training was designed by an external contractor and continues to be implemented so that the MDDs are useful and effective documents. There is also an understanding that the documents complement one other. As one person said, “they are sister documents,” and others had such similar remarks. Representatives at the municipal level see the benefit to their municipalities. There appeared to be active civil society participation in MDD preparation. Such participation is necessary to make the MDD’s “living documents” that reflect community interests. Once the MDDs are completed, an emphasis is needed on their implementation and monitoring and project support should be ongoing in this effort. It should not be “one and done.” There should be full attention through the planning-management/implementation-monitoring/evaluation cycle. This monitoring should involve if the civil society participation is continuing so it is a sustainable and a built-in part of the process. The cycles of activity will help improve sustainability and any feedback the project (possibly through its contractor) can provide will add to sustainability. There are also other components of Outcome 2 that can contribute to improving civil society participation so that targeted and responsive measures are included in the MDDs.

*Grant Scheme Awareness and Participatory Interest.* The grant schemes seemed to have a slow implementation period given the above reasons. In retrospect, it was probably a good thing that other components of the project advanced first so the project was not viewed as a grant providing donor initiative. That occurrence could have sent the wrong signals. A review of scheme documentation shows an organized approach and qualified selection. The question is now how many more rounds should take place? Also, the criteria for the grant schemes should be reviewed. For instance, as mentioned above, the LED Initiative Program for Municipal Governments should not fund municipal government activity providing a good or service that can be done by the private sector. For example, a municipal government can rehabilitate a tourism site. But, services, such as handicraft merchandising, rafting, horseback riding, etc. should be done by local private sector participants or non-governmental organizations. Collaboration with Enterprise Georgia on their grant and Growth Hub schemes should continue and possibly be strengthened during the last two years of the project.

*Programme Approach Shows Complementarity.* The FRLD2 and DGG projects are part of a programmatic effort. They share the same office space. There is some collaboration and coordination between the two projects (sharing of staff, cosponsoring events, collaborating on activities). Such collaboration should continue especially when dealing with the government stakeholders so there is a unified approach and there is not competition between the two efforts. There appears to be some efficiency between the two projects since both projects share the same office space some staff (for legal and monitoring and evaluation roles) and specified activities.

*Decentralization of Public Services.* Related to the above regarding the programmatic approach and in coordination with other donor efforts, a next step appears to be the devolution of public services to the municipalities. While some of this is happening, a further cycle of activity is needed and is part of the decentralization strategy. The project should find targeted interventions to help make progress on this topic. The effort for the Performance Management System for Street Cleaning and Waste Management Services in 23 municipalities is a good example of this effort. Another area is property transfer and how such property can be used for LED including expanding efforts on spatial planning beyond the current pilot scheme with one municipality.

*Development Cooperation Coordination at the Central Level –* Decentralization and LED are areas of priority by the national government and by development partners. There is some coordination being done between government and development partners as well as among development partners on their own. The project has sponsored workshops and other events that have involved different development partners and government entities at the national and local levels. Other development partners have done as well (such as for Public-Private Partnerships which also involved the project). There is an opportunity to have a more formal government - development partner coordination approach led by MRDI with the involvement of NALAG. Such an approach can facilitate programme/project definition, implementation and monitoring. It can also help in coordinating government input and responses to the policy framework that is much needed.

*Development Cooperation Coordination at the Municipal Level –* The municipal governments have limited human resource capacities and organizational structures that are not deep. They are being approached by various development partners to plan, implement and monitor/evaluate interventions and government activities as well as implement participatory planning, budgeting and other decision-making. While there has been some coordination of development partners in respective regions and municipalities, a continued coordination effort is needed so as to most effectively apply the assistance being provided. Group efforts or at least group meetings with municipal officials and development partners may be warranted in some cases.

*Project Management, Implementation and Oversight:*

* *Project Logframe and Indicators* – The project logframe has three layers with general indicators as well as outcome and output indicators. Activities are separated out. It is complicated and may have been a challenge for implementation and is a challenge for reporting. There are a total of 53 indicators to be measured (DGG has 20). It is a challenge to get up-to-date statistics and other targeted info on a semi-annual or annual basis or even a multi year basis for some indicators unless specific surveys are done.
* *Project Communications and Oversight –* Given the slow start, there has been concern by the, project donors, SDC and ADC, that was relevant. With the increased implementation rate experienced since mid 2019, intensive oversight has continued, as have critical comments and information requests and approvals sought that appear to absorb the time of project personnel. This observation was a result of interviews with SDC and ADC, interviews with UNDP, and interviews with project management and staff. Also steering committee agendas, meeting notes and other documents were reviewed to contribute to this observation. A review of the project logframe results to date show the project is accomplishing what was originally planned though there has been some catch-up. Project management and staff are competent in execution and reporting and have shown commitment to not only implement activities but also collect disaggregated data on all indicators, as available at this time. Feedback from MRDI and municipal officials were positive with satisfaction with project activities and project office attention and responsiveness. There is a high risk of project management and staff becoming oriented towards responding to donors instead of stakeholders, if this is not already happening, and turning the project office into a donor secretariat. The pressure can also lead to staff departures or negatively impact attracting good staff or contractors. There is also reputational risk with the government (namely MRDI) and other development partners. A more positive working relationship and a constructive way forward are needed. Project personnel should be facing toward serving the municipalities at this point to accomplish Outcome 2 and 3 activities and less on being oriented to donors to seek approvals and provide for information needs. There should be no decrease in transparency or information provision though information provision has to be simplified and not as resource demanding, as suggested in the next bullet and in Section IV, below. UNDP, ADC and SDC should be working with the project office to help further advance the decentralization and LED policy framework at the national level, as needed and in cooperation with other development partners.
* Project Reporting - The project has been producing semi-annual and annual reports. To help in communication with donors and MRDI, quarterly technical meeting could facilitate relations in a timely manner, replacing the day-to-day communications and information requests.
* Project Staffing – There have been changes in project staff including a change in Project Manager. International expertise appears to be several short-term interventions.
* Focal Points – Focal points in municipalities appear to be active on project related activities and in contact with the project office. Focal points and other municipal management/staff seem to benefit from the exchange of information and experience amongst colleagues from other regions and municipalities. Other country experience is also sought but there must be careful consideration of how such other country experience is related to the Georgia context.
* *Project Financing and Contract Monitoring –* Project delivery has increased and with it the increase of contracting-out leading to component outlays of almost 50% of budget financing. These contracts need to be carefully monitored to ensure outputs are accomplished in a quality manner. Lessons learned should be recorded for each major contract and the outputs achieved. There should not be the attitude or emphasis of reaching full expenditure by the end of year 4. A no cost extension may be needed, especially in regard to completion of grant schemes.
* *Annual Work Plan –* a two-year work plan should be developed to identify the activity areas (per output and outcome) for 2020, in a more specific manner, and 2021, in a more general manner, so as to allow for adjustments based on 2020 performance. The work plan will help determine what can realistically be achieved and begin setting the groundwork for a no cost extension and/or a further related project intervention. The work plan should be agreed to by MRDI, UNDP, SDC and ADC. Such a review could also be done with the DGG project and DANIDA.

#### 4. Key Risks

There are three key risks for the remainder of the project timeframe:

*1. Political and Governance Environment at the National and Local Level.* A risk at project initiation and throughout the first 1.5 years was the change in the governance environment with changes at the main counterpart agency (MRDI) as well as adjustments in the legal, regulatory and policy framework. Such changes may be experienced in the last two years especially given parliamentary elections in 2020 and other elections in 2021. Despite potential changes, the project should continue to implement its work program since most of its activities are aimed at the local level. Even if roadblocks do occur, the project needs to show flexibility to adjust and move forward. Municipalities and CSOs will need to be continuously engaged to help maintain momentum and ingrain processes and capacities.

*2. Project Management, Oversight and Reporting.* As indicated above, a formal communication and reporting plan is needed with the project donors so the project team can concentrate on executing the project and be forward facing to stakeholders. If project donor information and reporting demands as well as intermittent input into project planning and review of all project plans/activities continues to occur, it will slow down the accomplishment of outcomes and outputs and have other repercussions (management/staff performance and continuity, and project office, UNDP and donor reputational risk). The project team needs to be oriented towards stakeholders.

*3. COVID-19 Pandemic.* In March 2019 the spread of a novel strain of coronavirus (COVID-19) was termed a pandemic by the World Health Organization (WHO). The pandemic is having significant effects globally, including in Georgia. The effects of these events is ongoing and being responded to by UNDP and the project management and staff. The extent of the impact on the project will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. While some project activity may continue during the crisis, a reevaluation of the timeline should be considered to ensure project completion in a reasonable manner or if any project outputs should be adjusted.

#### 5. Conclusions

As previously mentioned, the “pipes” are in place for further decentralization and LED to occur with the changes in the legal and policy framework, the adoption of the two strategies (decentralization and mountainous area development strategies) and accompanying action plans, and the political and public administration will to advance decentralization and LED. Much of the emphasis has been on planning and reform. With the main pipes in place, there needs to be more emphasis on implementation and monitoring. This means application of such things as property transfer, allocation of national budget resources, development planning and investment development to the local level as well as addressing other components of the action plans of both strategies.

The focus on implementation and monitoring has a direct relationship to the project since Outcomes 2 and 3 are more oriented toward building the necessary frameworks and capacities at the municipal level and has more of an implementation focus. While some activities have taken place under these components, there is room and project financing available to address the outputs identified at a greater pace and possibly more in depth than the first two years of the project. The identification of clear activities to take place over the next two years in a realistic work program will help to set a roadmap to project end. The emphasis should be on activity identification and completion so they are responsive to the outcomes and outputs.

Also, the focus on implementation and monitoring calls for more development coordination at the central and local levels. Such coordination will allow development partner resources to be targeted to priority regions and issues. With the EU planning a large multi year intervention effort in the next year or two, such coordination will become more essential. MRDI should be the key coordinating point with project support to conduct this coordination role. NALAG should have a supporting role. At the local level, it is important for project staff to coordinate on the ground with other development partners to ensure there is no repetition, competition or burning out of local counterparts.

As the current framework is applied in the four target regions as well as in other regions by other development partners, there will be lessons learned and adjustments that could feed into a further round of decentralization and LED reform via legal and policymaking at the national or local level. By the end of year 3, some shortcomings of the current framework will be more evident. This is normal in such a long-term reform effort as such a development framework must be adjusted periodically to advance. The project, based on its experience and expertise, should be part of this discussion and a collaborative partner with its stakeholders to help advance the decentralization and LED agenda. Such an effort could help design future reform and development interventions.

# Recommendations and Possible Ways Forward to Enhance Sustainability

## Overview

The following are a series of the main recommendations drawn from the previous analysis. These recommendations either synthesize or bring further detail to some of the findings, lessons learned and conclusions drawn above. The main actors to implement the recommendations are also identified.

## Advancing the Decentralization and LED Strategic Framework

1. Continue to advance the already agreed upon policy and legal framework at the central level and municipal level.

Actors: MRDI, UNDP, SDC, ADC, NALAG, Other Development Partners, Municipalities, Project Management and Staff

1. The project has already made an effort to concentrate on discrete portions of the mountain development and decentralization action plans. This effort should be coordinated with MRDI and other stakeholders and development partners active in the component areas so that all activities of the action plans are addressed in a coordinated manner.

Actors: MRDI, Project Management and Staff, Municipalities

1. There should be a focus on implementation and monitoring to apply what has been planned or for what people have been trained for. The project should work with both MRDI and municipalities to further build capacities and monitor implementation of processes and methodologies adopted.

Actors: Project Management and Staff

1. With DGG and other development partners, look at public services or other areas (financing, larger property transfer) that can be devolved to the local level to improve the economic development-enabling environment.

Actors: DGG ad FRLD2 Management and Staff

1. From project implementation, provide feedback to central government level that may contribute to advancing the policy framework beyond from where it is today.

Actors: Project Management and Staff with UNDP, SDC and ADC as needed for support

## Decentralization and LED Development Partner Coordination

1. At the central level, more formal development partner coordination can occur with MRDI as coordinator. Meetings should take place at least semi-annually. MRDI coordinates other central government inputs. NALAG is involved in a support key role to help provide local government input and coordination. The project can also assist since UNDP has experience in such development partner coordination but should not be a main actor.

Actors: MRDI, NALAG, Other Development Partners, Project Management and Staff with support, as needed by UNDP, SDC and ADC

1. At the municipal level, municipal government officials meet with regionally involved development partners and other stakeholders together on a periodic basis.

Actors: Municipalities, NALAG, Other Development Partners active in municipalities, Project Management and Staff

1. The project team should have constant outreach to other development partners (formal or informal; some is already being done) to coordinate efforts at the central level and within regions where there are related activities being implemented.

Actors: Project Management and Staff

1. The EU is currently designing and seeking approval of a new multi-year reform programme with various components to include decentralization and LED. Some efforts will be national and some targeted in their pilot regions of which there appears to be overlap in two regions (Guria and Racha-Lechkhumi-Kvemo Svaneti). As is being done, UNDP, SDC and ADC should stay in contact with EU counterparts as the intervention components are determined and revealed, as well as the project office, as needed, on a technical basis. There will certainly be synergies and opportunities to help advance decentralization and LED. And, cooperation and collaboration will be needed as stressed above.

Actors UNDP, SDC and ADC with Project Management and staff

## Emphasis on Private Sector-Oriented Local Economic Development and Diversification

1. Interventions should be aimed at private sector-oriented economic development with local governments providing the enabling environment to support business formation and growth, not being the economic development actor except in areas of infrastructure (roads, bridges, public lands, etc.) and public services. While local government should provide the necessary infrastructure, they should not crowd out the private sector. Training is needed at the municipal level to advance on this topic.

Actors: Project Management and Staff in cooperation with Municipalities and CSOs

1. Economic diversification is to include tourism but tourism should not be the only economic sector being developed. Project and municipal government attention is needed to catalyze other economic areas with an emphasis on creating a facilitative enabling environment: 1) agriculture and agribusiness (including downstream processing), 2) manufacturing and/or assembly and 3) information technology, 4) business support and other services (finance, accounting, legal, transportation, communications, wholesale/retail, etc.). It is recognized that local private sectors are weak in some municipalities. However, that should not prevent their involvement or outreach to them. Outreach on these topics to the private sector (including entrepreneurs) should be more widespread with the participation of women, youth and vulnerable groups. Training is needed to advance this topic. Simple training will go a long way and could be coordinated with other development partners or in-country educational institutions on business formation and management to include business plan development, management, marketing, and accounting. Also, the project may want to gather experience to date, especially with the initial implementation of the grant schemes, to see what can be specifically done to involve women, youth and vulnerable groups in further business development. There are some examples under the grant scheme of initiatives that will provide “multiplier effects” i.e., spinning of more businesses. If such efforts succeed some replication may be warranted with the project providing catalytic support either through grants (via the next round of grant schemes), mentoring by successful multipliers, or modeling successes.

Actors: Project Management and Staff possibly with local and/or international consulting services and in cooperation with Municipalities and CSOs

1. Establishing a pro business enabling environment. Employment generation will occur through the formation of new businesses or the expansion of existing ones. Municipal governments need to position themselves as the actor that creates the environment for businesses to be created and flourish. There have been efforts through other development partner interventions to help municipalities take on this role. These efforts should be reviewed and see how they apply in the four target regions. Also, other country experience may be helpful to identify appropriate approaches.

Actors: Project Management and Staff possibly with local and/or international consulting services and in cooperation with Municipalities and CSOs

## Advance Grant Schemes to One More Cycle

1. Review criteria for project selection. Criteria should include, but not be limited to: 1) innovation, 2) entrepreneurial or growth orientation, and 3) jobs, skills or experience development. For the LED Initiative Program for Municipal Governments, having local government as implementers that crowd out private sector or other CSO involvement should be discouraged. They should receive funding that help further the business enabling environment or activities that add to LED where they are a catalyst but not a service or production-oriented provider.

Actors: Project Management and Staff with Selection Committee

1. There should be at least one more cycle for the municipal and CSO grant schemes.[[30]](#footnote-30) There should be a review after the first cycle is fully implemented and before the second cycle is initiated. A final review should take place after the completion of the second cycle. The final review should include lessons learned and recommendations for future similar interventions by the government and development partners.

Actors: Project Management and Staff with results to be communicated to MRDI, NALAG, Municipalities, CSOs, UNDP, SDC, ADC and other relevant Development Partners

1. Cooperation should continue with Enterprise Georgia to advance Growth Hubs and its micro and small business grant scheme. At the end of year 3, the cooperation should be reviewed to see if the project could provide any further support.

Actors: Project Management and Staff, Enterprise Georgia

## Project Management, Staffing, Reporting and Oversight

1. Programme Approach – The programme approach between DGG and FRLD2 should continue. It has provided weight to advance the policy framework, there are efficiencies in execution, and stakeholders view it as a cooperative effort. There should be agreement on what could be collaboratively done in the next two years (and included in each project’s work programme).

Actors: Project Management and Staff and as needed MRDI, UNDP, SDC, ADC and DANIDA

1. Management and Oversight – The project should be oriented toward implementation and monitoring while executing activities and serving stakeholders (mainly municipalities, CSOs and businesses at this point). Meetings with project donors should be during semi-annual and annual review meetings. Technical meetings could be done quarterly but should not be done more than quarterly. Donor related reporting should be for these meeting so as not to interfere with project execution.

Actors: Project Management and Staff in cooperation with UNDP, SDC and ADC

1. Staffing- The project should be fully staffed which includes filling the current vacant position.[[31]](#footnote-31) While international consultants should be considered, long-term consultants or management is not recommended though intermittent interventions are warranted on specific topics. What is needed is international expertise on specific issues or relating on how LED can work in the Georgian context (models, experience, policies, laws, case studies, field visits). This later point is important so that new ideas and experience enter the discussion and can be adapted to the Georgian context. Please also see the next recommendation regarding indicators and monitoring and evaluation staff person allocation.

Actors: Project Management and Staff

1. Indicators- The logframe indicators should be reviewed to streamline them for reporting purposes. Such a review should follow SMART indicator selection rules. Also, it should be considered that even if the indicators are measurable, if it is worth the time and effort to measure them given other indicators that may supply the same or similar information. This should be a collaborative effort with the initial review by project management and staff doing an analysis of the indicators, possibly with external expertise. A workshop with MRDI, UNDP, SDC, ADC and project management and staff could then take place to refine the indicators. An external facilitator, possibly the external expert, can manage the discussion and report on results. The workshop should happen as soon as possible. If it is the opinion of the MRDI, UNDP, SDC and ADC that the indicators cannot be revisited at this time, consideration should be given to shift the monitoring and evaluation staff person to FRLD2 to 100% of time on the project instead of the current 50% time allocation. Currently, it appears that project management and staff are also collecting data and reporting it, taking valuable time away from activity implementation.

Actors: Project Management and Staff in cooperation with MRDI, UNDP, SDC and ADC

1. Municipality Focal Points – Focal Points should continue and continuous training should be provided to keep them engaged. Meetings/conferences/workshops with counterparts (not only focal points) across the country or within their respective regions should take place to encourage networking. There is an evident competition of ‘who does best’ and such should be encouraged while transferring knowledge, processes, functions and experience. Regional (out of country) experience should be used via international consultants, country visits, etc. so there is exposure to different ways of applying LED.

Actors: Project Management and Staff, Municipalities and the Focal Points within the local governments

1. Annual Work Plan and Reporting – A two-year work plan should be prepared as soon as possible with a detailed one year work plan (2020) and a more general year two work plan (2021) that can be adjusted based on 2020 results. The work program should be activity oriented with the activities also responding to project outcomes and outputs. The risks indicated above should be considered. However, work should not stop or be delayed because of the election cycle. Activities that are ongoing or becoming more detailed in implementation need to continue at the local level to keep momentum and progress. The work plan should be agreed to by MRDI, UNDP, SDC and ADC. Such a review could also be done with the DGG project and DANIDA.

Actors: Project Management and Staff in cooperation with MRDI, UNDP, SDC, ADC and, as necessary DGG and DANIDA

1. Timing and No Cost Extension – Given the time remaining, consideration should be given to a no cost extension at the end of year 3. The drivers for such a decision should be factors such as the number and results of the grant schemes, full implementation and monitoring of MDDs, observance of results of capacity building activities, and amount of financing remaining. This is not an all-inclusive list of factors that must be considered.

Actors: MRDI, UNDP, SDC and ADC in cooperation with Project Management and Staff

## 2. Exit Strategy

At the time of the mid-term evaluation, an exit strategy has not been formulated. Based on the recommendations above, especially the 2-year work plan and improved development partner coordination, and the continued work on project activities (as reflected in the logframe), an exit strategy should be documented. As with this project, other decentralization and LED projects in Georgia and elsewhere, and the predecessor project show, decentralization and LED efforts are ongoing and evolutionary. There is not one development project or intervention that can resolve all the related issues. It is a combination of national and local initiative and change as well as development partners providing targeted resources to help advance the agenda. UNDP also has experience in preparing exit strategies. By the middle of year 4, a simple review should take to identify the following:

* + 1. What has worked? What interventions have worked and how can they be replicated country-wide?
		2. What has not worked? What interventions have failed or not met targets? Why?
		3. What are the next steps on the national agenda for decentralization and LED? How can the project’s interventions further contribute to this agenda or what can be identified for a future project?
		4. What is the status of the target municipalities? Are they applying project-related methodologies, approaches and instruments? What are the successes and failures? What are their needs in the next 3-5 years to further decentralization and LED?
		5. Has citizen participation increased in local decision making? Has citizen participation continued in local decision-making? And, has employment been generated through the project-sponsored grant schemes? Successes and failures should be cited.

For now, the project needs to focus on implementation to achieve outcomes and outputs.

# Annex A: Terms of Reference

Project Mid-Term Evaluation

Terms of Reference

1. **Background and Context**

|  |
| --- |
| **PROJECT INFORMATION** |
| **Project Title** | Fostering Regional and Local Development in Georgia Phase 2 |
| **Atlas ID** | 00095157 (00099175) |
| **Corporate Outcome and Output** | UNDP Strategic Plan 2018-2021 Outcome: Advance poverty eradication in all its forms and dimensions/ Output 1.2.1 Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services |
| **Country** | Georgia |
| **Region** | Europe and the Commonwealth of Independent States (CIS)  |
| **Project Dates** | **Start** | **Planned end** |
| 15 December 2017 | 30 November 2021 |
| **Project Budget** | USD 5,486,145 |
| **Funding Source** | Swiss Agency for Development and Cooperation (SDC)Austrian Development Agency Government of Georgia  |
| **Implementing Party** | The Ministry of Regional Development and Infrastructure of Georgia  |

Georgia has made significant progress in terms of political, economic and social development since independence, but important challenges remain, including poverty, unemployment, inequality and social exclusion. Establishing robust local self-governance (LSG) institutions is seen as key to finding solutions to these challenges and to achieving the Sustainable Development Goals. Local governance needs to be accountable to the people it serves; transparent and efficient in its use of resources; and participatory in the approach taken to addressing local needs and ensuring that “no one is left behind.”

To help Georgia translate this vision of local governance into reality, UNDP with the financial support from the Swiss Agency for Development and Cooperation (SDC) and the Austrian Development Agency (ADC) launched the Fostering Regional and Local Development in Georgia (RLD) project in 2012. This project focused on establishing an appropriate policy framework for local self-governance and decentralization, energizing regional and local processes for bottom-up strategic development planning and strengthening the professional capacities of local officials to better fulfil their duties.

Despite the volatile policy context, the project recorded tangible achievements and built a solid foundation for a more advanced and targeted intervention. Phase 2 of Fostering Regional and Local Development in Georgia (FRLD 2) project, which was designed and launched by UNDP in 2017 with continued support from the Austrian and Swiss Governments, drew on the lessons learned from the previous phase as well as the knowledge and experience of partner agencies and other projects.

The overarching goal of FRLD 2 is to build strong LSG institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens in local policy-making and design and implement people-centred initiatives benefiting women and men including youth, ethnic minorities, Internally Displaced Persons (IDPs) and other population groups. The project operates in four regions of Georgia (Racha-Lechkhumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria, and Kvemo Kartli), with a total population of 900,186, including 462,340 women, 176,187 youth (15-29 years), 210,610 ethnic minorities, 85,156 residents of mountain areas, and 60,090 IDPs. The implementation timeline is 15 December 2017-30 November 2021 and the budget is USD 5,486,145.

FRLD 2 focuses on Local Economic Development (LED), taking a participatory, bottom-up approach which emphasizes the catalytic role of the public sector and ultimately aims at creating sustainable economic development. Project activities are planned to support LED in complementary and mutually reinforcing ways that contribute to the three project outcomes: (1) National institutions define and implement policy and institutional frameworks to foster decentralization and enable LED; (2) Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors; and (3) Civil society organizations and local businesses are empowered to participate in inclusive LED planning and decision-making.

The project seeks to engage the full range of stakeholders: central government, municipalities, local business, civil society organizations (CSOs) and local communities and foster regional and local development through joint efforts. Gender equality and the empowerment of women and girls, social inclusion and equity, environmental sustainability and climate change are mainstreamed throughout the project activities as important pillars of LED. In the end, the programme is set to contribute to attaining Sustainable Development Goals (SDGs), including: (1) no poverty, (5) gender equality, (8) decent work and economic growth, (10) reduced inequality, (11) sustainable cities and communities, (12) responsible production and consumption and (16) peace, justice and strong institutions.

The project intervention is in line with the objectives of the fundamental decentralization reform officially declared by the Parliament and the Government of Georgia (GoG) in 2018. During 2018-2019, the project implementation has been affected by the country policy context, as the ongoing LSG reform has taken longer and required more complex preparations than originally envisaged.

1. **Evaluation Purpose, Scope and Objectives**

The Evaluation Plan contained in the Project Document agreed among UNDP, the project donors, and the Ministry of Regional Development and Infrastructure (MRDI) as the key implementing partner stipulates that an independent external mid-term evaluation is to be completed by December 2019. The evaluation will review and assess the project implementation to date, with a focus on the key achievements and challenges, taking full account of the political context. Where relevant, it will also recommend how implementation strategies might be adjusted to better achieve the project goals.

Specific objectives of the evaluation are as follows:

* Assess the project implementation and results against the contractual Logframe (vis-à-vis the indicator targets) and budget as of October 2019, taking full account of the implementation context;
* Assess the relevance, effectiveness, efficiency and sustainability of the project implementation.

Among other areas, the evaluation shall review:

* performance of the project management team and factors affecting the project implementation in light of the existing political context, exploring the extent to which the current management arrangements support the project objectives;
* the quality and effectiveness of project coordination with the GoG and the FRLD2 donors, as well as with other ongoing relevant projects and programs, including UNDP’s Danish Government-funded Fostering Decentralization and Good Governance at the Local Level (DGG) project; and
* knowledge management, encompassing project-related knowledge generation (notably LED-related), its use for policy work and implementation, and its dissemination within the project, within UNDP and other relevant UN Agencies, development partners, other donors and the broader public.
* Based on the evaluation results, provide actionable recommendations, both operational and strategic, on how to reinforce the current achievements and address potential challenges in view of the existing political context, within the overall logic and strategic orientation of the program.
1. **Evaluation Criteria and Key Guiding Questions**

The evaluation shall focus on criteria established by the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC):

* **Relevance** - to what extent the project has been responding and continues to respond to the national context
* **Timeliness** - to what degree the activities were carried out in a responsive and timely manner
* **Effectiveness** - to what extent the project is on track to achieving the project outputs and outcomes
* **Efficiency** - how economically resources or inputs (such as funds, expertise and time) were converted to results
* **Sustainability** - national ownership and the prospects for further sustaining and expanding the project outcomes

|  |
| --- |
| **Key Evaluation Questions****Relevance** * To what extent was the project in line with the SDGs, national development priorities and policy, the UNDP country programme’s outputs and outcomes and the UNDP Strategic Plan?
* To what extent has the project responded appropriately to political, legal, institutional, and other important changes in the country?

**Effectiveness*** To what extent were the project outputs achieved?
* What factors contributed to effectiveness or ineffectiveness?
* In which areas does the project have the greatest achievements? Why and what have been the supporting factors? How can the project build on or expand these achievements?
* In which areas does the project have the fewest achievements? What have been the constraining factors and why? How can or could they be overcome?
* What, if any, alternative strategies would have been more effective in achieving the project’s objectives?
* Are the project objectives and outputs clear, practical and feasible within the timeframe?
* To what extent have stakeholders been involved in project implementation?
* To what extent are project management and implementation participatory and is this participation contributing towards achievement of the project objectives?
* To what extent has the project been appropriately responsive to the needs of the national constituents and changing partner priorities?
* To what extent has the project contributed to gender equality and the empowerment of women?

**Efficiency*** To what extent was the project management structure as outlined in the project document efficient in generating the expected results?
* To what extent have the UNDP project implementation strategy and execution been efficient and cost-effective?
* To what extent has there been an economical use of financial and human resources? Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve outcomes?
* To what extent have resources been used efficiently? Have activities supporting the strategy been cost-effective?
* To what extent have project funds and activities been delivered in a timely manner?
* To what extent do the Monitoring & Evaluation (M&E) systems utilized by UNDP ensure effective and efficient project management?

**Sustainability*** Are there any financial risks that may jeopardize the sustainability of project outputs?
* To what extent will financial and economic resources be available to sustain the benefits achieved by the project?
* Are there any social or political risks that may jeopardize sustainability of project outputs and the project’s contributions to country programme outputs and outcomes?
* Do the legal frameworks, policies and governance structures and processes within which the project operates pose risks that may jeopardize sustainability of project benefits?
* To what extent did UNDP actions pose an environmental threat to the sustainability of project outputs?
* What is the likelihood that the level of stakeholders’ ownership will be sufficient to ensure that the project benefits will be sustained?
* To what extent do mechanisms, procedures and policies exist to allow primary stakeholders to carry forward the results attained on gender equality and empowerment of women?
* To what extent do stakeholders support the project’s long-term objectives?
* To what extent are lessons learned being documented by the project team on a continual basis and shared with appropriate parties who could learn from the project?
* To what extent do UNDP interventions have well-designed and well-planned exit strategies?
* What could be done to strengthen exit strategies and sustainability?

**Cross-Cutting Issues:****Gender Equality*** To what extent have gender equality and the empowerment of women been addressed in the design, implementation and monitoring of the project?
* To what extent has the project promoted positive changes in gender equality and the empowerment of women? Were there any unintended effects?

**Human Rights and Social Inclusion*** To what extent have poor, indigenous and physically challenged, women and other disadvantaged and marginalized groups benefited from the project activities, especially LED initiatives?
* To what extent has the project taken account of social inclusion/equality, e.g. participation of marginalized/vulnerable groups in decision-making processes?
 |

The evaluation questions shall be further refined by the consultant in agreement with UNDP and the key evaluation stakeholders.

1. **Methodology**

The evaluation will be undertaken in close cooperation with UNDP. The final evaluation methodology and methods for data collection, as well as a detailed and time-bound plan of consultancy shall be developed by the evaluator to ensure that the evaluation purpose and objectives are met, and the evaluation questions answered, given the limitations of budget, time and data.

The evaluator is expected to follow a participatory and consultative approach. The final methodological approach, including interview schedule, field visits and data to be used in the evaluation should be clearly outlined in the inception report and agreed with UNDP and the donors.

The methodological approach shall entail a combination of the following methods and instruments:

* **Document review of all relevant documentation** (the list of the key project documents to be reviewed is provided in the ToR Annexes)
* **Semi-structured interviews** with key stakeholders including the key Government counterparts (central and local), donor community members, and representatives of key CSOs. All interviews should be undertaken in full confidence and anonymity. The final evaluation report should not assign specific comments to individuals.
* **Field visits** and on-site validation of key tangible outputs and interventions.
* **Other methods** as appropriate to meet the evaluation objectives and answer the evaluation questions
* **Data review and analysis** of monitoring and other data sources and methods. To ensure maximum validity and reliability of data (quality), the evaluation will ensure triangulation of the various data sources.
1. **Evaluation Products (deliverables)**
* **Inception** **Report** (10-15 pages). The inception report should be developed following and based on the preliminary discussions with UNDP after the desk review and should be produced prior to any formal evaluation interviews and field/country visit. The inception report shall include a detailed methodology for data collection, showing how each evaluation question will be answered, proposing the methods to be applied with respective data sources and data collection procedures, defining a detailed work plan and a timeline. The draft inception report shall be discussed with UNDP and FRLD 2 donors and finalized based on their feedback (see suggested outline in Section 4 of UNDP Evaluation Guidelines (2019), <http://web.undp.org/evaluation/guideline/section-4.shtml>).

**Evaluation Matrix** (suggested as a deliverable to be included in the inception report). The evaluation matrix serves as a useful tool for summarizing and visually presenting the evaluation design and methodology for discussions with key stakeholders. It details evaluation questions that the evaluation will answer, data sources, data collection, analysis tools or methods appropriate for each data source, and the standard or measure by which each question will be evaluated.

**Table 1. Sample Evaluation Matrix**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Relevant evaluation criteria** | **Key questions** | **Specific sub questions** | **Data sources** | **Data-collection methods/tools** | **Indicators/ success standard** | **Methods for data analysis** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

* **Evaluation debriefings.** Immediately following the evaluation, the evaluator shall organize a preliminary debriefing on the main findings. As a minimum, the consultant will have inception meeting with the project team and debriefing meeting with the UNDP Resident Representative (RR) in Georgia, Deputy Resident Representative (DRR), Democratic Governance (DG) Team Leader, FRLD 2 Project Manager, SCO, ADC and MRDI leadership.
* **Draft Evaluation Report** (40 to 60 pages including the executive summary). The draft evaluation report shall incorporate a detailed description of the methodology and methods applied during the planning phase, field work, data collection and analysis; challenges faced in the process of conducting the assignment and recommendations for improved planning of relevant missions in the future; preliminary findings focusing on the major achievements, emerging/potential issues and recommendations per project outcome, as well as budget expenditures, management and staffing; summary conclusions for relevance, effectiveness, efficiency and sustainability of the intervention; lessons learned and recommendations on how to address the potential challenges due to the political context, within the overall logic and strategic orientation of the program, including proposed changes to the project Annual Work Plan (AWP) and Logframe, if required. The draft evaluation report will be discussed and finalized in agreement with UNDP, project donors, and other relevant stakeholders (see suggested format in Section 4, Annex 3 of UNDP Evaluation Guidelines (2019), <http://web.undp.org/evaluation/guideline/section-4.shtml>).

**Evaluation Report audit trail.** Comments and changes by the evaluator in response to the draft report should be retained to show how they have been addressed.

* **Final Evaluation Report.** The final report shall be developed based on the feedback received from UNDP and the project donors on the draft report. The final report shall fully address the evaluation objectives set forth in the ToR, providing clear and concise answers to the evaluation questions. Summary of the evaluation findings (in PowerPoint presentation format) will also be submitted along with the final report.

The project materials and other relevant information will be made available by UNDP to the consultant upon signing the contract agreement as well as upon request. UNDP reserves the right to request additional information under each deliverable in relation to the evaluation objectives.

1. **Evaluation Team Composition and Required Competencies**

The evaluation will be conducted by an individual international consultant. The specific skills, competencies and characteristics required of the evaluator are as follows:

|  |  |
| --- | --- |
| **Education** | * Advanced University degree or equivalent in Public policy, Public Administration, Governance, Development or a related discipline **(minimum requirement)**, preferably with a concentration on local governance, local and regional development and decentralization **(asset)**
 |
| **Experience** | * Minimum 5 years of professional experience in managing and/or evaluating large-scale, multidimensional projects, preferably in an international organization setting **(minimum requirement)**
* Minimum 8 years of experience of working on the issues of local governance, democracy, local and regional development, decentralization or related **(minimum requirement)**
* Experience of working with public sector at central and/or local levels or donor organizations **(minimum requirement)**
* Familiarity with the development context of Georgia. Previous working experience in the country and good understanding of current development dynamics in decentralization and regional development of Georgia are assets **(asset)**
 |
| **Technical competencies** | * Strong research and analytical skills **(minimum requirement)**
* Excellent verbal and written communication skills **(minimum requirement)**
 |
| **Language skills** | * Fluency in spoken and written English **(minimum requirement)**
 |

1. **Evaluation Ethics**

This evaluation will be conducted in accordance with the principles outlined in the UNEG ‘Ethical Guidelines for Evaluation’, UNDP Evaluation Guidelines (2019) and other key relevant guidance documents (see annexes). The consultant must safeguard the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The consultant must also ensure security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The information, knowledge and data gathered in the evaluation process must also be solely used for the evaluation and not for other uses, unless with the express authorization of UNDP and its partners.

1. **Implementation Arrangements**

The evaluator will work under the guidance and direct supervision of FRLD 2 Project Manager and overall guidance of UNDP Georgia DG Team Leader and UNDP M&E Specialist.

UNDP Georgia will provide the Evaluator with a list of key stakeholders and a draft schedule of the meetings and facilitate communication of the consultant with SCO, ADC, MRDI and other stakeholders. UNDP Georgia will be responsible for liaising with partners and supporting the consultant in acquiring relevant documentation, data and evidence. UNDP will also support the consultant logistically (transport, hotel reservations, organization of workshops, arrangement of meetings, etc.).

It is required that evaluators are independent from any organizations that have been involved in designing, executing or advising on any aspect of the intervention that is the subject of the evaluation. For this reason, UNDP staff members and representatives of the project donors will not be part of the evaluation team and will not attend any of the interviews arranged as part of the assignment.

1. **Time Frame for the Evaluation Process**

The tentative timeframe for the Consultancy is 20 working days during the period of January – March 2020 including a 10-day mission to Tbilisi and four project target regions (estimated 6 days in the regions).

Expected deliverables/outputs with respective timeframe is captured in the proposed schedule below. A detailed timeframe with specific dates corresponding to the timing indicated in the table below will be developed by the evaluator upon signing the contract agreement.

**Proposed Working Day Allocation and Schedule for an Evaluation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ACTIVITY** | **ESTIMATED # OF DAYS** | **DATE OF COMPLETION** | **PLACE** | **RESPONSIBLE PARTY** |
| **Phase One: Desk review and inception report** |
| Briefing with UNDP and the project donors | - | Upon signing the contractMid-January 2020 | Remote/via skype  | UNDPEvaluator |
| Sharing of the relevant documentation with the evaluator | - | Upon signing the contractMid-January 2020 | Via email | UNDP |
| Desk review, Evaluation design, methodology and updated workplan including the list of stakeholders to be interviewed | 2 days | Within 10 days of contract signing End of January 2020 | Home- based | Evaluator |
| Submission of the inception report (15 pages maximum) | 1 day  | Within 10 days of contract signingEnd of January 2020 | Via email | Evaluator |
| Comments and approval of inception report | - | Within one week of submission of the inception reportMid-February 2020 | Via email | UNDP, donors |
| **Phase Two: Data-collection mission** |
| Consultations and field visits | 10 days | Within six weeks of contract signingBy the end of February 2020 | In countrywith field visits | Evaluator with logistical support from UNDP |
| Debriefing to UNDP and key stakeholders | In-country | Evaluator |
| **Phase Three: Evaluation report writing** |
| Preparation of draft evaluation report (40-60 pages including annexes and executive summary [5 pages]) | 5 days | Within two weeks of the completion of the field missionMid-March 2020 | Home-based Via email | Evaluator |
| Draft report submission |
| Consolidated UNDP and donor comments to the draft report  | - | Within two weeks of submission of the draft evaluation reportEnd of March 2020 | Via email | UNDPDonors |
| Finalization of the evaluation report incorporating additions and comments provided by UNDP and donors | 2 days | Within one week of receiving consolidated UNDP and donor comments End of March 2020 | Home- based | Evaluator |
| Submission of the final evaluation report and a summary of the evaluation findings in PPT format to UNDP and the project donors |
| **Estimated total days for the evaluation** | **20** |  |  |  |

1. **Payment Modalities and Specifications**

The contract price will be a fixed output-based price. Payments will be made through bank transfer according to the following schedule upon submission of each deliverable and invoice and acceptance thereof by UNDP.

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Deliverables** | **%** | **Timing** |
| 1 | Deliverable 1. Inception Report  | 30% | Within a week after approval of the Inception Report by UNDP |
| 2 | Deliverable 2. Draft Evaluation Report | 40% | Within a week after approval of the Draft Evaluation Report by UNDP |
| 3 | Deliverable 3. Final Evaluation Report  | 30% | Within a week after approval of the Final Evaluation Report by UNDP  |

1. **Application Submission Process and Criteria for Selection**

Candidates who meet the above-mentioned qualification requirements (see Section 6. Evaluation Team Composition and Required Competencies) will be selected from the UNDP roster of vetted experts in the area of Project Monitoring & Evaluation. According to respective UNDP guidelines, short-listed candidates will be requested to submit offeror’s letters to UNDP confirming their interest and availability and then invited for an interview.

At UNDP’s discretion, donor representatives may participate in the interviews as observers.

1. **Annexes**

**Annex 1**. UNDP Evaluation Guidelines (2019)[[32]](#footnote-32)

**Annex 2**. UNEG Code of Conduct for Evaluations [[33]](#footnote-33)

**Annex 3**. UNEG Ethical Guidelines for Evaluation[[34]](#footnote-34)

**Annex 4**. UNEG Norms for Evaluation in the UN System[[35]](#footnote-35)

**Annex 5**. UNEG Standards for Evaluation in the UN System[[36]](#footnote-36)

**Annex 6**. UNEG Guidance Integrating Human Rights and Gender in the UN System[[37]](#footnote-37)

**Annex 7**. UN SWAP Evaluation Performance Indicator and related Scorecard[[38]](#footnote-38)

**Annex 8.** Template of Inception Report

**Annex 9.** Template of the Evaluation Report

**Annex 10**. List of key documents to be reviewed by the consultant

**Management related documents:**

Project Document

Project Logframe/RRF

Project Work Plan for 2017 - 2021

Project Budget

Project Progress Reports

Project Annual Progress Reports for 2017 – 2019 (Semi-annual, Annual)

Financial report for 2017 – 2019 (Semi-annual, Annual)

Extended organizational chart of the project

ToRs of the project staff

Minutes of the project Steering Committee meetings (2018, 2019)

Minutes of Strategic Partnership Meeting (2018)

**Documents related to the project activities**

Local Self-Government Code (2014)

Draft Decentralization Strategy (2019-2025) and Action Plan (2019-2020)

Order #283 by the Minister of Finance (specifically the Annex 4) (dated August 27, 2018)

Law on Spatial Planning of Georgia, Architectural and Construction Activities (dated July 20, 2018)

Order #46/N by the Minister of Education, Science, Culture and Sport of Georgia (dated March 6, 2019)

Order #38/N by the Minister of Regional Development and Infrastructure (dated August 2, 2018)

Strategy for Development of High Mountain Settlements of Georgia (2019-2023) and its Action Plan

Small Grant Scheme Guidelines for CSOs

Position Paper on Municipal Development Planning

Draft Municipal Investment Profile Toolkit

Reports on the Survey of Citizens’ Satisfaction with Public Services in Georgia (2013, 2015, 2017)

ToRs/Technical Proposals for Upgrading Municipal Development Documents, Performance Management System (PMS), and LED Capacity Development System Model

Letters of Agreement, Grant Agreements, Responsible Party Agreements with implementing partners

*Other documents related to the project implementation will be shared at the Consultant’s request.*

# Annex B: List of Supporting Documents Reviewed

Business Enabling Environment Survey Summary, FRLD2 Project Office,

Civil Society Organization Small Grants Scheme for Local Economic Development Initiatives, 2019-2020 Guidelines and Application, FRLD2 Project Office

Civil Society Organization Small Grants Scheme Notes to the Proposal Selection Committee Meeting, FRLD2 Project Office, 6 December 2019

Competitive Advantages of the Mountainous Regions of Georgia, Department of Rural Development and Vocational Education, Georgian Institute of Public Affairs in collaboration with ISET Policy Institute at the International School of Economics, Tbilisi State University, July 2019

Decentralization Strategy Action Plan, 2020-2021, Ministry of Regional Development and Infrastructure, 31 December 2019

Decentralization Strategy, 2020-2025, Ministry of Regional Development and Infrastructure (and accompanying Action Plan 2020-2021), 31 December 2019

Development of Investment Profile of Municipality, Toolkit Recommendation Material (Draft), FRLD2 Project Office, undated

Financing Agreement Between the United Nations Development Programme and the Ministry of Regional Development and Infrastructure of Georgia, March 2018

Fostering Regional and Local Development in Georgia, Phase 2, International Consultant Report, Fergus Murphy, 22 February 2019

FRLD2 2018 Annual Report, FRLD2 Project Office, 28 February 2019

FRLD2 2018 Semi Annual Report December 2017- June 2018, FRLD2 Project Office, undated

FRLD2 2019 Annual Report (Draft), FRLD2 Project Office, February 2020

FRLD2 2019 Semi Annual Report January - June 2019, FRLD2 Project Office, 20 August 2019

Future of Local Economic Development in Georgia, Roundtable Workshop Report, FRLD2 Project Office, 9-10 December 2019

LED Initiatives Program for Municipal Governments, Guidelines and Application, FRLD2 Project Office, July 2019

LED Initiatives Program for Municipal Governments, Notes to the Proposal Selection Committee Meeting, FRLD2 Project Office, 8 November 2019

Local Self-Governance for Local Economic Development Needs Assessment, NALAG, 2018

Minutes (Notes) of Project Steering Committee Meeting, 17 April 2019

Minutes of FRLD2 Project Monitoring and Evaluation Workshop, 25-26 October 2018

Minutes of Local Project Appraisal Committee Meeting, 27 December 2017

Minutes of Project Steering Committee Meeting, 12 September 2018

Minutes of Project Steering Committee Meeting, 16 October 2019

Municipal Development Planning in Georgia Position Paper, FRLD2 Project Office, undated

Programme Document (and attachments) for Fostering Decentralization and Good Governance at the Local Level in Georgia, UNDP, March 2018

Programme Document (and attachments) for Fostering Regional and Local Development in Georgia, Phase 2, UNDP, December 2017

Project Communication Strategy and Action Plan for FRLD2, FRLD2 Project Office, June 2018

Public Private Partnership in Georgia Conference and Workshop Report, FRLD2, DGG and Asian Development Bank, 20-21 June 2019

Recommendations to Decentralization Strategy Policy Brief, Ministry of Foreign Affairs of Denmark and UNDP, January 2019

Research and Analysis of Cross Border Local Economic Development Initiatives – A Case Study Approach, FRLD2, November-December 2018

Selected Grant Applicants Table for Civil Society Organization LED Grant Scheme, FRLD2 Project Office, February 2020

Selected Grant Applicants Table for LED Initiative Program for Municipal Governments, FRLD2 Project Office, February 2020

Standard Letter of Agreement Between UNDP And The Ministry of Regional Development And Infrastructure of Georgia, Provision of Support Services, UNDP, 29 March 2018

Strategy for Development of High Mountain Regions of Georgia, 2019-2023, Ministry of Regional Development and Infrastructure, 18 July 2019

Strategy for Development of High Mountain Regions of Georgia, Action Plan, 2019-2020, Ministry of Regional Development and Infrastructure, 2019

Third Party Cost Sharing Agreement Between the Austrian Development Agency and The

United Nations Development Programme, signed 11 December 2017

Third Party Cost Sharing Agreement Between the Government of Switzerland, Represented by the Federal Department of Foreign Affairs Acting Through The Swiss Cooperation Office for the South Caucasus and The United Nations Development Programme, signed 11 December 2017

Unified Methodology for Economic Development Planning at the Local Level, Workshop Summary Report, FRLD2 and DGG Project Offices, 1-2 May 2019

Other project-related documents to include:

* Project budget performance per annual and semi annual reports
* Work programs and project log frames
* Press releases and announcements
* Project issued consultant and management and staff contracts and terms of reference, 2017-2020

# Annex C: List of Those Interviewed

Aghapishvili, Irina Acting Deputy Head, Civil Service Bureau

Archuadze, Zviad Regional Development Expert, Support to Regional Development Policy Implementation II (including Mayors for Economic Growth, funded by the European Union)

Batiashvili, Levan Senior Advisor, Public Private Partnership Agency

Blom, Mogens Chief Technical Advisor, European Neighborhood, DANIDA

Bregadze, Gigi Team Leader, Democratic Governance, UNDP

Chanukvadze, Khatuna Monitoring and Evaluation Officer, UNDP

Chernyshova, Anna Deputy Resident Representative, UNDP

Davitashvili, Mariam Public Administration Reform Expert, Georgia Good Governance Initiative, U.S.AID

Dididze, Giorgi Deputy Head, Regional and High Mountain Development Department

Giorgobiani, Mzia Deputy Minister, MRDI

Guntsadze, Ekaterine Head, Budget Department, Ministry of Finance

Iremashvili, Gvantsa Project Officer, FRLD 2

Kakubava, Nino DGG Project Manager

Khmaladze, Irakli Programme Officer, Economics, Public Finance and Territorial Governance, Delegation of the European Union to Georgia

Konjaria, Otar Coordinator on LED, FRLD 2

Losaberidze, David Chairman, Center of Local Democracy Network (and LSG Expert)

Mamatsashvili, Rusudan First Deputy Head, Ministry of Economy and Sustainable Development, Georgian National Tourism Administration

Marx, Erik Team Leader Georgia, Good Local Governance Programme South Caucasus, GIZ

Melua, David Executive Director, NALAG

Meuwly, Dr. Danielle Regional Director, Swiss Cooperation Office, South Caucus, Embassy of Switzerland

Mshvidobadze, Vahktang Project Manager, Australian Development Agency, Embassy of Switzerland

Svanadze, Sophia National Program Officer, Swiss Cooperation Office, South Caucus, Embassy of Switzerland

Svanishvili, Alexander Legal Expert, FRLD 2

Tagauri, Beka Head of Program, Economic Development, Georgia, Swiss Cooperation Office, South Caucus, Embassy of Switzerland

Tkeshelashvili, Tinatin Project Manager, FRLD 2

Tsivtsivadze, Tamar Head, Georgia Program, Effective Democratic Institutions, Human Safety and Security Domain, Embassy of Switzerland

Vinton, Louisa Resident Representative, UNDP Georgia

Werner PhD, Thut, Deputy Regional Director, Swiss Cooperation Office, South Caucus, Embassy of Switzerland

Zhorzholiani, Archil Senior Advisor, Good Local Governance Programme South Caucasus, GIZ

Zirakishvili, Tornike Deputy CEO, Enterprise Georgia

**Field Visits:**

**Ambrolauri, Racha-Lechkhumi-Kvemo (lower) Svaneti Region**

1. Giorgi Donadze, First Deputy Mayor, Ambrolauri Municipality

2. Giorgi Godziashvili, Head, Economic and Property Management Department, Ambrolauri

*Meeting at NGO Edena*

Liliana Maisuradze, Director plus staff and coworkers

*LDA for Ambrolauri*

Nino Khukhua, Director

**Zugdidi, Samegrelo-Zemo (upper) Svaneti Region**

1. Giorgi Shengelia, Mayor, Zugdidi Municipality

2. Marika Khasia, Head, Department for Investment Projects and Relations with Donors

3. Shorena Cherkezia, Senior Specialist, Department for Investment Projects and Relations with Donors

4. Levan Kupreishvili, Mayor, Senaki Municipality

5. Marine Kvatchakhia, Specialist, Department of Economy and Tourism

*Meeting at NGO Hangi*

1. Ruslan Sajaia, Director

2. Anjela Khukhua, Regional Manager

**Ozurgeti, Guria Region**

*Meeting at NGO Progress House - Innovations and Civic Education Center*

1. MIndia Salukvadze, Director

2. Levan Mzhavanadze, Programme Manager

Meeting at Ozurgeti City Hall

1. Alexandre Sarishvili, Mayor, Lanchkhuti Municipality

2. Giorgi Nachkebia, Head, Economy and Property Management Department, Lanchkhuti Municipality

3. Maia Apkhazava, Department of Economy and Tourism, Lanckhuti Municipality

4. Kristine Zenaishvili – Senior Specialist, Department of Economy and Tourism, Lanckhuti Municipality

5. Aleko Mameshvili, Head, Economic Development and Property Management, Ozurgeti Municipality

**Kvemo Kartli**

1. Lasha Lobjanidze, Deputy Mayor, Marneuli Municipality

2. Malkhaz Samashvili, Deputy Mayor, Tetritskaro Municipality

3. Levan Labakhua, Director, Tetritskaro Municipality Development Fund

4. Irakli Tabaghua, Mayor, Rustavi

5. Revaz Barbakadze, Advisor

*Meeting at Mercy Corps Georgia*

1. Lela Kobakhidze, Main Office/Theme 1 Coordinator

2. Nata Sisvadze

3. Maia Masiashvili

# Annex D: List of Contracts and Personnel

|  | **Position/Contract Subject** | **Individual/Company** | **Begin Date** | **End Date** | **Input Duration** |
| --- | --- | --- | --- | --- | --- |
| 1 | Consultant on Elaboration of the Action Plan and M&E System for the Strategy of High Mountainous Regions of Georgia | Ana Katamidze | 25 Oct 2018 | 24 Dec 2018 | 25 days |
| 2 | Cross Border Case Study Researcher | Natia Nadiradze | 25 Oct 2018 | 7 Dec 2018 | 33 days |
| 3 | Presentation of Citizens Satisfaction Survey for Public Services | Analysis and Consulting Team (ACT) | 19 March 2018 | 20 April 2018 | Fixed price contract for service delivery |
| 4 | Consultant to MRDI assisting in coordination of the High Mountain Strategy implementation  | Natia Gorgadze | 2 Sept 2019 | 1 Feb 2020 | 5 months |
| 5 | Developing Performance Management System for Street Cleaning and Waste Collection Services in Target Municipalities | Panos Liverakos | 12 Nov 2018 29 March 2019 | 31 Jan 2019 14 March 2020 | 7 days 64 days |
| 6 | Conducting Feasibility Study to Reveal Rationale for Creation of Trade and Communication Electronic Platform for LEPL Enterprise Georgia Micro and Small Business Support (grant) Program Beneficiaries | Mariam Koyava | 8 July 2019 | 9 Sept 2019 | 44 days |
| 7 | Creating Growth Hub Action and Operational Plan (with Enterprise Georgia) | Tornike Chkhaidze | 4 Nov 2019 | 17 Jan 2020 | 49 days |
| 8 | Support to MRDI and Parliament on LED Coordination | Maya Guntsadze | 15 April 2019 | 31 Dec 2019 | About 57 days for FLRD2 |
| 9 | Campaign to Advance Decentralization, LED and Good Governance at the Local Level | Action Global Communications | 3 July 2019 | 2 July 2021 | 24 months |
| 10 | Public Service Citizens’ Satisfaction Survey | Analysis and Consulting Team (ACT) | 7 October 2019 | 24 Feb 2020 | 19 weeks |
| 11 | Local Public Service Capacity Assessment and Training Module Design | Center of Training and Consultancy | 30 Sept 2019 | 20 July 2020 | 10 months |
| 12 | LED Through Youth Social Entrepreneurship Education | Impact Hub | 12 April 2019 | 30 Nov 2019 | 8 months |
| 13 | Fostering LED Through Participatory Planning – Upgrading MDDs in Target Municipalities and Developing Municipal Investment Profiles in Eight Pilot Municipalities | Association of Young Economists | 27 March 2019 | 26 June 2020 | 15 months |
| 14 | Development of Performance Management System for Street Cleaning and Waste Management Services in 23 Municipalities | Policy and Management Consulting Group | 17 Oct 2019 | 17 Oct 2021 | 24 months |
| **Project Management/Staff** |
| 15 | Administrative and Finance Assistant | Gvantsa Bitskinashvili | 1 July 201610 Dec 201612 June 201712 June 2018 01 Jan 201901 Jan 2020 | 09 Dec 201611 June 201711 June 201831 Dec 201831 Dec 201931 Dec 2020 | 6 months6 months12 months6 months12 months12 months |
| 16 | Driver | Kakhaber Kikabidze | 16 Dec 201716 June 201801 Jan 20191 Jan 2020 | 15 June 201831 Dec 201831 Dec 201931 Dec 2020 | 6 months6 months12 months12 months |
| 17 | Monitoring and Evaluation Specialist (50%) | Natia Meladze | 21 June 201821 Jan 201921 Jan 2020 | 20 Jan 201920 Jan 202020 Jan 2021 |  6 months12 months12 months |
| 18 | Project Coordinator on LED | Otar Konjaria | 20 July 201820 Jan 201920 Jan 2020 | 19 Jan 201919 Jan 202019 Jan 2021 | 6 Months12 Months12 Months |
| 19 | Project Officer | Gvantsa Iremashvili | 18 July 201818 Jan 202918 Jan 2020 | 17 Jan 201917 Jan 202017 Jan 2021 | 6 Months12 Months12 Months |
| 20 | Service Development Project CoordinatorService Development Project CoordinatorProject Manager | TinatinTkeshelashvili | 20 July 201820 Jan 201919 Dec 2019 | 19 Jan 201919 Jan 202018 Dec 2020 | 6 Months12 Months12 Months |
| 21 | Project Manager | Marika Shioshvili | 30 June 2018 | 29 June 2019 | 12 months |
| 22 | Legal Expert (50%) | Alexander Svanishvili  | 1 July 2016 1July 201716 June 201801 Jan 2019 01 Jan 2020 | 30 June 201715 June 201831 Dec 201831 Dec 2019 31 Dec 2020 | 12 months12 months6 Months12 months12 months |
| 23 | Communication Specialist (40%)  | Magdalena Nowakowska  | 06 Sept 2015 06 Sept 201606 May 201706 May 201801 Octo 201801 April 201901 April 2020 | 05 Sept 201605 May 201705 May 201830 Sept 201831 March 201931 March 202031 April 2021 | 12 Months9 Months12 Months 5 Months 6 Months12 Months12 Months |

# Annex E: Progress Toward Goal and Associated Indicators

***Goal:*** *People in the regions of Racha-Lechkumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli[[39]](#footnote-39) benefit from stronger local self-government institutions for better economic development and employment generation.*

| **Indicators** | **Baseline** **(2018)** | **Targets** **(2021)** | **Status (December 2019)** |
| --- | --- | --- | --- |
| 1. # of people benefiting from new LED initiatives (including policy measures) disaggregated by direct and indirect beneficiaries (direct beneficiaries disaggregated by women and youth) | 0 | 900,186 (disaggregated by women, youth) | Not measuredWas to be measured through to mid-term evaluation (2020)Indicator should be reviewed since not measured |
| 2. Amount of new investments (public and private) made in four regions as a result of project interventions (in total and per region) | 0 | 8 (2 per target region) | Not measuredWas to be measured through to mid-term evaluation (2020)Indicators should be reviewed since not measured |
| 3. % of increase in the level of public satisfaction with the local self-governments in four project regions (disaggregated by women/youth) | 4 target regions: 73.2% (71.1% women, 74.2% youth (18-29))[[40]](#footnote-40)* Racha-Lechkhumi-Kvemo Svaneti: 85.7%
* Samegrelo-Zemo Svaneti: 74.7%
* Kvemo Kartli: 69.0%
* Guria: 77.3%
 | 4 target regions: 77% | 4 target regions: 69.1% (70.9% women, 62.5% youth (18-29))[[41]](#footnote-41)* Racha-Lechkhumi-Kvemo Svaneti: 80.8%
* Samegrelo-Zemo Svaneti: 72.5%
* Kvemo Kartli: 63.1%

Guria: 74.5% |
| 4. % of decrease in the proportion of population in 4 project target regions living below the national poverty line (contributing to the SDG GAI indicator: 1.2.1. proportion of population, inc. children, living below the national poverty line, by location (urban/rural) and by sex, reduced by 20%) | * Racha-Lechkhumi-Kvemo Svaneti and Imereti: 25.6%
* Samegrelo-Zemo Svaneti: 21.7%
* Kvemo Kartli: 24.9%
* Guria, Samtskhe-Javakheti, and Mtsketa-Mtianeti: 24.9%[[42]](#footnote-42)
 | * Racha-Lechkhumi-Kvemo Svaneti and Imereti: 25%
* Samegrelo-Zemo Svaneti: 21%
* Kvemo Kartli: 24%
* Guria, Samtskhe-Javakheti, and Mtsketa-Mtianeti: 24%
 | * Racha-Lechkhumi-Kvemo Svaneti and Imereti: 23%
* Samegrelo-Zemo Svaneti: 24.9%
* Kvemo Kartli: 21.3%
* Guria, Samtskhe-Javakheti, and Mtsketa-Mtianeti: 24.1%[[43]](#footnote-43)

(Source: [www.geostat.ge](http://www.geostat.ge))  |
| 5. % of decrease in unemployment rate in 4 project target regions (contributing to the SDG GAI 8.5.2 Unemployment rate - 9.5%) | * Racha-Lechkhumi-Kvemo-Svaneti: 10.8%
* Samegrelo-Zemo Svaneti: 10.0%
* Kvemo Kartli: 8.6%
* Guria: 4.1%[[44]](#footnote-44)
 | * Racha-Lechkhumi-Kvemo-Svaneti: 10.0%
* Samegrelo-Zemo Svaneti: 9.0%
* Kvemo Kartli: 8.0%
* Guria: 3.6%
 | * Racha-Lechkhumi-Kvemo-Svaneti and Imereti: 12.4%
* Samegrelo-Zemo Svaneti: 11.9.%
* Kvemo Kartli: 15.3%
* Guria: 1.8%

(Source: [www.geostat.ge](http://www.geostat.ge))  |
| 6. % of increase in women’s economic activity rate in 4 project target regions (contributing to the SDG GAI 5.4.1 Women's economic activity rate - 77%) | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 59.1%
* Samegrelo-Zemo Svaneti: 63.5%
* Kvemo Kartli: 65.8%
* Guria: 74%[[45]](#footnote-45)
 | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 60%
* Samegrelo-Zemo Svaneti: 65%
* Kvemo Kartli: 67%
* Guria: 75%
 | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 59.5%
* Samegrelo-Zemo Svaneti: 58.1%
* Kvemo Kartli: 62.2%
* Guria: 68.1%
* (Source: [www.geostat.ge](http://www.geostat.ge))
 |

# Annex F: Outcome Performance

| **Indicator** | **Baseline****(2018)** | **Target****(2021)** | **Status Compared to Target & Brief Description 31 December 2019** | **Issues & Next Steps** |
| --- | --- | --- | --- | --- |
| *Outcome 1: National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development* |
| 1.1. # of new gender sensitive norms, policies and political processes developed and adopted by National and Municipal governments in the fields of LED as a result of project interventions | 0 | At least additional 2 (Decentralization Strategy; Package of Land transfer related legal amendments to LSGs) | **Cumulative 2018 - 2019: 3 policies/political processes** **developed and adopted****(i) 2018 achievement: 1 developed and adopted** **-** Law on PPP was enacted on 1 July 2018, granting municipalities authority to engage in partnership with private sector (reflected in 2018 Annual Report).**(ii) 2019 achievement: 2 finalized and adopted:*** The Strategy for Decentralization (2020-2025) and its two-year Action Plan was finalized in consultation with a wide range of stakeholders and [adopted by the GoG on 31 December 2019](https://matsne.gov.ge/document/view/4764626?publication=0) (see Annex 1 for final Decentralization Strategy and its Action Plan).
* The Strategy for Development of High Mountain Settlements of Georgia (2019-2023) was finalized through public consultations and [adopted by the GoG on 18 July 2019](https://matsne.gov.ge/ka/document/view/4618652?publication=0) (Annexed to the 2019 Semi-Annual Report).
 | * Continue proposing support to MRDI in establishment donor coordination mechanism for implementation of Decentralization strategy and Action plan
* If support is accepted by MRDI, first donor coordination mechanism concept will be developed and agreed with MRDI
* So far UNDP provides technical assistance to manage and coordinate activities from the Decentralization strategies
 |
| 1.2. # of LED-related additional competences delegated to municipalities as a result of project interventions | 0 | 4 (e.g. natural gas/water supply, social assistance, environmental protection) | **1 additional competency granted:** amendment to the LSG Code on granting additional competences to the municipalities in the area of child protection adopted on 20 September 2019[[46]](#footnote-46)**1 in progress** (respective amendments elaborated and pending approval): (i) amendments to the LSG Code on increasing competences in the area of property management. | * The Decentralization Strategy envisages identification of additional competencies under determined areas (LED, property management, service provision, education, culture, environmental protection, natural resource management and agriculture) to be delegated to the LSGs. FRLD 2 will contribute to this process.
 |
| 1.3. % of increase in the share of municipal budget in consolidated GoG budget as a result of the improved fiscal transfer schemes and/or local tax income and private investments | 8.6%[[47]](#footnote-47) | 13% | 9.8%[[48]](#footnote-48) | * Increase of the municipal budgets revenues is envisaged in the Dec Strategy. FRLD 2 will follow up and contribute to this process by providing technical assistance and advocacy efforts
 |
| *Outcome 2: Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors* |
| 2.1. # of municipalities with new gender sensitive and environmentally sustainable LED[[49]](#footnote-49) related measures incorporated in their Municipal Development Plans[[50]](#footnote-50)/bu­dgets and implemented | 0 | 23 municipalities of 4 target regions | **39 municipalities with LED measures incorporated in MDDs and budgets:** Association of Young Economists of Georgia (AYEG) contracted by FRLD 2 and DGG projects upgraded the MDD methodology in alignment with the national policy planning principles in consultation with the Administration of the GoG and MRDI. The existing MDDs with a focus on LED are being finalized in 39 municipalities of 6 target regions targeted by FRLD 2 and DGG with participation of different stakeholders and are being finalized in accordance with the methodology incorporating the feedback from the Administration of GoG and MRDI.  | * FRLD 2 will advocate adoption of MDDs by municipal councils and link them to local budget
 |
| 2.2. % of implemented new gender sensitive and environmentally sustainable LED related measures from municipal development plans/budgets | 0 | 20% | **In progress**: implementation of LED related initiatives will commence in 2020 and thereby calculated in the following reporting period.  | * FRLD 2 works with those target municipalities which didn’t get funding at the initial stage of the Funding Programme to develop and apply new LED initiatives linked to their respective MDDs
* FRLD 2 continues working with already funded municipalities
 |
| 2.3. # of municipalities with new gender sensitive and environmentally sustainable LED related measures planned and implemented | 0 | 8 municipalities of 4 target regions | **Implemented in 1 municipality** (in Tetritskaro), and **in progress in 8 municipalities** (Tsageri, Lanchkhuti, Chokhatauri, Zugdididi, Senaki, Martvili, Tsalenjikha, Poti) of 4 target regions.  |
| 2.4. % of increase in municipal budget allocations for new LED initiatives in project target municipalities | 0 | 20% | Will be calculated in 2020-21 following finalization of MDDs and implementation of LED initiatives.  | This is also problematic. Sources and calculation method need to be agreed with the partners  |
| 2.5. % of increase in central budget allocations for new LED initiatives in project target municipalities | 0 | 20% | Will be calculated in 2020-21.  | Sources and calculation method need to be agreed with the partners  |
| 2.6. # of new businesses /extended businesses in project regions (disaggregated by women/ youth) |  0 | At least 500 (at least 20% owned/run by women and/or youth) | 7,300 new businesses registered in four regions (2,454 (34%) owned/run by women): * Racha-Lechkhumi-Kvemo Svaneti: 246 (44% owned/run by women)
* Samegrelo-Zemo Svaneti: 2,567 (42% owned/run by women)
* Kvemo Kartli: 3,605 (26% owned/run by women)
* Guria: 882 (39% owned/run by women)

 (Source: [www.geostat.ge](http://www.geostat.ge))[[51]](#footnote-51)  | The challenge with these two interlinked indicators is that:1. we can’t get data on both indicators from the same source and
2. data on the 2.7 indicator is not available neither from the Statistics Department nor from alternative sources
 |
| 2.7. Number of people employed by new businesses/extended businesses (dis. by women/youth) | 0 | At least 1,000 (at least 30% w. / youth) | N/A[[52]](#footnote-52) |
| *Outcome 3: CSOs and local businesses are empowered to participate in inclusive LED planning and decision making*  |
| 3.1. # and % of citizens participation in targeted local decision-making and/or budget planning in 23 municipalities (disaggregated by women/ youth) of target 4 regions | For 4 target regions: 4.9%(5.2% women, 5.4% youth)[[53]](#footnote-53)* Racha-Lechkhumi-Kv. Svaneti: 5.3%
* Samegrelo-Z. Svaneti: 5.0%
* Kv. Kartli: 4.3%
* Guria: 2.0%
 | 12% in target municipalities | For 4 target regions: 14.6%(12.4% women, 17.5% youth)[[54]](#footnote-54)* Racha-Lechkhumi-Kv. Svaneti: 23.5%
* Samegrelo-Z. Svaneti: 13.9%
* Kv. Kartli: 14.6%

Guria: 14.1% | * Awareness campaign is ongoing. Jointly with DGG a company has been contracted in 2019.
 |
| 3.2. # of business benefiting from new local economic initiatives (disaggregated by ownership by women/ youth) | 0 | 200 | **34 local SMEs and entrepreneurs** (23,5% owned by women)benefitted from “Guria Tea Route” - a public-private cooperation project piloted in Ozurgeti Municipality.  | * This is covered through the Funding Schemes contributing to improve business enabling environment and providing specific services to local businesses
* FRLD 2 continues working with different stakeholders (Enterprise Georgia, Impact Hub) to benefit local businesses
 |
| 3.3. Percentage of population who believe decision-making is inclusive and responsive dis. by women/youth/ethnic minorities/vulnerable groups)[[55]](#footnote-55) | Not defined[[56]](#footnote-56) | To be defined[[57]](#footnote-57) | For 4 target regions: 45.7%(43% women, 49.1% youth, 29.4% ethnic minorities, 51.9% vulnerable groups)[[58]](#footnote-58) | * Baseline can be defined through the 2019 Satisfaction Survey
* Target value will be measured through the 2021 Satisfaction Survey
 |

# Annex G: Output Performance

| **Indicator** | **Baseline****(2018)** | **Target****(2021)** | **Status Compared to Target & Brief Description 31 December 2019** | **Issues & Next Steps** |
| --- | --- | --- | --- | --- |
| *Outcome 1: National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development* |
| *Output 1.1: LED related aspects of decentralization strategy at the local level and action plan, (e.g. property transfer, inter municipal cooperation, municipal service improvement, etc.) implemented by municipalities and central government institutions (MRDI, MoESD, MoF, etc.)* |
| 1.1.1. % of activities implemented from the action plan | 0 | 40% | **Implementation of 38% of LED activities from the Decentralization Strategy Action Plan (AP) supported by the project in progress.**16 LED-related activities (i.e. 62% of all activities) were mapped in the Decentralization Strategy AP, of which implementation of 6 activities (38%) is in progress with the project support:(i) The rules of property transfer, respective terms and procedures are defined (ref. to the Activity 2.1.4 of the AP: Property transfer). (ii) Building LED capacities of local civil servants (ref. to the Activity 3.1.3 of the AP: Development of human resource capacities in LSG units, Indicator 2); (iii) Measuring citizens’ satisfaction with public services (ref. to the Activity 3.1.4. of the AP: Establishment of uniform (minimum) standards for delivery of municipal services and promotion of efficient implementation of municipal services, Indicator 1); (iv) Developing municipal investment profiles (ref. to the indicators of Activity 3.1.7. of the AP: Promoting Public-Private Partnerships at the local level,Indicator 2); (v) Supporting engagement of local community groups (including youth, women, ethnic minorities), CSOs and private sector in participatory planning, decision making and implementation process with a focus on LED (ref. to the Activity 3.3.2. of the AP: Ensuring community involvement in the implementation of the Decentralization Strategy); (vi) Updating of development planning documents and their methodology with a focus on LED in 39 municipalities (23 FRLD 2, 16 DGG) (ref. to Activity 3.4.2. of the AP: Elaboration of development planning standards and methodology*,* Indicators 1 and 2). | FRLD 2 will continue supporting MRDI in implementation and coordination of the Decentralization Strategy and the AP  |
| 1.1.2. % of increase in local budget revenues as a result of the implemented activities  | 0 | 30% | **11.5% increase in local budget revenues** (according to the planned 2019 municipal budgets[[59]](#footnote-59)) Based on the amendments to the [Budgetary Code of Georgia](https://matsne.gov.ge/document/view/91006?publication=39) enacted in January 2019[[60]](#footnote-60), the Value-Added Tax (VAT) became a shared tax, resulting in the distribution of 19% of collected tax revenues among the municipal budgets, which was the main contributor to the increased local budget revenues.  |  |
| *Output 1.2: LED initiatives from the Mountainous Development Strategy and Action Plan (e.g. strengthening the potential of local enterprises and farms, creating conditions for their development and improving access to markets, etc.) implement by municipalities and central government institutions (MRDI, MoESD, MoF, etc.)* |
| 1.2.1. % of activities implemented from the action plan | 0 | 30% | **Implementation of 18% of LED activities contribute to the Action Plan of the Strategy for Development of High Mountain Settlements** 22 LED-related activities (i.e. 54% of all activities) were mapped in the Action Plan (AP) for the Strategy for Development of High Mountain Settlements in Georgia, of which implementation of 4 activities (18%) is being supported: (i) creating the e-map and mobile application with touristic routes (ref. to Activity 1.1.3. of the AP: Supporting agritourism, ecotourism and cultural tourism; (ii) improving the competencies of local civil servants (ref. to Activity 3.1.3. of the AP: Strengthening HR capacities in LSGs; (iii) construction of CCs for improved service delivery at the local level (ref. to Activity 3.2.1. of the draft AP: Increasing the number of CCs); (iv) supporting the applied research to define the areas of development of high mountain regions of Georgia (ref. to Activity 1.3.1. of the AP: Supporting SMEs and designing investment programs tailored to the needs of local entrepreneurs). | FRLD 2 will continue supporting MRDI in implementation and coordination of the High Mountain Strategy and the AP |
| 1.2.2. % of increase in local budget revenues collected from local businesses as a result of the implemented activities | 0 | 12% | **6.9% decrease in the local budget revenues collected from local businesses** (according to the planned 2019 municipal budget)Based on the amendment made to the Budgetary Code in December 2018, starting from January 2019 certain types of income taxes (among others, received from private entrepreneurs, property realization, gifting a property to physical person), previously accumulated in the local budgets, were transferred to the state budget. In addition, the Law on High Mountain Regions Development envisages tax exemptions for local businesses. Therefore, the local budget revenues collected from local businesses have decreased.  | The project is lobbying for retaining a share of income tax at the local level through decentralization strategy to increase the local budget revenues. |
| *Output 1.3: National and local capacities strengthened to facilitate LED* |
| 1.3.1. # of civil servants trained in LED related qualifications (disaggregated by national/local civil servants and M/W) | 0 | 300 (at least 200 local civil servants; at least 30% M/W & youth) | **306 national and local civil servants trained** in LED related qualifications: 90 women (29.4%), 216 men (70.6%),299 local/regional, 7 national[[61]](#footnote-61) | The target of 1.3.1 is already met. Under this output, the FRLD 2 project applies two approaches: a) Trainings related to LED capacity have been provided to municipalities based on needs identified by MRDI through National Training Assessment (NTA) covering the following thematic areas: business support mechanisms at local level, LED planning, statistics, inter municipal cooperation, tourism development, generating LED project ideas. (Linked to activity 1.3.3)b) To ensure sustainability of the FRLD’s capacity building initiatives and ensure systemic approach to capacity building (Linked to activities 1.3.1 and 1.3.2), in consultation with MRDI, it was decided to create LED Capacity Development System Model. Under this task, 10 training modules (identified based on needs assessment) with comprehensive learning instruments, are to be developed aiming at enhancing LED capacities of local officials/civil servants. It will be also conceptualized how capacity development system shall function and specific modalities will be defined enabling municipalities to procure those LED trainings for their staff. Afterwards the model is to be tested in nine municipalities. CTC has been selected through competitive process to implement this assignment.  |
| 1.3.2. # of additional learning instruments introduced to support capacity development of local officials in LED | 0 | 5 | **2 learning instruments developed:** (i) Guidebook on LED for municipalities was developed by the project’s legal expert and printed to be disseminated among the target municipalities as a recommended learning resource on LED (Annex 3);(ii) Methodology on municipal development planning was developed by the Association of Young Economists of Georgia in consultation with a wide range of stakeholders, is being finalized based on the feedback provided by the Administration of the GoG and MRDI.  |
| 1.3.3. # of local civil servants participating in planning and implementation of new LED initiatives | 0 | 200 | **383 local civil servants (148/39% women, 235/61% men)** involved in the planning teams officially set up in 34 municipalities to engage in the process of updating municipal development planning documents with a focus on LED  | The target is already met  |
| *Output 1.4: Package of policy initiatives to enhance LED enabling environment prepared and advocated by NALAG as a result of consultations with member municipalities and adopted by GoG* |
| 1.4.1. Number of gender sensitive policy proposals supporting LED elaborated and advocated | 0 | 4 | **4 recommendations elaborated and advocated:** (i) On sharing PIT (reflected in Activity 2.1.4 of the Draft Decentralization Strategy); (ii) On property transfer (reflected in Activity 2.1.6 of the Strategy); (iii) On citizen participation mechanisms, aimed at increasing engagement of active citizens in local decision-making and budget planning (reflected in Activity 3.3.1 of Draft Strategy);(iv) Draft Law on amendments to the Organic Law of the LSG Code elaborated, which envisages delegation of the competency of creating LEPLs which will assume the LED functions, including tourism management, among others. The draft law has been submitted to the Parliament of Georgia for approval. | The general statements are part of the approved Decentralization Strategy. However, through NALAG the project continues advocacy efforts to promote further the LED policy proposals. |
| 1.4.2. Number of advocacy activities including meetings, workshops, presentations and negotiations with relevant institutions, such as MRDI, MoED, MoF, Parliament of Georgia and other. | 0 | At least 20  | **Cumulative results for 2018-2019: 21 advocacy activities** (meetings, workshops, presentations, negotiations) with relevant line ministries, the Parliament, and local authorities:**Progress made during January-December 2019: 14 advocacy activities** (i) 10 public discussions in the regions to collect feedback for recommendations on the Draft Decentralization Strategy, involving 277 local stakeholders (61 women, 216 men);(ii) 3 working groups on the new decentralization strategy to present the recommendations based on the needs assessment organized in municipalities with participation of over one thousand local officials; (iii) Meeting with the GoG representatives responsible for Public Administration Reform (PAR) to propose specific recommendations for municipal governance strategy covered by the reform and ensure its relevance to the needs of local authorities.  |
| 1.4.3. Number of policies (gender sensitive) adopted as a result of advocacy activities | 0 | 2 | **1 policy proposal adopted and 2 reflected in the Decentralization Strategy as a result of advocacy efforts**(i) Policy proposal on revision of state transfers (VAT sharing and PIT sharing) was already considered by MRDI (Activity 2.1.4 of the Draft Decentralization Strategy). VAT sharing is active from 1 January 2019, while PIT sharing is reflected in the Strategy;(ii) Policy proposal on property transfer has been considered (Activity 2.1.6 of the Strategy). MoESD in consultation with MRDI declared decision on simplifying the procedures for transferring the state-owned property to municipalities;(iii) Recommendation on citizen participation mechanisms which envision giving more power to active citizens in local decision-making and budget planning (Activity 3.3.1 of the Draft Strategy). |
| *Outcome 2: Municipalities and Community Centres are Strengthened to deliver relevant services and incentives for the business environment and local economic actors* |
| *Output 2.1: Municipal profiles (containing general statistics about municipality, economic potential analysis, available services, resources and SWOT analysis, etc.) and business support services (focal points and referral mechanisms to potential funds and credit opportunities) in place to attract potential investors and entrepreneurs* |
| 2.1.1. # of municipalities with LED profiles  | 0 | At least 8 | **In progress for 8 municipalities:** an initial draft of the Toolkit for preparation of Municipal Investment Profiles developed by AYEG based on the analysis of international good practices.  | 8 municipalities will be identified jointly by the project partners; The contracted company AYEG will facilitate development of investment profiles *This activity is part of the Decentralization Strategy AP*  |
| 2.1.2. # of municipalities with land use and zoning documents | 0 | 3  | **1 in progress for Lanchkhuti municipality:** preparation of land use and zoning document is in progressfor Lanchkhuti municipality in partnership with the Department on Spatial Planning under MRDI. | Consultation with the Department is underway to select additional target municipalities for elaboration of land use and zoning documents in line with the country’s spatial planning priorities. |
| 2.1.3. # of municipalities with focal points to provide guidance to potential investors promotion | 0 | At least 10 | To be accomplished in 2020 by AYEG with the project support.  | Capacity of respective municipal representatives will be increased by AYEG to communicate with and attract potential investors  |
| 2.1.4. # of investors applying to focal point’s services  | 0 | At least 100 | To be tracked upon completion of focal points capacity enhancement in target municipalities (2020-2021).  |
| 2.1.5. # of business projects initiated in target municipalities as a result of provided support services (disaggregated by ownership by women/youth) | 0 | 10 | To be tracked upon creating and launching investment profiles during 2020-2021. |
| *Output 2.2: Municipalities and private sector implement pilot LED initiatives in the areas of tourism, agriculture, trade facilitation, etc.* |
| 2.2.1 |  |  |  |  |
| 2.2.2. Number of joint LED initiatives piloted | 0 | at least 4 (1 per region) | **1 joint LED initiative piloted** in Ozurgeti Municipality;**8 initiatives in progress** in Tsageri, Lanchkhuti, Chokhatauri, Zugdididi, Senaki, Martvili, Tsalenjikha, and Poti municipalities of 3 target regions | FRLD 2 works with those target municipalities which didn’t get funding at the initial stage of the Funding Programme to develop and apply new LED initiatives linked to their respective MDDs FRLD 2 continues working with already funded municipalities |
| *Output 2.3: Local stakeholders (municipalities, local businesses, CSOs) facilitate Cross Border Cooperation* |
| 2.3.1. Number of LED forums (Georgia- Armenia and Georgia- Azerbaijan) organized  | 0 | 2 | **1 cross-border business and trade event organized in 2018 (reflected in 2018 Annual Report)** | Already conducted Georgia-Armenia LED forum on 20 February Planning of 2nd forum has been hindered by the global pandemic crisis, affecting Georgia among other countries in the world. This is part of our contract with NALAG  |
| 2.3.2. Number of joint activities developed as a result of LED forum (dis. by women/ youth) | 0 | 4 | To be facilitated by NALAG in 2020 with the project support.  | Announcement of the call for cross-border LED project proposals in March-April 2020, has been hindered by the global pandemic crisis, affecting Georgia among other countries in the world.  |
| *Output 2.4: Performance Management System (PMS) complemented with Best Practice Programme in place to foster better service delivery and share the knowledge* |
| 2.4.1. Number of services with performance management instruments | 0 | 1 (e.g. street cleaning and waste collection) | **Development of PMS for 2 services in progress:** Baseline study is conducted; PMCG will provide draft report  | In 2019, a local consultancy company – Policy and Management Consulting Group (PMCG) – was selected through the tendering process to develop PMS for two municipal services – cleaning of streets, parks, public gardens and other public areas in the territory of the municipality, and municipal waste management. The e-tool for the PMS will be developed by the Municipal Service Development Agency (MSDA) of the Tbilisi municipality to streamline the universal service delivery at the local level. |
| 2.4.2. Number of municipalities with established PMS | 0 | 6 | **In progress:** upon development of the PMS methodology and respective e-tool PMS will be piloted in 8 municipalities;  |
| 2.4.3. Number of municipalities replicating the PMS | 0 | 11 | **In progress:** upon piloting in 8 municipalities, PMS will be replicated in additional 15 municipalities. |
| 2.4.4. % of local businesses reporting improvements in their activities as a result of PMS (disaggregated by ownership by women/ youth) | 0  | 40% | To be tracked upon introducing PMS in target municipalities. |
| *Output 2.5: 2 Community Centres in selected boarder areas in place and functioning* |
| 2.5.1. Number of individuals applying to community centres (disaggregated by women/ youth) | 0 | 4,000 (1,000 a year) | **Two CCs constructed, 1 functional:** 2 Community Centers were constructed in Chrebalo (Ambrolauri Municipality) and Kachagani (Marneuli Municipality) in 2019. Kachagani CC was opened on 13 December 2019 and is functional, while opening of the CC in Chrebalo is scheduled in January 2020. The newly constructed CC in Kachagani offers about 200 public and private services to up to 20,000 local inhabitants from Kachagani and its 6 neighboring villages. | The 2 Community Centers are functional Statistics on the number of individuals applying to the CCs will be available in 2020. |
| 2.5.2. Satisfaction rate of citizens using community centres’ services (dis. by women/ youth) | 0 | 60% | **In progress**  | Satisfaction rate will be measured by PSDA in 2020. |
| *Outcome 3: CSOs and local businesses are empowered to participate in inclusive LED planning and decision making* |
| *Output 3.1: Local communities (citizens, LSG, CSO, local business sector representatives, associations and institutions) are equipped with relevant knowledge and skills to engage in LED initiatives*  |
| 3.1.1. % of population with understanding knowledge of their rights and roles to engage in LED in four regions (disaggregated by women/ youth) | 0 | 30% | For 4 target regions: 13.3%(11.4% women, 19% youth)* Racha-Lechkhumi-Kv. Svaneti: 20.1%
* Samegrelo-Z. Svaneti: 19.3%
* Kv. Kartli: 6.5%
* Guria: 17.4%
 |  |
| 3.1.2. Number of local Civil Society Organizations (CSOs)/businesses (mostly SMEs)/Business Associations with strengthened capacities in sustainable LED (disaggregated by ownership by women/ youth) | 0 | 20 | **69 local CSOs and SMEs** (43 women/26 men) with strengthened capacities in sustainable LED (generating LED initiatives) in 4 target regions |  |
| 3.1.3. Number of Civil Society Organizations engaged in participatory planning of sustainable LED initiatives (dis. by led by women/ youth)  | 0 | 25 | **12 local CSOs[[62]](#footnote-62)** (including 9 led by women) got engaged in participatory planning of 7 LED initiatives funded through small grants scheme.  | Through both Funding Programmes of Municipalities and CSOs, the FRLD 2 has already and will continue to encourage participatory planning of LED initiatives by engaging in this process representatives of public, private and civil sectors  |
| 3.1.4. Number of businesses engaged in participatory planning of sustainable LED initiatives (dis. by ownership by women/youth) | 0 | 15 | **39 private sector representatives** (10 owned by women; 4 – by youth) from 24 municipalities targeted by FRLD 2 and DGG involved in LED planning teams set up and facilitated by AYEG with the project support  |
| *Output 3.2: Capacities of LSGs and Civil Advisory Councils strengthened to effectively apply citizen participation mechanisms*  |
| 3.2.1. Number of sustainable LED initiatives implemented by LSGs as a result of advocacy measures of Civil Advisory Councils and Business Associations (BA)  | 0 | 8 | **8 municipalities** (Tsageri, Senaki, Martvili, Zugdidi, Tsalenjikha, Poti, Lanchkhuti and Chokhatauri) provided with direct funding to implement sustainable LED initiatives involving Civil Advisory Councils and/or BAs. | FRLD 2 will actively engage Civil Advisory Councils and Business Associations (BA) in target municipalities and strengthen their capacities to advocate LED initiatives  |
| 3.2.2. Number of municipalities applying the guidelines to address citizen enquiries  | 0 | 5 | **In progress in Marneuli municipality** – in 2019, front office is being established in the City Hall to provide consultations and effectively direct citizen’s inquiries. FRLD 2 plans to support Marneuli municipality by drafting guidelines in 2020. | At the moment FRLD 2 working with Marneuli and Rustavi municipalities starting to apply various mechanisms to address citizen enquiries  |
| *Output 3.3: CSOs design and lead participatory LED activities*  |
| 3.3.1. Number of consultation meetings with advisory councils held in project target municipalities  | 0 | 50 | **In progress:** The funded CSOs are supposed to engage/consult/meet Advisory Council members on regular basis  | Meetings with Advisory Councils will be facilitated during 2020-2021 by the CSOs through grant support and contracted consultants  |
| 3.3.2. Number of sustainable LED initiatives implemented by CSOs through small grants scheme (disaggregated by initiatives led by or targeted at women/youth)  | 0 | 20 (at least 25 % led by/ targeting w/youth) | **7 participatory LED initiatives** (including 5 led by women) were funded through small grants scheme in 2019 and will be implemented in 23 municipalities of four target regions during 2020-2021. | The second round of the Small Grants Call is planned to be announced in March 2020  |

# Annex H: Project Expenditure by Outcome, Output and Management

| **Outcome & Output Description** | **Total Budget** | **SDC Budget** | **SDC Expended To 31/12/19** | **SDC** | **ADC Budget** | **ADC Expended To 31/12/19** | **ADC** | **GoG Budget** | **GoG Expenditure To 31/12/19** | **GoG** | **Total Expended** | **% Remaining** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(SDC, ADC GoG**) | **% Expended** | **% Expended** | **% Expended** |
| *Outcome 1: National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development*  |
| Output 1.1LED related aspects of Good Governance strategy at the local level and action plan, (e.g. property transfer, inter-municipal cooperation, municipal service improvement etc.) implemented by municipalities and central government institutions (MRDI, MoED, MoF etc.) |  220,000  |  150,000  |  87,651  | 58.4 |  50,000  |  22,986  | 46.0 |  20,000  |  7,600  | 38 |  118,237  | 46.3 |
| Output 1.2LED initiatives from the Mountainous Development Strategy and Action Plan (e.g. strengthening the potential of local enterprises and farms, creating conditions for their development and improving access to markets etc.) implemented by municipalities and central government institutions (MRDI, MoED, MoF etc.) |  220,000  |  150,000  |  117,607  | 78.4 |  50,000  |  29,304  | 58.6 |  20,000  |  16,469  | 82.345 |  163,380  | 25.7 |
| Output 1.3National and local capacities strengthened to facilitate LED |  350,000  |  200,000  |  107,335  | 53.7 |  150,000  |  63,145  | 42.1 |  -  |  -  |  -  |  170,480  | 51.3 |
| Output 1.4Package of policy initiatives to enhance LED enabling environment pre-pared and advocated by National Association of Local Authorities of Georgia as a result of consultations with member municipalities and adopted by GoG |  80,000  |  50,000  |  29,583  | 59.2 |  30,000  |  18,601  | 62.0 |  -  |  -  |  -  |  48,184  | 39.8 |
| Outcome 1 Total |  870,000  |  550,000  |  342,176  | 62.2 |  280,000  |  134,036  | 47.9 |  40,000  |  24,069  | 60.1725 |  500,281  | 42.5 |
| *Outcome 2: Municipalities and Community Centres are Strengthened to deliver relevant services and incentives for the business environment and local economic actors* |
| Output 2.1 Municipal profiles and business support services in place to attract potential investors and entrepreneurs |  698,000  |  489,500  |  110,800  | 22.6 |  188,500  |  26,967  | 14.3 |  20,000  | 0 |  -  |  137,767  | 80.3 |
| Output 2.2 Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation etc. |  390,002  |  250,000  |  75,367  | 30.1 |  100,002  |  9,706  | 9.7 |  40,000  | 0 |  -  |  85,073  | 78.2 |
| Output 2.3 Local stakeholders (municipalities, local businesses, CSOs) facilitate Cross Border Cooperation |  120,000  |  45,000  |  20,692  | 46.0 |  75,000  |  10,977  | 14.6 |  -  |  -  |  -  |  31,669  | 73.6 |
| Output 2.4 Performance Management Systems(PMS) complemented with the Best Practice Programme in place to foster better service delivery and share the knowledge |  340,000  |  200,000  |  67,800  | 33.9 |  100,000  |  42,305  | 42.3 |  40,000  | 0 |  -  |  110,105  | 67.6 |
| Output 2.5 2 Community centers in selected border areas in place and functioning |  400,000  |  300,000  |  294,982  | 98.3 |  100,000  |  68,046  | 68.0 |  -  |  -  |  -  |  363,028  | 9.2 |
| Outcome 2 Total |  1,948,002  |  1,284,500  |  569,641  | 44.3 |  563,502  |  158,000  | 28.0 |  100,000  | 0 |  -  |  727,642  | 62.6 |
| *Outcome 3: CSOs and local businesses are empowered to participate in inclusive LED planning and decision making*  |
| Output 3.1Local communities are equipped with relevant knowledge and skills to engage in LED initiatives |  349,930  |  283,900  |  89,853  | 31.6 |  66,030  |  19,907  | 30.1 |  -  |  -  |  -  |  109,760  | 68.6 |
| Output 3.2 Capacities of LSGs and Civil Advisory Councils strengthened to effectively apply citizen participation mechanisms |  140,000  |  45,000  |  15,927  | 35.4 |  95,000  |  20,289  | 21.4 |  -  |  -  |  -  |  36,216  | 74.1 |
| Output 3.3Civil Society Organizations (CSOs) design and lead participatory LED initiatives |  679,918  |  403,000  |  160,695  | 39.9 |  276,918  |  58,412  | 21.1 |  -  |  -  |  -  |  219,107  | 67.8 |
| Outcome 3 Total |  1,169,848  |  731,900  |  266,475  | 36.4 |  437,948  |  98,608  | 22.5 |  -  |  -  |  -  |  365,083  | 68.8 |
| *Project Management and M&E*  |
| 4.1 Personnel Costs |  900,000  |  585,400  |  291,949  | 49.9 |  314,600  |  133,080  | 42.3 |  -  |  -  |  -  |  425,029  | 52.8 |
| 4.2 Transport costs |  23,808  |  19,000  |  8,851  | 46.6 |  4,808  |  2,001  | 41.6 |  -  |  -  |  -  |  10,852  | 54.4 |
| 4.3 Logistic and operational costs |  108,880  |  59,600  |  30,811  | 51.7 |  49,280  |  14,212  | 28.8 |  -  |  -  |  -  |  45,023  | 58.6 |
| 4.4 Consulting services |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |
| 4.5 Investments |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |
| 4.6 Evaluation |  40,000  |  25,000  |  -  |  -  |  15,000  |  -  |  -  |  -  |  -  |  -  |  -  | 100.0 |
| 4.7 Documentation and public relations |  11,200  |  7,000  |  2,854  | 40.8 |  4,200  |  985  | 23.5 |  -  |  -  |  -  |  3,839  | 65.7 |
| 4.8 General measures of organizational development |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |
| 4.9 Miscellaneous/Contingency |  7,100  |  7,100  |  2,413  | 34.0 |  -  |  -  |  -  |  -  |  -  |  -  |  2,413  | 66.0 |
| Project Management Total |  1,090,988  |  703,100  |  336,877  | 47.9 |  387,888  |  150,278  | 38.7 |  -  |  -  |  -  |  487,155  | 55.3 |
| *Total Net* |  5,078,838  |  3,269,500  |  *1,515,170*  | 46.3 |  *1,669,338*  |  *540,922*  | 32.4 |  *140,000*  |  *24,069*  | 17.2 |  2,080,161  | 59.0 |
| General Administration Fee |  406,307  |  261,560  |  *121,214*  | 46.3 |  *133,547*  |  *43,274*  | 32.4 |  *11,200*  |  *1,926*  | 17.2 |  166,413  | 59.0 |
| **Grand Total** |  **5,485,145**  |  **3,531,060**  |  **1,636,383**  | **46.3** |  **1,802,885**  |  **584,195**  | 32.4 |  **151,200**  |  **25,995**  |  **17**  |  **2,246,573**  | 59.0 |

# Annex I: ADC Gender, Social Standard and Environmental Appraisal

1. **Gender recommendation**

Response: Abstracted from Annex E: Goal Indicators (please see narrative description of performance in Section III.B.1)

| **Indicators** | **Baseline** **(2018)** | **Targets** **(2021)** | **Status (December 2019)** |
| --- | --- | --- | --- |
| 3. % of increase in the level of public satisfaction with the local self-governments in four project regions (disaggregated by women/youth) | 4 target regions: 73.2% (71.1% women, 74.2% youth (18-29))[[63]](#footnote-63)* Racha-Lechkhumi-Kvemo Svaneti: 85.7%
* Samegrelo-Zemo Svaneti: 74.7%
* Kvemo Kartli: 69.0%
* Guria: 77.3%
 | 4 target regions: 77% | 4 target regions: 69.1% (70.9% women, 62.5% youth (18-29))[[64]](#footnote-64)* Racha-Lechkhumi-Kvemo Svaneti: 80.8%
* Samegrelo-Zemo Svaneti: 72.5%
* Kvemo Kartli: 63.1%

Guria: 74.5% |
| 6. % of increase in women’s economic activity rate in 4 project target regions (contributing to the SDG GAI 5.4.1 Women's economic activity rate - 77%) | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 59.1%
* Samegrelo-Zemo Svaneti: 63.5%
* Kvemo Kartli: 65.8%
* Guria: 74%[[65]](#footnote-65)
 | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 60%
* Samegrelo-Zemo Svaneti: 65%
* Kvemo Kartli: 67%
* Guria: 75%
 | * Racha-Lechkhumi, Kvemo Svaneti and Imereti: 59.5%
* Samegrelo-Zemo Svaneti: 58.1%
* Kvemo Kartli: 62.2%
* Guria: 68.1%
* (Source: [www.geostat.ge](http://www.geostat.ge))
 |

Output Indicators abstracted from Annex F: (please see narrative description of performance in Section III.B.2)

| **Indicator** | **Baseline****(2018)** | **Target****(2021)** | **Status Compared to Target & Brief Description 31 December 2019** |
| --- | --- | --- | --- |
| 1.1. # of new gender sensitive norms, policies and political processes developed and adopted by National and Municipal governments in the fields of LED as a result of project interventions | 0 | At least additional 2 (Decentralization Strategy; Package of Land transfer related legal amendments to LSGs) | **Cumulative 2018 - 2019: 3 policies/political processes** **developed and adopted****(i) 2018 achievement: 1 developed and adopted** **-** Law on PPP was enacted on 1 July 2018, granting municipalities authority to engage in partnership with private sector (reflected in 2018 Annual Report).**(ii) 2019 achievement: 2 finalized and adopted:*** The Strategy for Decentralization (2020-2025) and its two-year Action Plan was finalized in consultation with a wide range of stakeholders and [adopted by the GoG on 31 December 2019](https://matsne.gov.ge/document/view/4764626?publication=0) (see Annex 1 for final Decentralization Strategy and its Action Plan).
* The Strategy for Development of High Mountain Settlements of Georgia (2019-2023) was finalized through public consultations and [adopted by the GoG on 18 July 2019](https://matsne.gov.ge/ka/document/view/4618652?publication=0) (Annexed to the 2019 Semi-Annual Report).
 |
| 2.1. # of municipalities with new gender sensitive and environmentally sustainable LED[[66]](#footnote-66) related measures incorporated in their Municipal Development Plans[[67]](#footnote-67)/bu­dgets and implemented | 0 | 23 municipalities of 4 target regions | **39 municipalities with LED measures incorporated in MDDs and budgets:** Association of Young Economists of Georgia (AYEG) contracted by FRLD 2 and DGG projects upgraded the MDD methodology in alignment with the national policy planning principles in consultation with the Administration of the GoG and MRDI. The existing MDDs with a focus on LED are being finalized in 39 municipalities of 6 target regions targeted by FRLD 2 and DGG with participation of different stakeholders and are being finalized in accordance with the methodology incorporating the feedback from the Administration of GoG and MRDI.  |
| 2.2. % of implemented new gender sensitive and environmentally sustainable LED related measures from municipal development plans/budgets | 0 | 20% | **In progress**: implementation of LED related initiatives will commence in 2020 and thereby calculated in the following reporting period.  |
| 2.3. # of municipalities with new gender sensitive and environmentally sustainable LED related measures planned and implemented | 0 | 8 municipalities of 4 target regions | **Implemented in 1 municipality** (in Tetritskaro), and **in progress in 8 municipalities** (Tsageri, Lanchkhuti, Chokhatauri, Zugdididi, Senaki, Martvili, Tsalenjikha, Poti) of 4 target regions.  |
| 2.6. # of new businesses /extended businesses in project regions (disaggregated by women/ youth) |  0 | At least 500 (at least 20% owned/run by women and/or youth) | 7,300 new businesses registered in four regions (2,454 (34%) owned/run by women): * Racha-Lechkhumi-Kvemo Svaneti: 246 (44% owned/run by women)
* Samegrelo-Zemo Svaneti: 2,567 (42% owned/run by women)
* Kvemo Kartli: 3,605 (26% owned/run by women)
* Guria: 882 (39% owned/run by women)

 (Source: [www.geostat.ge](http://www.geostat.ge))[[68]](#footnote-68)  |
| 2.7. Number of people employed by new businesses/extended businesses (dis. by women/youth) | 0 | At least 1,000 (at least 30% w. / youth) | N/A[[69]](#footnote-69) |
| 3.1. # and % of citizens participation in targeted local decision-making and/or budget planning in 23 municipalities (disaggregated by women/ youth) of target 4 regions | For 4 target regions: 4.9%(5.2% women, 5.4% youth)[[70]](#footnote-70)* Racha-Lechkhumi-Kv. Svaneti: 5.3%
* Samegrelo-Z. Svaneti: 5.0%
* Kv. Kartli: 4.3%
* Guria: 2.0%
 | 12% in target municipalities | For 4 target regions: 14.6%(12.4% women, 17.5% youth)[[71]](#footnote-71)* Racha-Lechkhumi-Kv. Svaneti: 23.5%
* Samegrelo-Z. Svaneti: 13.9%
* Kv. Kartli: 14.6%

Guria: 14.1% |
| 3.2. # of business benefiting from new local economic initiatives (disaggregated by ownership by women/ youth) | 0 | 200 | **34 local SMEs and entrepreneurs** (23,5% owned by women)benefitted from “Guria Tea Route” - a public-private cooperation project piloted in Ozurgeti Municipality.  |
| 3.3. Percentage of population who believe decision-making is inclusive and responsive dis. by women/youth/ethnic minorities/vulnerable groups)[[72]](#footnote-72) | Not defined[[73]](#footnote-73) | To be defined[[74]](#footnote-74) | For 4 target regions: 45.7%(43% women, 49.1% youth, 29.4% ethnic minorities, 51.9% vulnerable groups)[[75]](#footnote-75) |

1. **Recommendation on Social Standards**

In addition to the above tables for Gender Recommendations, the following is abstracted from Annex G, Output Performance (please see narrative description of performance in Section III.B.2)

| **Indicator** | **Baseline****(2018)** | **Target****(2021)** | **Status Compared to Target & Brief Description 31 December 2019** |
| --- | --- | --- | --- |
| 1.3.1. # of civil servants trained in LED related qualifications (disaggregated by national/local civil servants and M/W) | 0 | 300 (at least 200 local civil servants; at least 30% M/W & youth) | **306 national and local civil servants trained** in LED related qualifications: 90 women (29.4%), 216 men (70.6%),299 local/regional, 7 national[[76]](#footnote-76) |
| 1.3.3. # of local civil servants participating in planning and implementation of new LED initiatives | 0 | 200 | **383 local civil servants (148/39% women, 235/61% men)** involved in the planning teams officially set up in 34 municipalities to engage in the process of updating municipal development planning documents with a focus on LED  |
| 1.4.1. Number of gender sensitive policy proposals supporting LED elaborated and advocated | 0 | 4 | **4 recommendations elaborated and advocated:** (i) On sharing PIT (reflected in Activity 2.1.4 of the Draft Decentralization Strategy); (ii) On property transfer (reflected in Activity 2.1.6 of the Strategy); (iii) On citizen participation mechanisms, aimed at increasing engagement of active citizens in local decision-making and budget planning (reflected in Activity 3.3.1 of Draft Strategy);(iv) Draft Law on amendments to the Organic Law of the LSG Code elaborated, which envisages delegation of the competency of creating LEPLs which will assume the LED functions, including tourism management, among others. The draft law has been submitted to the Parliament of Georgia for approval. |
| 1.4.2. Number of advocacy activities including meetings, workshops, presentations and negotiations with relevant institutions, such as MRDI, MoED, MoF, Parliament of Georgia and other. | 0 | At least 20  | **Cumulative results for 2018-2019: 21 advocacy activities** (meetings, workshops, presentations, negotiations) with relevant line ministries, the Parliament, and local authorities:**Progress made during January-December 2019: 14 advocacy activities** (i) 10 public discussions in the regions to collect feedback for recommendations on the Draft Decentralization Strategy, involving 277 local stakeholders (61 women, 216 men);(ii) 3 working groups on the new decentralization strategy to present the recommendations based on the needs assessment organized in municipalities with participation of over one thousand local officials; (iii) Meeting with the GoG representatives responsible for Public Administration Reform (PAR) to propose specific recommendations for municipal governance strategy covered by the reform and ensure its relevance to the needs of local authorities.  |
| 1.4.3. Number of policies (gender sensitive) adopted as a result of advocacy activities | 0 | 2 | **1 policy proposal adopted and 2 reflected in the Decentralization Strategy as a result of advocacy efforts**(i) Policy proposal on revision of state transfers (VAT sharing and PIT sharing) was already considered by MRDI (Activity 2.1.4 of the Draft Decentralization Strategy). VAT sharing is active from 1 January 2019, while PIT sharing is reflected in the Strategy;(ii) Policy proposal on property transfer has been considered (Activity 2.1.6 of the Strategy). MoESD in consultation with MRDI declared decision on simplifying the procedures for transferring the state-owned property to municipalities;(iii) Recommendation on citizen participation mechanisms which envision giving more power to active citizens in local decision-making and budget planning (Activity 3.3.1 of the Draft Strategy). |
| 2.4.4. % of local businesses reporting improvements in their activities as a result of PMS (disaggregated by ownership by women/ youth) | 0  | 40% | To be tracked upon introducing PMS in target municipalities. |
| 2.5.1. Number of individuals applying to community centres (disaggregated by women/ youth) | 0 | 4,000 (1,000 a year) | **Two CCs constructed, 1 functional:** 2 Community Centers were constructed in Chrebalo (Ambrolauri Municipality) and Kachagani (Marneuli Municipality) in 2019. Kachagani CC was opened on 13 December 2019 and is functional, while opening of the CC in Chrebalo is scheduled in January 2020. The newly constructed CC in Kachagani offers about 200 public and private services to up to 20,000 local inhabitants from Kachagani and its 6 neighboring villages. |
| 2.5.2. Satisfaction rate of citizens using community centres’ services (dis. by women/ youth) | 0 | 60% | **In progress**  |
| 3.1.1. % of population with understanding knowledge of their rights and roles to engage in LED in four regions (disaggregated by women/ youth) | 0 | 30% | For 4 target regions: 13.3%(11.4% women, 19% youth)* Racha-Lechkhumi-Kv. Svaneti: 20.1%
* Samegrelo-Z. Svaneti: 19.3%
* Kv. Kartli: 6.5%
* Guria: 17.4%
 |
| 3.1.2. Number of local Civil Society Organizations (CSOs)/businesses (mostly SMEs)/Business Associations with strengthened capacities in sustainable LED (disaggregated by ownership by women/ youth) | 0 | 20 | **69 local CSOs and SMEs** (43 women/26 men) with strengthened capacities in sustainable LED (generating LED initiatives) in 4 target regions |
| 3.1.3. Number of Civil Society Organizations engaged in participatory planning of sustainable LED initiatives (dis. by led by women/ youth)  | 0 | 25 | **12 local CSOs[[77]](#footnote-77)** (including 9 led by women) got engaged in participatory planning of 7 LED initiatives funded through small grants scheme.  |
| 3.1.4. Number of businesses engaged in participatory planning of sustainable LED initiatives (dis. by ownership by women/youth) | 0 | 15 | **39 private sector representatives** (10 owned by women; 4 – by youth) from 24 municipalities targeted by FRLD 2 and DGG involved in LED planning teams set up and facilitated by AYEG with the project support  |
| 3.3.2. Number of sustainable LED initiatives implemented by CSOs through small grants scheme (disaggregated by initiatives led by or targeted at women/youth)  | 0 | 20 (at least 25 % led by/ targeting w/youth) | **7 participatory LED initiatives** (including 5 led by women) were funded through small grants scheme in 2019 and will be implemented in 23 municipalities of four target regions during 2020-2021. |

1. **Environmental recommendation**

This environmental recommendation is applicable to each progress report under the entire project life-cycle, and should also be addressed within the final project report:

There are no indicators related to environmental standards or safeguards or climate change in the project logframe.

1. The four jurisdictions targeted for project activities. [↑](#footnote-ref-1)
2. To include, but not limited to the following: Law of Georgia on Public and Private Partnerships (7/18), Rural Development Strategy of Georgia (2017-2020), Law on Development of High Mountainous Regions, Organic Law of Georgia, Local Self-Government Code (2014), Amendments to the Budget Code to share the VAT with municipalities (12/18), amendments to the Local Self-Government Code to ease property transfer to municipalities, National Strategy of Regional Development (2010-2017), Rural Development Strategy (12/16) amongst others including civil service reform and anticorruption strategies and policies. [↑](#footnote-ref-2)
3. The four jurisdictions targeted for project activities. [↑](#footnote-ref-3)
4. Project Document, page 1. [↑](#footnote-ref-4)
5. Outcome 1:National Institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development; Outcome 2: Municipalities and Community Centres are Strengthened to deliver relevant services and incentives for the business environment and local economic actors; Outcome 3: CSOs and local businesses are empowered to participate in inclusive LED planning and decision making. [↑](#footnote-ref-5)
6. The purpose of LED is to build up the economic capacity of the local area to improve its economic future and the quality of life for all. LED is a process through which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Project document, page 20. [↑](#footnote-ref-6)
7. The project donors are also key stakeholders but are separated out at times to differentiate from stakeholders who don’t have an oversight role. [↑](#footnote-ref-7)
8. To include, but not limited to the following: Law of Georgia on Public and Private Partnerships (7/18), Rural Development Strategy of Georgia (2017-2020), Law on Development of High Mountainous Regions, Organic Law of Georgia, Local Self-Government Code (2014), Amendments to the Budget Code to make the VAT a shared tax with municipalities (12/18), amendments to the Local Self-Government Code to ease property transfer to municipalities, National Strategy of Regional Development (2010-2017), Rural Development Strategy (12/16) amongst others including civil service reform and anticorruption strategies and policies. [↑](#footnote-ref-8)
9. According to the project document, the project is responsive to the following SDG’s: no poverty, gender equality, decent work and economic growth, reduced inequality, sustainable cities and communities, responsible production and consumption, and peace, justice and strong institutions. [↑](#footnote-ref-9)
10. The four jurisdictions targeted for project activities. [↑](#footnote-ref-10)
11. Project Document, page 1. [↑](#footnote-ref-11)
12. LED is defined as a process through which local governments, the private sector and communities form partnerships to effectively mobilize, manage and invest resources into economic ventures to stimulate development and growth of the locality (World Bank definition). [↑](#footnote-ref-12)
13. Services provided at the local level include municipal services as well as those delivered by central agencies for the local population. The project is to support improvements of both central and local government provided services that are delivered at the local level and essential for LED. [↑](#footnote-ref-13)
14. The project will elaborate and establish a PMS to improve service delivery of selected municipal services that are essential for local business and for the LED process as a whole, such as street cleaning waste collection. The Good Governance Strategy at the local level will define the competences to be transferred to municipalities. Consequently, the project will identify the service areas to establish a PMS. [↑](#footnote-ref-14)
15. Latest Human Development rankings and scores as published by UNDP at: http://hdr.undp.org/en/data [↑](#footnote-ref-15)
16. Statistics are per Geostat as of time of project preparation. 2019 figures are to be available in March 2020. [↑](#footnote-ref-16)
17. GDP growth 5.8% as of September 2019: https://tradingeconomics.com/georgia/indicators [↑](#footnote-ref-17)
18. Citizens Satisfaction Survey with Public Services in Georgia, third round, 2017, UNDP. Originally reported in the project document. No updates available. [↑](#footnote-ref-18)
19. GeoStat, 2018 [↑](#footnote-ref-19)
20. GeoStat, 2018 [↑](#footnote-ref-20)
21. Project document source: Welfare Monitoring Survey (2015) UNICEF. [↑](#footnote-ref-21)
22. These indicators are: 1) percent of people benefiting from new LED initiatives (including policy measures) disaggregated by direct and indirect beneficiaries (direct beneficiaries disaggregated by women and youth), and 2) amount of new investments (public and private) made in four regions as a result of project interventions (in total and per region). The use and measurement of indicators is commented on in Section III.B.1. [↑](#footnote-ref-22)
23. SMART indicators are: Specific, Measurable, Achievable, Relevant and Time-bound. [↑](#footnote-ref-23)
24. The project donors are also key stakeholders but are separated out at times to differentiate from stakeholders who don’t have an oversight role. [↑](#footnote-ref-24)
25. The position was filled in March 2020. [↑](#footnote-ref-25)
26. The following analysis is based on the logframe of Annex F, Outcome Performance and Annex G, Output Performance. The main accomplishments were listed in Section II. C, above, Development Context, Intervention Description and Main Results to Date. The above section is to further look at results from a performance and status perspective. [↑](#footnote-ref-26)
27. FRLD2 Project Document, page 18. [↑](#footnote-ref-27)
28. The purpose of LED is to build up the economic capacity of the local area to improve its economic future and the quality of life for all. LED is a process through which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Project document, page 20. [↑](#footnote-ref-28)
29. Workshop on Unified Methodology for Economic Development Planning at the Local Level, May 1-2, 2019 [↑](#footnote-ref-29)
30. Plans for the second round were planned for the June-July period. At the time of this writing and the global pandemic, project personnel are reassessing the timeline and may move it up to respond to pandemic fallout though this is not certain at this time. [↑](#footnote-ref-30)
31. The position was filled in March. [↑](#footnote-ref-31)
32. <http://web.undp.org/evaluation/guideline/documents/PDF/UNDP_Evaluation_Guidelines.pdf> [↑](#footnote-ref-32)
33. <http://www.unevaluation.org/document/detail/100> [↑](#footnote-ref-33)
34. <http://www.unevaluation.org/document/detail/102> [↑](#footnote-ref-34)
35. <http://www.uneval.org/document/detail/21> [↑](#footnote-ref-35)
36. [http://www.uneval.org/document/detail/2 2](http://www.uneval.org/document/detail/2%202) [↑](#footnote-ref-36)
37. <http://www.uneval.org/document/detail/1616> [↑](#footnote-ref-37)
38. <http://www.uneval.org/document/detail/1452> [↑](#footnote-ref-38)
39. The 4 jurisdictions targeted for project activities. [↑](#footnote-ref-39)
40. Source: Survey on Citizens’ Satisfaction with Public Services (2017). The baseline values were defined according to the data provided by ACT on June 28, 2018, disaggregated by four target regions, women and youth. [↑](#footnote-ref-40)
41. Source: Survey on Citizens’ Satisfaction with Public Services (2019). [↑](#footnote-ref-41)
42. Source: The State Department of Statistics (GeoStat), obtained through official information request in June 2018. The value corresponds to the proportion of population below the absolute poverty line in 2017. GeoStat does not collect and process disaggregated data for Racha-Lechkhumi-Kvemo Svaneti due to making aggregate sampling for Racha-Lechkhumi-Kvemo Svaneti and Imereti regions. The same applies to Guria, sampling for which is made together with Samtskhe-Javakheti and Mtskheta-Mtianeti regions. Disaggregated data by sex and location (urban/rural) is not available for this indicator either. [↑](#footnote-ref-42)
43. Source: The State Department of Statistics. The data is obtained through official request in July 2019 and corresponds to 2018 year. GeoStat updates respective information on an annual basis, thus 2019 status update for the given indicator will be available in March 2020. [↑](#footnote-ref-43)
44. Source: The State Department of Statistics, <http://geostat.ge/regions/> (see ProDoc, p.7) [↑](#footnote-ref-44)
45. Source: State Department of Statistics, received through official information request in June 2018. The indicated values correspond to the women’s economic activity rate in 2017. As in case of the previous indicator, GeoStat does not collect/process and provide disaggregated data for Racha-Lechkhumi-Kvemo Svaneti, as sampling was made for Racha-Lechkhumi-Kvemo Svaneti and Imereti regions together. [↑](#footnote-ref-45)
46. Source: Legislative Herald of Georgia: <https://matsne.gov.ge/ka/document/view/4603324?publication=0> [↑](#footnote-ref-46)
47. The indicator expresses the share of municipal budget as a percentage of consolidated GoG budget. Source: MoF data provided to MRDI in 2018. [↑](#footnote-ref-47)
48. Source: MoF. Calculation is based on the 2019 planned budget data. Final budget data for 2019 will be available in March 2020, upon releasing the Budget Execution Report by the MoF (Note: the state budget in the given indicator implies consolidated GoG budget, which consists of the state budget plus municipal budgets). [↑](#footnote-ref-48)
49. Where not explicitly referred to, the LED initiatives always refer to the Gender sensitive and environmentally sustainable initiative [↑](#footnote-ref-49)
50. Municipal Development Documents (MDDs) upgraded with the focus on LED aspects [↑](#footnote-ref-50)
51. The data officially obtained from the State Department of Statistics correspond to the number of businesses registered in 2018 (hence, new businesses) [↑](#footnote-ref-51)
52. Based on the official letter received from the State Department of Statistics, the data on economic actors (enterprises, organizations), including the number of people employed by them, is confidential and cannot be shared (ref. the Georgian Law on Official Statistics, Article 28). Alternative source for this indicator is not available. [↑](#footnote-ref-52)
53. Participation in decision-making about the community problems in the neighborhood/district and/or in local budget planning). Source: UNDP FRLD 2017 Survey on Citizens’ Satisfaction with Public Services in Georgia. The baseline values were defined based on the adjusted data provided by ACT on June 28, 2018 for four target regions, disaggregated by women and youth [↑](#footnote-ref-53)
54. Participation in decision-making about the community problems in the neighborhood/district and/or in local budget planning). Source: UNDP FRLD 2019 Survey on Citizens’ Satisfaction with Public Services in Georgia. [↑](#footnote-ref-54)
55. Contributing to SDG GAI indicator 16.7.2: Proportion of population who believe decision-making is inclusive and responsive by sex, age, disability and population group. [↑](#footnote-ref-55)
56. The baseline values were not defined as it wasn’t part of the Survey on Citizens’ Satisfaction with Public Services in Georgia, conducted in 2017. To be agreed and defined in consultation with stakeholders [↑](#footnote-ref-56)
57. The target values will be defined in consultation with stakeholders. [↑](#footnote-ref-57)
58. Source: UNDP FRLD 2019 Survey on Citizens’ Satisfaction with Public Services in Georgia. [↑](#footnote-ref-58)
59. 2019 planned municipal budgets <https://mof.ge/5245> [↑](#footnote-ref-59)
60. Amendments to the Budgetary Code of Georgia: <https://matsne.gov.ge/ka/document/view/4418491?publication=0> [↑](#footnote-ref-60)
61. Cumulative results for 2017 - 2019 [↑](#footnote-ref-61)
62. Free Media Space, partners: College Horizont, Journalism Resource Centre; Azeri Women; Racha Resource Centre, partners: Social Enterprise Edena; Hangi; Progress House, partner Guria Youth Resource Centre; Tourism and Reality; LDA, partner Racha Sustainable Development Association. [↑](#footnote-ref-62)
63. Source: Survey on Citizens’ Satisfaction with Public Services (2017). The baseline values were defined according to the data provided by ACT on June 28, 2018, disaggregated by four target regions, women and youth. [↑](#footnote-ref-63)
64. Source: Survey on Citizens’ Satisfaction with Public Services (2019). [↑](#footnote-ref-64)
65. Source: State Department of Statistics, received through official information request in June 2018. The indicated values correspond to the women’s economic activity rate in 2017. As in case of the previous indicator, GeoStat does not collect/process and provide disaggregated data for Racha-Lechkhumi-Kvemo Svaneti, as sampling was made for Racha-Lechkhumi-Kvemo Svaneti and Imereti regions together. [↑](#footnote-ref-65)
66. Where not explicitly referred to, the LED initiatives always refer to the Gender sensitive and environmentally sustainable initiative [↑](#footnote-ref-66)
67. Municipal Development Documents (MDDs) upgraded with the focus on LED aspects [↑](#footnote-ref-67)
68. The data officially obtained from the State Department of Statistics correspond to the number of businesses registered in 2018 (hence, new businesses) [↑](#footnote-ref-68)
69. Based on the official letter received from the State Department of Statistics, the data on economic actors (enterprises, organizations), including the number of people employed by them, is confidential and cannot be shared (ref. the Georgian Law on Official Statistics, Article 28). Alternative source for this indicator is not available. [↑](#footnote-ref-69)
70. Participation in decision-making about the community problems in the neighborhood/district and/or in local budget planning). Source: UNDP FRLD 2017 Survey on Citizens’ Satisfaction with Public Services in Georgia. The baseline values were defined based on the adjusted data provided by ACT on June 28, 2018 for four target regions, disaggregated by women and youth [↑](#footnote-ref-70)
71. Participation in decision-making about the community problems in the neighborhood/district and/or in local budget planning). Source: UNDP FRLD 2019 Survey on Citizens’ Satisfaction with Public Services in Georgia. [↑](#footnote-ref-71)
72. Contributing to SDG GAI indicator 16.7.2: Proportion of population who believe decision-making is inclusive and responsive by sex, age, disability and population group. [↑](#footnote-ref-72)
73. The baseline values were not defined as it wasn’t part of the Survey on Citizens’ Satisfaction with Public Services in Georgia, conducted in 2017. To be agreed and defined in consultation with stakeholders [↑](#footnote-ref-73)
74. The target values will be defined in consultation with stakeholders. [↑](#footnote-ref-74)
75. Source: UNDP FRLD 2019 Survey on Citizens’ Satisfaction with Public Services in Georgia. [↑](#footnote-ref-75)
76. Cumulative results for 2017 - 2019 [↑](#footnote-ref-76)
77. Free Media Space, partners: College Horizont, Journalism Resource Centre; Azeri Women; Racha Resource Centre, partners: Social Enterprise Edena; Hangi; Progress House, partner Guria Youth Resource Centre; Tourism and Reality; LDA, partner Racha Sustainable Development Association. [↑](#footnote-ref-77)