UNDP Georgia

EDITED FINAL EVALUATION REPORT

Final External Evaluation of the "Fostering Regional and Local Development in Georgia- FRLD – Phase 2" Project

Funded by the Swiss Agency for Development and Cooperation and the Austrian Development Cooperation and co-funded by the Ministry of Regional Development and Infrastructure of Georgia

Executed by UNDP under National Implementation Modality

for an amount of USD 5,521,772.--

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Draft evaluation report

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Acronyms and abbreviations

ADC: Austrian Development Cooperation

DAC :   Development Assistance Committee

FGD: Focus Group Discussion

FRLD-2:   Fostering Regional and Local Development in Georgia phase 2 (project)

GoG: Government of Georgia

KII: Key Informant Interview

LED: Local Economic Development

LSG: Local Self Government

MDD: Municipal Development Documents

MIP: Municipal Investment Profile

MRDI: Ministry of Regional Development and Infrastructure

MSC: Most Significant Change

MSPA: Municipal Service Providers Association of Georgia

NALAG: National Association of Local Governments of Georgia

OECD: Organisation for Economic Cooperation and Development

SDC: Swiss Agency for Development and Cooperation

ToC: Theory of Change

ToR :   Terms of Reference

UNDG: United Nations Development Group

UNDP: United Nations Development Programme

UNEG :   United Nations Evaluation Group

1. Executive Summary

1.1. Object of the evaluation

The object of the evaluation is the project entitled "Fostering Regional and Local Development in Georgia – Phase 2", or FRLD2, implemented from 15th December 2017 until 31st March 2022, with a total budget of USD 5,521,772.—financed by the Swiss Development Cooperation (SDC), the Austrian Development Cooperation (ADC), and co-financed by the Ministry of Regional Development and Infrastructure (MRDI).

The goal of the project is to build strong Local Self Governance (LSG) institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPS and other population groups. It is supported by three outcomes: 1) National institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development (LED), 2) Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors, 3) Civil society organizations and local businesses are empowered to participate in inclusive LED planning and decision-making.

1.2. Evaluation objective and intended audience

The UNDP has hired a team of two independent consultants, one international and one national, to undertake the Final Evaluation of the FRLD2 project. The purpose of this final evaluation is to provide an assessment of the project performance and an impact assessment based on three criteria: efficiency, effectiveness and impact. The specific objectives of the evaluation are: 1) To assess the project implementation and results against the updated logframe (vis-à-vis the indicator targets) and budget as of November 2021, taking full account of the implementation context, local and global; 2) Assess the effectiveness, efficiency and impact of the project; 3) Document lessons learned, good practices and challenges, provide recommendations for a follow-up phase of the project. The intended audience is the UNDP, SDC, ADC, MRDI, NALAG and local self-governance institutions.

1.3. Evaluation methodology

The evaluation used a combination of methods but was essentially qualitative, in line with its purpose and objectives. The first phase was comprised of a complete desk analysis of the documentation provided by the project team, which was the basis for the preparation of the vetted inception report submitted to the UNDP. The second phase was in-country data collection from 9th to 16th December 2021. During the in-country phase the evaluation team was able to hold 23 in-depth Key Informant Interviews (KII) with 29 male and 22 female respondents, a total of 51 persons in all. This included on-site visits to nine of the project's target municipalities based on purposive sampling. The total number of interview time was 27.7 hours of interview, averaging some 72 minutes per interview. A five-point rating scale was used to gather KII perceptions and a justification for each rating was received. Finally to appraise the impact an adaptation of the Most Significant Change approach was used (MSC). A presentation of the preliminary findings was made to UNDP management and SDC on the last day of the in-country data collection, on 17th December 2021.

1.4. Most important findings and conclusions

The FRLD2 project has had two very different perceptions depending on the angle used to appraise its success. At the field level and based on stakeholders' consultation with national counterparts (2 persons from MRDI) and local actors (21) in nine municipalities of the four target regions, the project was given the highest rating of 5,0 out of 5,0 regarding the partner's level of satisfaction. Similarly NGOs and private sector gave a maximum satisfaction rating of 5,0 from 8 respondents that provided a rating. The project also obtained a very high rating regarding its effectiveness from the national counterpart, MRDI, with 5,0, and a very high rating of 4,86 from the 21 LSG respondents, with a similarly very high 4,71 rating from the civil society and private sector beneficiaries. Some of the lower ratings of 4,0 were given because of the constraints brought about by the pandemic which affected project results, but not because of any shortfall in the project implementation or the support from UNDP. This indicates that the perception regarding both satisfaction with UNDP and effectiveness in obtaining the expected results was a highly one for all national partners involved.

Conversely using the same rating scale, the two project donors only provided a satisfaction rating average of 2,92 for the FRLD2 project, slightly under the average rating of 3,0. Taken separately, one of the donors was more critical with an average of 2,67 out of 5,0, clearly below average, with two 3,0 ratings and one 2,0 (low) rating. The lowest rating is provided because of the perceived lack of strategic longer-term vision for the project. The other donor averaged a 3,3 higher than average rating, with specifically high marks regarding the field work, policy work, and government collaboration, but a minimum mark regarding visibility. The first project donor met also indicated during the interview it had taken the formal decision not to finance another project phase, thereby minimising the relevance of the evaluation process and results.

The apparent gap between the results that were achieved at the national and local level, and the perception of the two project donors, partly rests in the preparation and design phase of the project. The project design is weak, and so is the "theory of change" that is not technically a theory of change, and the results framework which does not allow to measure the contribution of the project to the results. Not only did the logframe and the indicators pose a challenge for the project management, but it remained an issue with donors until the end of the project. Despite a mid-term evaluation and a specific consultancy to review the logframe and the indicators, there was no common understanding of the expected results, something that fuelled diverging expectations among the donors. What is surprising is that the two donors, the MRDI and UNDP all signed the project document despite its numerous technical shortfalls and lack of conformity with UNDP and UNDG guidelines. Unfortunately, the narrative and descriptive style of reporting regarding project implementation did not allow to capture the significant project results and further fuelled donor mistrust on the progress of the project.

From the impact perspective, the project has contributed to significant positive changes, at two levels: at the national level, policy making and legislative changes have provided an enabling environment for LSG to undertake LED, a key achievement of the decentralisation reform process. At the local level, the change in mindsets and rising interest from LSG to collaborate with civil society and the private sector were observed. An important level of capacity development was provided by the project and its service providers to enable the LSG to manage directly project grants and plan for medium-term local priorities in an inclusive and participatory

manner, through the MDD. These are significant achievements even if the LED initiatives are still not fully developed and require further support and consolidation.

Looking at project efficiency, the delivery is expected to reach over 90% of the project budget by the end of the project, which is commendable considering the COVID-19 pandemic. However, in terms of management efficiency, it is unclear how the shared communications and M&E specialists have brought value to the project implementation, considering the low quality both of the M&E system and of the project reporting[1]. **More oversight from UNDP management would have been expected in ensuring that the emerging issues with donors were settled from the start and in supporting the technical gaps in the project team on reporting and M&E**. It is unfortunate that a project that has been able to make important contributions to its three outcomes and its overall goal is not seen as a success by its donors. At the same time, **limited strategic leadership translated into limited documented linkages between the project and the wider efforts and bigger picture regarding decentralisation reform and economic development**. The lesson is that *it is better to avoid formulating excessively ambitious goals and outcomes over which the project has limited influence, and focus more on tangible results at the field level that support the LED efforts*. The project must be designed in a constructive and phased approach that respects the lead time for changes to take place, within a clear and shared vision of the expected results which is to be included in the project document.

1.5. Main recommendations

To the UNDP Country Office:

1) Ensure full training of the office staff in Results-Based Management and reporting, to ensure the office is able to provide evidence of results at the higher levels;
2) Separate the efforts in decentralisation reform to those relating to LED, and consolidate results in LED under a specific LED project in the economic development portfolio
3) Gains in decentralisation are not irreversible, so continue through another project the support to local empowerment through legislative amendments and good governance
4) LED needs to be addressed more comprehensively with a design that links into micro-finance support, business development skills, and a revolving graduation system of up to three micro-grants per entrepreneur to ensure the business is able to reach a critical mass and achieve some degree of sustainability – with a consolidation phase over the next four years
5) Key results indicators for the next LED project should include the number of jobs created and number of businesses able to reach a critical mass to ensure sustainability
6) Additional business services need to be provided to entrepreneurs and NGOs on specific skills (business plans, value-chain approach, etc.)

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[1] UNDP project team provided the following additional information: "the communication specialist was dealing with project visibility, media coverage and preparation of communication materials for numerous events organised by the project. She was only contributing with visibility inputs to the reports. The M&E specialist was helping with reporting semi-annually, data collection, beneficiary databases for all four regions and also with project activities due to the huge workload the project team had in the second half of 2019, when the project had its biggest delivery. All this required more than 50% engagement from both positions". Evaluation team's comment. The point here is that they were not used at the strategic level for the formulation of knowledge products, but it is recognised that they actively participated in project activities.

7) Identify other economic development projects on which to piggy-back LED in municipalities, to use potentially existing synergies between the projects, even if they are funded by other donors

8) Ensure a fully trained M&E specialist is available for the next phase of the project, tasked with the development of the results framework, the theory of change and the development of indicators, this is collaboration with the donors and with the support of UNDP management and M&E expert. It is necessary to identify qualitative means of verification to capture the project's contribution at the outcomes and goal levels.

9) Considering reporting from the regional perspective, e.g. from the changes the project is leveraging in the regions, instead of narrative and descriptive reporting following a list that does not indicate the important achievements of the project

To the donors:

1) Participate in a facilitated professional RBM training to ensure a technically sound and common terminology is used with project implementers

2) Develop more informal exchanges to discuss potential issues with the implementing partners

3) Recognise the lead role of the national counterpart at all stages of project implementation, and ensure its presence and participation in all decision-making meetings and processes, including the presentation of the evaluation findings.

2. Object of evaluation

2.1. Object of evaluation

The object of the evaluation is the project entitled "Fostering Regional and Local Development in Georgia – Phase 2", or FRLD2, which was implemented from 15th December 2017 until 31st March 2022, with a total budget of USD 5,521,772.--. The project was funded by the Swiss Development Cooperation (SDC) with US$ 3,531,060.— plus US$ 36,627.—carried over from phase I, the Austrian Development Cooperation (ADC) with US$ 1,802,885.—and the rest was funded by the Ministry of Regional Development and Infrastructure ("MRDI") with US$ 151,200.-- or provided in kind. This is the second phase of the project. Its original deadline was 30th November 2021, but as per the signed amendments with the two donors, the project was extended until 31st March 2022, largely due to the delays linked to the persistent COVID-19 pandemic which affected project implementation.

Table 1: FLDR-2 project contributors

Amount in US Dollars	Contributor
1,802,885.--	ADC
3,567,687.--	SDC (including 36,627.—from the first phase carried-over)
151,200.--	Government of Georgia (GoG)
196,000.--	In kind
5,521,772.--	**Total**

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The project's overall goal is that "people in the regions of Racha-Lechkhumi-Kvemo-Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli benefit from stronger local self-government institutions for better economic development and employment generation". This goal is articulated through three different outcomes:

The first is focused on enhancing the policy and institutional framework to underpin LED. The second is focused on improving service delivery at the local level, creating business enabling environment and incentivizing local economic actors to engage in LED initiatives. The third outcome puts emphasis on community engagement to ensure participatory policy making is in place and the needs of local community members are incorporated into LED initiatives. The approach towards achieving these outcomes is based on the Local Economic Development (LED) approach, which the project document addresses as "the purpose of the local economic development (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" [2].

The different outcomes are supported by a range of outputs which contribute to the stated outcome.

The table showing the different levels of results is the following:

Table 2. Hierarchy of results Goal-Outcomes-Outputs from project document

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[2] FRLD-2 project document, page 1

Goal	To build strong Local Self Governance (LSG) institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPS and other population groups		
Outcomes	1. National institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development (LED)	2. Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors	3. Civil society organizations and local businesses are empowered to participate in inclusive LED planning and decision-making
Output 1	1.1. LED related aspects of Good Governance strategy at the local level and action plan, implemented by municipalities and central government institutions (MRDI, MoESD, MoF, etc.)	2.1. Municipal profiles and business support services in place to attract potential investors and entrepreneurs	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
Output 2	1.2. LED initiatives from the Mountainous development strategy and action plan implemented by municipalities and central government institutions	2.2. Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation, etc.	3.2. Capacities in LSG and civil advisory councils strengthened to effectively apply citizen participation mechanisms
Output 3	1.3. National and local capacities strengthened to facilitate LED	2.3. Local stakeholders (municipalities, local businesses, CSOs) facilitate Cross border Cooperation	3.3. CSO design and lead participatory LED initiatives
Output 4	1.4. Package of policy initiatives to enhance LED enabling environment prepared and advocated by National Association of Local Authorities of Georgia as a result of consultations with member municipalities and adopted by GoG	2.4. Performance management systems complemented with best practice program in place to share the knowledge and foster better service delivery and share the knowledge	
Output 5		2.5. Two community centres in selected border areas in place and functioning	

Project strategic positioning

In terms of project alignment, the project was aligned with UNSPD and Country Programme Document (CPD) 2016-2020:

OUTCOME 1: By 2020 expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels

CPD output 1.4: By 2020, effective decentralization of government competencies and financial resources respond better to needs of local communities

It is also aligned with the new UNSDCF and CPD 2021-2025:

Outcome 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making

CPD Output 1.1. Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all.

2.2. Theory of change and logic model

This project is the second phase of an earlier project which was developed from 2012 to 2017 under the same title, Fostering Regional and Local Development in Georgia, with the objective of providing assistance to the Ministry of Regional Development and Infrastructure of Georgia in the key reform areas. The second phase, 2018 – 2021, is supporting and promoting the ongoing reform, focusing on decentralization, local economic development, civic engagement and the increased capacities of the national and local institutions to deliver quality services at the local level. Special attention is provided to mountain development with the aim to promote economic growth of Georgia's highlands while preserving their unique culture and biodiversity.

The project design is poor and ambiguous, and the one paragraph on page 18 of the project document technically is not a theory of change in the proper sense of the term. There is no indication as to what the lessons learned from the phase I of the project have been, so the learning is not reflected in any detail in the project document. The project is very ambitious and foresees working both upstream at the national level on decentralisation through its support to the MRDI, and downstream at the local level with municipalities, applying a Local Economic Development approach, in four regions and twenty-three municipalities over four years. Certain aspects relating to the decentralisation process are shared with another project funded by DANIDA (DGG). However, it is not clearly stated what specific aspects of decentralisation fall within the remit of the FRLD2 project and those which fall under the DANIDA-funded project, thereby creating possible misunderstanding and some subjective interpretations.

Evaluation literature and experience from project evaluation suggest that the majority of the problems and constraints can be traced back to inadequate project design. In the case of FRLD2, there are statements which are not grounded on supporting evidence or learning from the first phase, and the overall goal of the project, as well as its three outcomes, require a more detailed conceptual and programmatic explanation about how the changes are supposed to take place within the remit of the project. A key weakness is that by not providing sufficient clarity and information and leaving the possibility of interpreting the contents, the project raised different expectations between the various project stakeholders (as presented under the effectiveness criterion under section five of this report). Despite the various management tools and project

steering committees, the diverging expectations from the various stakeholders have not been able to come together under a united vision about the project success. As a result, there are different views about what constitutes the success of the project, despite the fact that all the stakeholders have signed the project document and donors have committed the resources to implement the activities during these four years. It is also telling that the initial project document mentions on the first page "the Project Document will be revised during the first Steering Committee meeting of the project taking into account the comments of SDC". Despite this provision, the diverging expectations between the donors on the one hand, and the UNDP and the MRDI on the other, about the success of the project were never fully clarified during the implementation of the project[3].

The project also contains a Logframe (annex 3) in an abridged format that contains the goal, outcomes and outputs of the project. There is however a lack of consistency in the different units of analysis, considering for example that the overall project goal wording is supposed to affect the people of four regions, while the outcome one is targeting changes at the national level. The complex articulation of the decentralisation process from the national level to the local level is not well described, nor does the project document or the logframe give a clear vision as to how the project's key results should be achieved. It is too complex, and the wording is not specific enough to provide a vision of how the multiple players contribute to the different aspects of this process. The other key element of the project, Local Economic Development, is poorly addressed as it is inconsistently referred to as an approach, a process, an outcome, and an output. Lack of clarity on LED itself may be another reason for diverging expectations from one of the donors.

2.3. Results Framework

As required the project also has an initial results framework (RF). The Results and Resources Framework which is included in the project is measuring results which are much broader than the project remit and it is again surprising that such an RF was developed and agreed upon as part of the project document. Again all project signatories are collectively responsible for vetting such an RF, which is not aligned to the reality of what could be achieved over the project timeframe with the resources allocated to it. It is also not clear how the project targets (4 regions, 23 municipalities) were identified, as there is no indication of the absorption capacity of the different municipalities, taking into consideration the very different types of municipalities involved, in terms of human and financial resources. There seems to have been an overly simplistic representation of the results which did not consider the lead time necessary to actually ensure that the policy level decisions that were taken upstream were actually enacted and implemented at the local level, hence providing the local level with the necessary skills, knowledge and capacity to implement the new legislation and gradually assume its new local management competencies.

The RF has been questioned regularly during the submission of the annual reports, during the project mid-term evaluation of 6 April 2020, and finally an "indicator passport" was developed by the FRLD team, which discussed it and agreed with its donors at the technical level, while the format was suggested by a consultant, who reviewed the 53 indicators and brought them down to 45, with 13 indicators destined to measure the goal and outcome levels in November 2020.

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[3] UNDP comment : « the logframe review was an attempt at this, as well as the joint M&E workshop, but it didn't result in anything more than reformulation of the outcomes ».

The written exchange with donors continued into 2021 regarding the adequacy of some of the indicators.

The evaluation analysis shows that the project document lacked a realistic and technically feasible Results Framework from the beginning and that it was not solved during the duration of the project implementation. Since there is a technical gap between the RF indicators and the project's contribution to the outcomes and goal, this evaluation is focusing on the perceptions from the different stakeholders at national and local level considering the projects achievements, and is only reporting on the indicators as a requirement since they constitute the RF. However, in view of the evaluation team, it is clear that these indicators are not suitable to capture the results and contributions of the project, which are analysed under the impact criterion under section five.

2.4. Country background and context

Georgia has made clear progress in specific sectors and areas in recent years, but transition to sustainable and inclusive economic growth is challenged with number of issues, including unemployment, poverty, inequality, limited public and civil services, etc.

21.3% of population still live under the absolute poverty line (2020), which has even increased compared to 2018 (20.1%) and 2019 (19.5%). In rural areas poverty rates are significantly higher than in urban areas. Despite the significant fall in poverty rates during the last decade (it was 37.3% in 2010), poverty still affects 27.5% of rural households, compared to 17.1% of households in urban areas.[4]

Unemployment rate kept on a declining trend till 2019 (from 27% in 2010 and 2011 to 17.6% in 2019), but slightly increased in 2020 (18.5%) and 2021 (21.2% - average for 3 quarters reported)[5]. Unemployment figures show clear regional disparities, which are mainly driven by the urban or rural character of regions, since relatively more urbanized regions tend to have higher unemployment rates due to scarce job opportunities, while in rural areas unemployment rates are relatively low due to the large share of population engaged in agriculture activities and considered as self-employed.

Besides, there is a strong asymmetry between rural and urban areas in terms of having more diverse and sophisticated economic structure, and a better developed infrastructure mostly in the capital city. There are significant differences in the delivery of public services in rural and urban areas. Certain public services are practically not available to villages and mountainous areas. E.g. centralized supply of drinking water is only available to 42% of rural population and 36% of residents of mountainous areas. Similarly, the sewage system is available to only 4% of rural areas and highland settlements. There is no cleaning service available to residents of highland settlements and only 9 % of them receive waste disposal service. While electricity is available in most parts of urban, rural and mountainous areas (97-98%), central gas supply is available to 59% of rural and 44% of highland settlements versus 95% of urban area. Access to education and healthcare services also varies across the regions and mountainous/non-mountainous settlements. While kindergartens are available to 83% of population nationwide, in highland settlements, only 53% of citizens have access to them and in Kvemo Kartli region 67% of ethnic minorities report that kindergartens are not available within their settlement/district. Also, the level of availability of public schools in Racha-Lechkhumi/Kvemo

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[4] https://www.geostat.ge/en/modules/categories/192/living-conditions
[5] https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment

Svaneti (82%) is lower than availability on the national level (96%). Vocational education institutions are only available to 40% of the Georgian population. 35% of highland settlements' population report that medical clinics are mostly 5 km (35%) or farther (49%) from their settlement/districts, and majority of respondents or their family members (90%) have not used this service over the past year.[6]

The government provides the public services mostly through the local self-governments. The structure and functions of the local self-government bodies have gone through multiple changes; however several milestones can be highlighted.

During 1992-1998 governance was centralized and mayors and governors (in municipalities) and state governors (in regions) were directly appointed by the central government. In 1998 and 2002 municipal elections were held and local representative bodies, such as councils, were created at the town, community and village levels as well as on the municipality level. The rights and responsibilities of self-governing units were defined in the state legislation. Despite the fact that there were frequent changes in the duties and responsibilities assigned to local governments, the central government did not allocate financial and material resources to locals and, as a result, self-governments were not able to fulfil their legal duties and responsibilities.

After the "Rose Revolution" (2003) there was a tendency towards power centralization. Specifically, the lowest level of self-government was eliminated on the grounds that the municipality level would gain more financial resources to implement duties and responsibilities, but in fact the process of decentralizing public finances did not start until later. Simultaneously, the central government strengthened control over local self-governments, which came close to losing their right to independent decision making.

Since 2012 the new government that came to power has announced decentralization one of its priorities and has taken several steps in this direction. There has been significant progress in terms of enhancing legislative and institutional framework for local self-governance reform and decentralization. The EU-Georgia Association Agreement (AA) agreement signed in 2014, has served as an important basis and driving factor for the Government of Georgia to implement reforms in a number of key areas including good governance, public administration and civil service. The key achievements in these areas include the adoption of the new code of Local Self-Governance in 2014 that allowed the representative as well as executive bodies - Gamgebeli/Mayor to be elected through direct election and introduced additional mechanisms ensuring participation of the public in self-government. Further amendments were made concerning citizen participation and enhancement of decentralization by the transfer of selected competences to municipalities and fiscal decentralization allowing municipalities to retain a portion of the local income tax in addition to property tax collected by municipalities.

In 2017 the Parliament of Georgia passed a series of amendments to the Constitution introducing new, additional constitutional guarantees for pertaining to the implementation of local self-governance. Specifically: the Constitution recognized that the division of powers between the State and local self-government is based on the principle of subsidiarity and that the State pledges to ensure the adequacy of financial resources with powers of local self-governments laid forth in the organic law; the citizens of Georgia decide issues of local importance through representative and executive bodies of local self-government; Powers of State government and local self-governments are separated; Self-government unit (municipality) has its own powers, which it exercises independently, under its own responsibility

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[6] Citizen Satisfaction Survey with Public Services in Georgia, third round, 2017, UNDP

and discretion within the limits of the law; municipalities can be prescribed other functions by state authorities or leadership of the autonomous republic with the rationale that these functions may best function at a local level; powers can be delegated from State authorities to the local municipality through a legislative act or a contract together with the transfer of relevant material and financial resources; local self-governments are entitled to decide, at their discretion, on matters which do not belong to exclusive competence of state authorities or those of autonomous republic, and which is not excluded by law from the jurisdiction of self-governing unit. Thus, these additional guarantees granted by the Constitution of Georgia provided key legal foundation for further strengthening of the self-government and aligning the decentralization process with European standards.

During 2018 changes occurred in MRDI leadership (with the replacement of the Minister and Deputy Ministers). Despite the reinforced commitment to the decentralization reform by MRDI's new leadership, the vision of the reform directions has changed, and this has resulted in the prolonged timeframe of the decentralization processes. The Parliament also stayed committed to the fundamental decentralization reform declared by the national authorities. However, it has not undertaken a significant government oversight role through its Committee on Regional Policy and Local Self-Governance. Neither was it particularly active in the decentralization strategy development in coordination with MRDI and other key stakeholders. In 2019 the Parliament engaged in this process more actively through the Parliamentary Working Group on Decentralization Strategy.

Overall, implementation of the decentralization process and development of local self-government had been challenged by several factors: Reform was primarily connected to the political changes in State government; Legal amendments were made mainly prior to the elections and did not envisage the further development of the process in the medium-term perspective; Full execution of powers by the local self-governments have been hindered due to absence of a long-term development vision of the municipalities; Regulations and frameworks restrict the freedom of action and discretion for decision-making; Lack of effective mechanisms for public and private partnership and low level of involvement of the general public and businesses, results in a mismatch between decisions and local needs and interests; Lack of human, material and financial resources necessary for the exercise of power prevents local self-governments to fully and effectively execute their mandate prescribed by the organic law of Georgia; Underdeveloped cooperation between municipalities results in low quality of municipal services and failure to maintain cost-effectiveness and consolidate available resources; Discrepancies within the legal framework creates collisions between provisions of sectoral legal acts and the organic law on local self-governments resulting in inability of local authorities to fully execute their powers. Limited financial and material resources available to self-governments is among the critical factors that hamper effective implementation of self-governance.

The current Strategy for Decentralization (2020-2025) and its two-year Action Plan was finalized under UNDP's recognized lead role in consultation with a wide range of stakeholders and adopted by the GoG on 31 December 2019. The strategy is focused on the following three goals: 1. Increase of powers of local self-government; 2. Build material and financial capacity of local self-government; 3. Develop reliable, accountable, transparent and results oriented self-government.

Impact of the pandemic

Covid-19 pandemic has impacted the country economy in a large, especially harmful for the tourism and Horeca (hotel/restaurant/café) sectors. State budget resources mainly

concentrated on health sector and economic provision of businesses and vulnerable groups of population. The vast majority of the public (89%) has benefited from subsidized utility payments and a third (34%) have benefited from debt relief[7].

Despite this fact, negative effects of the pandemic are mostly evident for the lower-income groups of the population, especially in rural areas, which is well reflected in certain figures. Poverty rates in rural Georgia meaningfully increased (from 23.7% in 2019 to 27.5% in 2020, while in urban areas it has been 16.4% in 2019 and 17.1% in 2020)[8]. Unemployment rate, which was declining until 2019, have increased in 2020 and 2021. Significantly increased prices for commodities have influenced the annual inflation rate. Prices increased on foods (especially on vegetables, oil, and bread) and beverages, transport, water, electricity, gas and healthcare services.

Due to the regulations and restrictions caused by the pandemic, most of the events and meetings switched to online mode, which has negatively affected the interventions that require face to face interaction and onsite visits. However, at the same time, there have been successful cases of adaptation to the new circumstances and even creation of new technologies/platforms and approaches.

3. Evaluation purpose, objective and scope

3.1. Evaluation purpose

The UNDP has hired a team of two independent consultants, one international and one national, to undertake the Final Evaluation of the Project: "Fostering Regional and Local Development in Georgia – FRLD- phase 2". This final evaluation has been contractually foreseen in the project document and has been included in the UNDP evaluation plan.

The purpose of this final evaluation is to provide an assessment of the project performance and an impact assessment. The criteria for the evaluation are standard evaluation criteria defined by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and the United Nations Evaluation Group (UNEG): efficiency, effectiveness, impact. The evaluation was also requested to assess the cross-cutting normative principles of the United Nations namely regarding the Human Rights Based Approach and the inclusion of Gender Equality.

The scope of the final evaluation is the entire implementation period of the Project since its start on 15th December 2017 until 30 November 2021, with a particular focus on the last two years since the mid-term evaluation undertaken in early 2020[9].

3.2. Evaluation objectives

The specific objectives of this final external evaluation are:

1) To assess the project implementation and results against the updated logframe (vis-à-vis the indicator targets) and budget as of November 2021, taking full account of the implementation context, local and global;

2) Assess the effectiveness, efficiency and impact of the project;

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[7] COVID-19 High Frequency Survey 2020-2021 -
file:///C:/Users/User/Downloads/crrc_covid_19_monitor_wave_3_report.pdf
[8] https://www.geostat.ge/en/modules/categories/192/living-conditions
[9] Anthony Costanzo, Mid-term Evaluation of the FRLD phase 2 project – Final report, 6th April 2020

3) Document lessons learned, good practices and challenges, provide recommendations for a follow-up phase of the project

3.3. Evaluation scope and audience

The scope of the evaluation is the four years of project implementation, from the 15h December 2017 until 30 November 2021. The project has received a no-cost extension until 31st March 2022.

This final evaluation is meant to provide evidence of results and accountability to the UNDP, the SDC and ADC, MRDI, NALAG and local self-government. It may be published for dissemination and communication purposes. It is undertaken under the oversight of the UNDP Georgia Office. The UNDP evaluation manager is also the UNDP FRLD project manager, supported by the M&E specialist and UNDP management. Her role is to ensure that the final evaluation remains on track with its work plan and submits the required deliverables.

4. Evaluation methodology

4.1. Methodology

The three criteria for undertaking the assessment are mentioned in the ToR and are the standard criteria used for project evaluations: efficiency, effectiveness, and impact. Originally the definitions of each of the evaluation criteria had been given by the OECD/DAC in its glossary of key terms in evaluation and results-based management in 2002. However, in 2019 the evaluation criteria were revised and updated as follows[10] :

"**Efficiency**: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. Note: "Economic" is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).

Efficiency answers the question: how well are resources being used?

Effectiveness: The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Note: Analysis of effectiveness involves taking account of the relative importance of the objectives or results.

Effectiveness answers the question: Is the intervention achieving its objectives?

Impact: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Note: Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic effects of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. Beyond the immediate results, this criterion seeks to capture the indirect, secondary and potential

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[10] https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

consequences of the intervention. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment.

Impact answers the question: What difference does the intervention make."

Note: technically, impact is evaluated, as defined above, over the long-term. In the case of the FRLD2 project, the evaluation team has focused on direct and indirect effects, e.g. contribution to the outcome (or change process) triggered by the outputs completed under the project, as there can be no rigorous impact assessment at this stage and within the parameters of the project logframe.

The evaluation has backtracked the higher-level results to the likely factors that influenced said results, using contribution analysis. The definition of the higher-level results (either positive or negative) is based on the perception of the different key informant interviews (through in-depth Key Informant Interviews) starting from an adaptation of the Most Significant Change (MSC) approach to identify the changes that took place for the different stakeholders, and contribution analysis to establish if the project results were factors that contributed to the outcome and the changes produced at local level. Note that these perceptions do not necessarily have a direct link with the 13 indicators identified in the indicator passport.

Tools and methodology

The evaluation used a combination of methods that included:

a) Documentary review of project outputs and reports submitted by the project, leading to the preparation of the inception report;

b) 23 Individual Key Informant Interviews (KII) with key project stakeholders in Tbilisi from 9 to 17th December 2021 and in the four regions covered by the project from 12th to 16th December 2021, as per the table hereunder:

Table 3: KII undertaken by the evaluation team

Category	Nr Meetings	Male	Female	Total persons
donors	2	3	2	5
UNDP	2	4	6	10
MRDI	1	1	1	2
municipalities	9	15	6	21
IPS	3	3	0	3
NGOs	4	3	2	5
grantees	2		5	5
total	*23*	*29*	*22*	*51*

8 of the KII were undertaken in Tbilisi, and the rest in the four regions covered by the project. The municipalities that were visited were: Saneki (met the former mayor in Tbilisi), Zugdidi, Martvili, Ozurgeti, Chokhatauri, Oni, Ambrolauri (by skype given C-19 restrictions), Rustavi, Bolnisi.

The total number of respondents were 51 persons, of which 29 were male and 22 female. 23 KII were held for a total time of 1,660 minutes equivalent to 27.67 hours of continuous interview. The average interview time was slightly over 72 minutes per person.

The evaluation team was able to conduct on-site observation and saw a number of sub-projects implemented by grants to municipalities and to NGO sub-grantees.

The evaluation was mostly qualitative and worked from the perspective of the Most Significant Change (MSC) approach, in order to obtain feedback from the different stakeholder groups, using appreciative inquiry.

The evaluation team used a questionnaire protocol to ensure comparability and consistency amongst the different respondents interviewed. The KII included open and closed questions, and used a five-point rating scale to obtain respondents' feedback regarding their perception about the project. This allows to gather indicators relating to the satisfaction of the project stakeholders. Each rating in turn is based on a qualitative justification explaining why such a rating was given. Probing was also pursued when and where necessary to obtain a clear understanding of the responses to the Key Evaluation Questions (KEQ).

Contribution analysis was used to infer the causality between the observed and analysed effects and the factors that led to such outcomes to the extent possible, taking into consideration that some of the effects are not yet fully visible at this point in time.

Sampling of respondents: the Project Board members were compulsory KII, but the sampling strategy in the four regions was based on purposive sampling, i.e. using "best cases" to identify best practices, aspects that need to be replicated or upscaled, and practices that contribute to the positive effects generated. Conversely, the evaluation also used "bad cases" to learn from the difficulties in those municipalities where the expected results were not achieved, in order to inform future planning and avoiding the potential gaps and pitfalls that were encountered in the project. However according to the ratings obtained, there did not appear to be really "bad cases". UNDP project team was tasked with the selection of the sites visited based on the purposive sampling criteria requested by the evaluation team.

In both cases of purposive sampling (best and bad cases), the focus was on learning from the qualitative perspective of the evaluation respondents. The evaluation team is providing in the body of the report under section five the required data interpretation to sustain the conclusions and recommendations that flow from the data collection analysis.

4.2.   Standards, norms and criteria

The evaluation follows the United Nations Evaluation Group (UNEG) evaluation norms and standards (2017 revision), and the UNDP "PME Handbook" established by the UNDP in 2009 and revised in 2011, the UNDP Outcome-level evaluation, a companion guide to the Handbook on Planning, Monitoring and evaluation for development results for programme units and evaluators, December 2011, the UNDG, Results-Based Management Handbook, Harmonizing RBM concepts and approaches for improved development results at country level, October 2011, as well as the updated UNDP evaluation guidelines of 2021[11]. It is conducted under the

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[11] http://web.undp.org/evaluation/guideline/index.shtml

provisions of the revised UNDP Evaluation Policy of 2019[12]. The final evaluation also adheres to and is a signatory of the UNEG ethical guidelines for evaluation and the UNEG Code of Conduct both of 2008. The approach follows a "utilization-focused evaluation" approach that is described by M. Q. Patton in his book of the same name[13] that continues to be a good practice reference material for the conduct of evaluations. While both the project document and the terms of reference include material from the Austrian Development Cooperation, as a multilateral agency the evaluations commissioned by UNDP are subject to the relevant UNEG norms and standards and do not directly apply donor norms and standards. Donor specific norms and standards apply to projects for evaluations which have been commissioned directly by the donors and in which the service provider is a different entity.

4.3. Risks and limitations

The evaluation had little time to prepare the data collection work at field level given the limited number of days budgeted for the evaluation. Some of the interviews at field level were undertaken in Georgian language. The national expert provided interpretation services during these meetings. The team leader had worked in Georgia on two previous evaluations and is therefore somewhat familiar with the context.

4.5. Evaluability

The original logical framework identifies 53 indicators to appraise the project goal, outcomes and outputs. As mentioned above, the mid-term evaluation suggested to decrease the number of indicators, and as a result an agreement with project stakeholders was reached by which a total of 45 indicators were identified for appraising the project success.

Of these, four indicators are reported to be impact indicators designed to measure the goal of the project, while the remaining nine indicators are designed to measure the outcomes of the project. 32 are used to measure the outputs.

The project design is not fully aligned to the UNDP requirements for project development and the formulation of goal and outcomes is not aligned to the UNDG and the Results-Based Management Guidance from UNDP and UNDG. The theory of change should be a roadmap highlighting the processes and steps needed to reach the outcomes and the goal. A narrative ToC guidance should have been provided, articulating that IF such a condition is met, THEN it will take the project to the next step which is…., PROVIDED THAT ….(assumptions), from the starting point of the project to its goal. The indicators are mostly outside the control of the project, so the value of measuring something that the project is only very indirectly contributing to is unclear. Attribution is only possible from the activities to the output level in the hierarchy of results according to Results Based Management, which is the level at which the project holds control and can be accountable. The higher the level of results, the less attribution is possible, and the more important the contribution of other actors become, particularly when the result seems to be intended for the entire country and not only for the four target regions.

One key requirement for a "SMART" indicator is that it is **specifically measuring one result** (the "S" in SMART means it is specific) and not a combination of results. Yet the outcome formulation

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[12] http://web.undp.org/evaluation/documents/policy/2019/DP_2019_29_E.pdf

[13] "Utilization-focused Evaluation", Michael Quinn Patton, 3rd Edition, Sage publications, 1998

for each of the three outcomes involves more than one result ("and" wording in each of the outcome statements indicates a combination of processes), so it is not clear which of the interactions in the end need to be measured.

UNDP defines an outcome-level result as "the intended changes in development conditions that result from the interventions of governments and other stakeholders, including international development agencies. They are medium-term development results created through the delivery of outputs and the contributions of various partners and non-partners. Outcomes provide a clear vision of what has changed or will change in the country, a particular region, or community within a period of time. They normally relate to changes in institutional performance or behaviour among individuals or groups"[14] Similarly, the United Nations Development Group (UNDG) Results-Based Management Handbook, defines an outcome as "changes in the institutional and behavioral capacities for development conditions that occur between the completion of outputs and the achievement of goals."[15] The same document states "Impact implies changes in people's lives… Such changes are positive or negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended."[16] It is very unclear to the evaluators how counting the number of direct beneficiaries (impact indicator 1) can be considered an impact indicator, since simply having the number of beneficiaries does not provide any qualitative indication as to whether or not it has changed their lives and if it has been for the better or the worse. Similarly for indicator three, the unemployment rate is a poor indicator for the project contribution. A better indicator would be the number of jobs created through the project outputs. Still, without any qualitative analysis, it is not possible to discuss the quality of the jobs created and how they affect job holders. According to the SDC feedback of October 27, 2020, there is an acknowledgment that some indicators are not adequate to appraise the project and need to be removed (namely public satisfaction, unemployment rate, women's economic activity) and also that the number of jobs created is a better indicator than the unemployment rate.

As there is now little value in suggesting a revision of the project document, the logframe or the results framework, the evaluation focused on the constructive value it can bring to the process of answering the general and specific objectives of the evaluation. However, project evaluability is weak because most of the indicators refer to processes over which the project itself has little, if any, contribution and because not enough time has passed to appraise the potential effects of some of the project outcomes. Therefore, the concept of "impact assessment" has to be clearly understood as covering the effects that were generated by the project from the stakeholders' perspectives and not through an analysis of the indicator passport, because it will not only provide a rating regarding the perceptions of project stakeholders, but also the reason behind the ratings through a qualitative explanation.

This evaluation is firmly grounded on all the UNEG guidelines, UNDP evaluation guidelines, OECD-DAC evaluation guidelines, UNDG and UNDP RBM guidelines, so that all materials, definitions and concepts can be referenced back to their relevant normative framework.

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[14] UNDP (2011); Outcome-level Evaluation: A companion guide to the handbook on planning monitoring and evaluating for development results for programme units and evaluators, p 3.
[15] UNDG, Harmonizing RBM concepts and approaches for improved development results at country level, October 2011, p. 7
[16] Ibid.

The main objective of this final evaluation is to provide an assessment of the project performance and an "impact assessment". Impact is defined by the OECD-DAC as "The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Note: Impact addresses the ultimate significance and **potentially transformative effects of the intervention**. It seeks to identify social, environmental and economic effects of the intervention *that are longer term or broader in scope than those already captured under the effectiveness criterion*. Beyond the immediate results, this criterion seeks to capture the indirect, secondary and potential consequences of the intervention. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment."[17] It is questionable whether the term of "impact" assessment can be used after four years of project implementation, particularly when the first two years were focused on the changes at the national level. This evaluation will follow the DAC guidance as regards to the unit of analysis which will be the **potentially transformative effects of the project**. In order to do so, the evaluation used an adaptation of the Most Significant Change approach, and also tried to appraise the factors that led to identified transformation insofar as they can be traced back to the project (using contribution analysis). Transformative changes outside the remit of the project cannot and should not be used as proxy for the project success or failure.

As a result the first part of the first specific objective of the evaluation "to assess the project implementation and results against the updated logframe (vis-à-vis the indicator targets) a…" is largely a compliance exercise, since most of the indicators are proxy of higher levels of results on which this project has had limited effects and that are primarily the responsibility of the Government together with its development partners. So even though the majority of the indicators from the indicator passport will not be evidencing the results of the project itself, the information will be obtained from the UNDP (since the evaluation has no means, time or resources to collect the information). Note that the evaluation has no added value in the collection of these indicators as it is only reporting the indicator data. The second specific objective "assess the effectiveness, efficiency and impact of the project", was done using the OECD-DAC criteria and their definition, presented under the methodology section. This was the main thrust of the evaluation through essentially a qualitative analysis of stakeholders' perception and through field data collection with main project counterparts in Tbilisi and the four project regions. The major data collection efforts were deployed under this specific objective, because beyond the actual indicator measurement, it is important to understand the factors that may have contributed to the positive or negative results, something that the sole measurement of an indicator does not provide. An indicator only measures the result, but doesn't explain why it was achieved, not achieved, or exceeded.

From the qualitative analysis and interpretation of the data collection with the key project counterparts, the evaluation addresses the lessons learned, good practices and challenges, and provides recommendations for a follow-up phase of the project, as requested under the third specific evaluation objective.

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[17] https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

5. Findings

To facilitate the reading, this section is structure along the Key Evaluation Questions which were developed in the preparation phase and are contained in the approved inception report.

5.1. Efficiency

5.1.1. Is the project bringing value for money?

The project is addressing two different but related aspects of local development. On the one hand, the project has supported at the national level the decentralisation efforts and the adoption of policies and costed actions plans that enabled local self-governance institutions (LSG) to plan their medium-term priorities and access directly funding from non-government sources in order to carry out LED interventions. In the four years of project implementation, key policy documents have been passed and gradual empowerment of LSG has been rising with the corresponding competency transfers granted to LSGs. On the other hand, it has also supported the municipalities, civil society and private sector to develop LED initiatives based on a collaborative relationship which did not exist before this project and capacity development through grant management. These are two major changes that will endure after the end of the project, and it is providing the government at national and more importantly at local level with the tools, capacities and eventually resources to collaboratively develop LED initiatives in the target regions. Considering the complexity of the project, the number of processes and political buy-in necessary to have achieved the adoption of the strategies and the resourcing of the action plans, the on-going development of local capacities and the change in mindsets, the project is clearly bringing value for money through its significant achievements.

Table 4 – Delivery under the overall project budget including carry over funds from phase I

UNDP financial information regarding FRLD2 project

up to 30.9.21	$4.312.893,59	expenditures
1.10.21 to 31.12.21	$435.419,00	commitments 2021
1.1.22 to 31.03.22	$224.516,00	commitments 2022
total	**$4.972.828,59**	remaining balance
project budget	$5.521.772,00	$548.943,41
delivery rate %	**90,1%**	

The project delivery is expected to be at 90% of the overall project budget by the end of the project. The table above shows the financial information from the UNDP including the commitments for the last quarter of 2021 and for the first quarter of 2022.

5.1.2. Is the project being efficiently managed?

The project has a core team which have been changing during the life of the project. The project manager was replaced in 2019, and the monitoring and evaluation expert that was working as part of the project team has also left. It is unclear if and how the communications expert has contributed to the project outputs. The project team is relatively small considering the complexity of the project (one project manager, one LED and one Service Development coordinators, one project officer, one administration and finance officer on full time basis, plus

a 50% shared team of three regional coordinators, one M&E specialist, one communications specialist, and one legal expert).

In terms of financial delivery, the information from the key informants interviewed indicated that the administrative and financial support provided by UNDP was timely and efficient. None of the KII had a negative remark regarding the relationship with UNDP in regard to financial or administrative issues. A number of municipal-level respondents indicated that UNDP had a very close and collaborative attitude and was responsive to their query every time they had doubts or questions about the procedures that needed to be followed.

The project is implemented under the National Implementation Modality (NIM), which means that the MRDI is responsible for implementation, with support from the UND which retains the management of all project funds and procurement of goods and services (as mentioned in the project document p. 42 and 43). However, the evaluation notes that the MRDI was not formally invited to the presentation of the preliminary evaluation findings which was undertaken on 16th December 2021 with the SDC and UNDP (ADC was invited by unable to attend), something that is not aligned to the normal practice regarding national ownership and commitment and does not follow aid effectiveness good practices.

5.1.3. How well was the project designed?

The project design is weak. The project document is not scaled to the needs of the stakeholders, it does not provide a vision of the expected achievements, it is insufficiently clear and concise on the use of key concepts such as "LED", which is a term that is not used by other ministries such as MoESD and which was not being used previously in Georgia at the local level. This lack of precision has fuelled diverging interpretations and expectations particularly from the donors on the anticipated results of the project. The weak project structure is unable to clarify what is the project-specific responsibility in a wider change process that requires substantial political buy-in and the support of not only the MRDI, but other line ministries as well, in order to ensure a coherent approach in the decentralisation process. Part of the decentralisation efforts are supposed to be covered by another project (Decentralisation and Good Governance) funded by DANIDA, but it is not clear how the responsibilities of the FRLD2 and DGG are divided and how their collective synergies contribute to the decentralisation process. There is no indication in the project document that at the strategic level UNDP is providing support or some coordinating role (higher-level buy-in being necessary for the success of the decentralisation efforts) to this overall effort. It is necessary to understand that the project does not work in a vacuum and that the context and political changes are affecting the potential for achieving the decentralisation goals, as well as the timeliness of the decentralisation reform. It takes a considerable amount of time to first develop the proper policies, then have the legislative changes to enact the policies, and further ensure the resources are given to the action plan to actually implement decentralisation down to the local level. This could have been enough to support the government navigate its shift from the earlier central planning process which was used in Soviet times to the more modern decentralised local self-governance institutions that are required now as a result of the reform process.

The project was highly ambitious as it included support not only to the national level in developing the proper policies, informing the legislative changes, and supporting the implementation of the action plans, something that could easily have centred the efforts during these four years. In addition, the project opted to include the benefits of Local Economic

Development to the LSG and population of the four target regions and 23 target municipalities of the project. There is no rationale or explanation on how the number of target regions and municipalities were identified, no indication of absorption capacity at regional or municipal level, no assessment of municipal capacities in order to provide tailored support, and finally no clearly defined application of what "LED" means in the context of the regions in Georgia. Is local a regional, or a municipal, concept? From the project design, it appears that the municipalities are the unit of analysis, since they are the 23 direct beneficiaries of the LED efforts, and in particular in their capacity development to develop LED initiatives in the municipalities. However, the role of the regional level is missing from the project document. Georgia maintains at present some level of centralisation and the large investors prefer to address the national level rather than the local level because they have no incentives to engage at the local level yet. To believe that in four years the project would be able to implement the decentralisation reform AND contribute to improve the life of people through LED in the four regions was overly ambitious and unrealistic. The question that the evaluation is not able to answer is why the two donors, the government and UNDP signed such an excessively optimistic project document despite the unlikely possibility to fully achieve the outcomes and the stated goal within such a short time period and with the limited resources allocated to the project.

At the design level, the project is not fully aligned with the UNDP guidelines. It contains additional references to donor guidelines from both ADC and SDC as annexes to the project document, without making their purpose clear. In the experience of the evaluation team leader, UNDP has a set of corporate guidelines which cover the annexes that donors included in the document, in order to ensure the coherence and consistency of its work worldwide, regardless of the funding source. It is the first time for the team leader that donor specific guidelines are attached to a UNDP project (but with no mention of whether they constitute a specific requirement to UNDP or not). From past evaluation experience, donor guidelines are used when the funding recipient is not a multilateral UN agency and is not using the United Nations normative frameworks which already contain indications as to how key issues such as capacity development, environmental sustainability, gender, human rights, should be addressed into any intervention. So the need to have these annexes is unclear as is their applicability to the project implementation. Either UNDP uses the United Nations norms for project management, or it accepts those proposed by the donor – and in this case by the two donors. But there should not be three different normative frameworks guiding the project design and implementation.

These annexes suggest a lack of direct verbal consultation with donors on issues which should have been discussed and cleared prior to the commencement of the project. The minutes from the Steering Committee meetings and the back-and-forth comments on the project annual reports between the donors and the UNDP suggest that the level of communication has been insufficient from the beginning and was never addressed as a priority issue by UNDP management.

5.2. Effectiveness

5.2.1. What are the key results of the project?
The project has been able to obtain key results in two specific areas:

1) At the upstream level – national policies, legislative changes and action plans

2) At the downstream level – local capacity development, empowerment, change of mindset and willingness to works differently between LSG, civil society and the private sector.

At the upstream level, the project has contributed to having 3 key documents adopted by the GoG during the life of the project: 1. The law on PPP enacted on 1st July 2018 granting municipalities authority to engage in partnership with the private sector 2. The Strategy for Decentralisation (2020-2025) and its two-year Action Plan adopted by the GoG in December 2019 3. The Strategy for Development of High Mountain Settlements of Georgia (2019-2023) adopted by the GoG in July 2019. These processes and changes were essential in order to create the enabling conditions to act at the downstream level and were achieved under Outcome 1.

At the downstream level, the project has contributed to develop the capacity of the municipalities in the four target regions and enabled LED measures to be incorporated in the Municipal Development Documents (MDDs), and supported the development of Municipal Investment Profiles (MIP) for a total of eleven municipalities. While MDD were a new process of medium-term local planning for municipalities, MIP also provided information on investment opportunities in the region. It has also through the grants process developed capacity of the civil society organisations and of the private sector. An essential result is that municipalities are now empowered, authorised and able to receive directly funding from donors to undertake LED initiatives, thereby contributing to decentralisation and minimising the dependence on the central government for LSG's access to resources. This is an essential change in the way LSG function in Georgia. A number of LED initiatives have been started in different municipalities, but are still in the initial stages and need further consolidation. This is largely due to the effect of the continuing COVID-19 pandemic, which has slowed and delayed a number of activities, as prevention measures and directives are changed to attempt to contain the spread of the virus, thereby causing distortions in the socioeconomic environment.

The on-going decentralisation reform process in Georgia is quite unique and the project has contributed to changing the operating conditions at the local level through a combination of up-stream and down-stream support to enable creating the adequate conditions for LED to be gradually introduced. As a new and unused term in Georgia, the concept of LED (which is not used by the MoESD) is faced with a number of challenges at local level. These have been discussed and presented at the different local events held to discuss challenges and opportunities for LED under the project. There is clear evidence that the project used a concept which had not been rolled out to the local level or sufficiently disseminated to be well understood by the various local stakeholders. In turn, some aspects of the decentralisation process remain to be completed in order to fully empower the LSG in the future. At present, there is still a stronger incentive for investors to reach out to the central level than to engage at the local level, while some aspects of the legislative adjustments need to be streamlined and coordinated with other ministries.

As indicated in the inception report the evaluation used a qualitative approach based on stakeholders' perception to obtain feedback on the level of effectiveness as well as on the level of satisfaction with UNDP under this project. A five-point scale ranging from 1 minimum to 5 maximum (average 3.0) was used to provide a measure of these aspects. At national level, the findings show a substantial difference between donors' perception and those of the national counterpart, the MRDI, as shown in the table hereunder: (Note: respondents' responses are coded to ensure their anonymity)

Table 5 – UNDP Satisfaction and effectiveness ratings from donors (D) and MRDI (N) - (7 respondents in total) for FRLD2 based on the evaluation KII

respondents	satisfaction	average			
D1	2				
D2	3				
D3	3				
D4	3				
D5	3,6*	**2,92**	effectiveness	average	*Composite of 4 aspects rated: 4.9 for field work, 4.5 for policy work, 4 for GoG collaboration, 1 for visibility
N1	5		5		
N2	5	**5,0**	5	5,0	

The data collected during the field visits and KII in the 9 municipalities and with the different implementing partners from civils society and private sector are very high, as shown on the table hereunder. The table also indicates that, based on the information provided by the municipalities, the amount of co-funding from these 9 municipalities corresponds to 30% of the grant amount allocated by the project (last column, co-funding).

Table 6 – UNDP satisfaction and effectiveness from 9 municipalities and Governor's office perspectives – total 21 KII – source: evaluation KII notes

municipality	satisfaction		Effectiveness		Grant GEL	Co-funding
M1	5		5		59000	32000
	5		5			
M2	5		5		65000	16000
M3	5		5		120000	120000
M4	5		5		60000	0
	5		5			
M5	5		5		60000	10000
	5		5			
	5		5			
M6	5		5		33000	7000
	5		5			
	5		5			
	5		5			
	5		5			
M7	5		5		60000	60000
	5		5			
	5		5			
M8	5		5		50000	110000
M9	5		4		60000	N/A
	5		4			
	5	average	4	Average		
Total 21 R		**5,0**		**4,86**	**817000**	**247000**
						30% of grant

Regarding the level of satisfaction and effectiveness of the civil society actors (NGO grantees) and the entrepreneurs who benefitted from a micro-grant, the ratings appear equally high as shown in the following table:

Table 7 – UNDP satisfaction and effectiveness from NGOs (N) and beneficiaries (B) of the FRLD2 project (8 respondents in total and one N/A from the community centre) – source: KII evaluation notes

Respondent	satisfaction		effectiveness		Grant GEL	comment
B1	5		5		283000	
B2	5		5		5000	
N3	5		5		120000	
	5		5			
N4	5		5		N/A	
N5	5		4		$50000	IP – COVID-19 delays
	5		4			
B6	N/A	**average**	N/A	**average**		Community centre K
		5,0		**4,71**		

These finding indicate that at the field level, the project provided a maximum level of satisfaction, with an average rating of 5,0 across the NGOs, beneficiaries, municipalities and governor's office respondents. Justifications for the ratings mentioned UNDP's responsiveness, most supportive partner in relation to municipalities' needs, providing constructive support, easy to communicate with and obtain a response, flexibility, and commitment to achieving the stated results.

The ratings regarding effectiveness at local level are almost as high, with a **4,86 average** from LSG (table 6 above) and **4,71 average** (table 7 above) from civil society and beneficiaries. The anticipated results were all achieved, and some of the lower ratings of 4 regarding the effectiveness are linked to the delays and restrictions linked to the COVID-19 pandemic, and not due to FRLD2 project management or implementation.

The perceptions regarding the project's effectiveness are therefore two-fold: from the national counterpart perspective and from all the local partners (LSG, civil society, beneficiaries), the project has achieved its anticipated results. Several municipalities indicated UNDP as their preferred partner given comparatively greater flexibility and responsiveness. For MRDI, LSG, civil society and beneficiaries there is no doubt that the project has achieved a high level of effectiveness in reaching its expected results.

The perspective from one of the donors is more critical, with an average of 2,67 from three respondents. One reason for the below average rating of 2 (poor) is linked to the lack of a strategic longer-term vision in the project, something that may be due to the poor reporting and the absence of a coherent results framework and a proper theory of change that allows to visualize what and how changes were supposed to take place during project implementation. It is the view of the evaluation that the project document does not transmit a clear vision of results and appears more as a collection of activities than as a strategic process to empower LSG for LED through the decentralisation process. However, both the absence of adequate reporting on

meaningful results and the constant discussion at the project steering committees given a flawed results framework that does not capture the project successes means the UNDP project team was fighting an uphill battle. At the end of the day, one thing is what is perceived through the documentation that is being produced under the project, together with its weak reporting, and the other, the visible results and the changes that the project managed to achieve at the local level for which evidence has been collected and is presented under the other evaluation criterion: impact.

It is interesting to note that the second donor had also a different view regarding the ratings, with a more positive appraisal of 3,3 from the two respondents. One of the respondents from the second donor clearly recognised the quality of the field work, the policy work, and relationship with government, but gave a minimum rating to the aspect of donor visibility. While it is understood that the donor has a visibility policy, but it is however preferable to score a very high mark of 4.9 on results at the field level and a 1 on visibility than the other way around, in which case the failure of achieving results would be the most visible aspect of the project. So, while the composite rating of 3.6 would not change, there is in view of the evaluation a recognition that the contribution to the three project outcomes has clearly been a positive one, and the shortfalls are more based on a single aspect linked to the project's visibility in the case of this specific donor.

5.2.2. To what extent are the outcomes achieved?

The first outcome "National institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development (LED)" is almost fully achieved. MRDI with UNDP's support have developed the necessary policy and institutional frameworks that have led to the above-mentioned results. However, there remains with the Government of Georgia the need to streamline across the various ministries the provisions and regulations to sustain effective decentralisation. This is process wider than the project contribution and requires overall donor coordination and a whole-of-government approach to decentralisation as the reform process creates a shift in the competencies of some line ministries. The project has supported the development of the necessary policies and the indicators for outcome one has been met or exceeded, with three (versus a target of two) policies and processes developed and adopted (indicator 1.1.), four additional competencies granted to the local level (on track with expected target of four, indicator 1.2.) and on track for the increase in the share of the municipal budget with 11.1% increase in 2019 versus a target of 13% for indicator 1.3. at the end of 2021 (indicator measure still needs to be collected).

This evaluation report will not analyse to what extent the indicators are correctly capturing the project's contribution to the outcomes, as this has been a long discussion from the beginning in which the donors and UNDP have not been able to find a common ground. Even though the mid-term evaluation of April 2020 and the facilitated revision of the logframe and the indicators at the end of 2020 were undertaken, there are still questions as to the validity of the original indicators. Discussions with project donors also indicated that there were no clear indicators for LED at the beginning of the project, so the choice of indicators was in fact a trial approach. The evaluation finds that there has not been enough proper technical guidance to develop the results framework from the beginning of the project, and that UNDP accepted to work on a results framework that does not meet the requirements of the UNDG and UNDP guidance, particularly in relation to how Results-Based Management practices are applied for project designs and results framework. It is therefore the joint responsibility of the UNDP management

that accepted a technically inadequate results framework to appraise the project performance as well as that of the donors and MRDI which accepted it.

The second outcome of "municipalities and community centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors" has been largely achieved. Municipalities have been empowered through policy and legislative changes and through capacity development provided under this project to increase their ability to develop LED initiatives in collaboration with private sector and civil society organisations. There has been a fundamental change at local level in terms of how municipalities now engage with the private sector and civil society. The result stems from the work upstream under outcome one, but also through the capacity development efforts and training provided, through the hands-on management of direct grants to the municipalities, which provided in some cases their first experience in managing grants directly, and in involving the wider public and the private sector in consultations related to the establishment of local priorities.

In relation to the results framework indicators for outcome 2, all three indicators have been largely exceeded, with 37 municipalities in six regions (versus a target of 23 municipalities in four regions)[18] having LED measures incorporated in the MDD and budgets for indicators 2.1. In order to have gender sensitive MDDs, gender mainstreaming of MDDs was conducted by the Municipal Service Providers Association of Georgia (MSPA) in 7 of the RFLD2 municipalities. For indicators 2.2., the increase in municipal budget allocation was reported as 67% versus a target of 20% for indicator 2.2., and the increase in central budget allocations for new LED initiatives was 140% versus a target of 20% for indicator 2.3..

The third outcome of CSOs and local businesses are empowered to participate in inclusive LED planning and decision-making has been partially achieved. Given the delays and constraints linked to the COVID-19 pandemic and the related restrictions that have been taking place since the pandemic was declared in March 2020, the process remains at an initial phase in terms of implementing LED initiatives. It is too early to consider the outcome as fully achieved, as it is a work in progress that needs to be consolidated. Local empowerment is apparent through the various events and trainings that were held, and the support provided by some of the direct implementing partners of the project, while the two-round of grants given to NGOs to support small-scale producers and entrepreneurs also provided a practical first-hand approach to learn how to develop LED initiatives. But this is not sufficient to ensure sustainable results, and the small grants programme needs to be upscaled on revolving basis to up to three grants. Other actors such as Enterprise Georgia also concede up to three grants, and the concept of a long-term revolving fund to support gradually successful enterprises consolidate their position in the market through second and third grants is a practice that has already been used successfully in many other countries. If UNDP is to continue its work on LED, it must be clearly more focused on the business aspects and technically prepared to accompany the entrepreneurs along their path to develop a business that can reach the critical mass necessary to ensure its sustainability.

As for the three outcome indicators, these have been largely exceeded in two of the three cases, and on track for the third. The percentage of citizen participation for indicator 3.1. is 14.6% for the four target regions versus a target of 12%, the number of new businesses benefitting from

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[18] UNDP comment: "It was achieved through coordination with DGG. Overall, we cooperated closely with DGG on a number of project components such as MDD, MDD methodology, technical support to MRDI to lead the decentralisation process and implementation of the decentralisation action plan, performance management system, etc."

LED initiatives is 262 versus a target of 200 for indicator 3.2., and the percentage of the population who believe decision-making is inclusive and response is 46% in the four target regions versus a target of 47% for indicator 3.3..

From the qualitative perspective, which is the focus of this evaluation, the outcomes one and two have been largely achieved, and the third outcome is being partially achieved but has logically suffered from delays and changes linked to the COVID-19 pandemic restrictions.

5.2.3. To what extent is the project goal achieved?

The project goal was that the people in the four project target regions benefit from stronger LSG institutions for better economic development and employment generation. However, the goal of the project is excessively ambitious considering the timeline and resources allocated to the project. While the MRDI and UNDP recognised that the project goal was overly ambitious, again all project stakeholders agreed to the contents and signed the project document and agreed on the subsequent changes to the results framework, the logframe and the indicators. Thus all main project stakeholders are collectively responsible for endorsing a goal that goes much beyond the remit of an individual medium-size project that only works with one ministry but affects the whole decentralisation process within the government and how LSG institutions are supposed to function in the country. The qualitative appraisal is that the basis for LSGs to contribute to economic development and income generation have been established. However, it is too early to appraise the positive effects, particularly considering the constraints linked to the COVID-19 pandemic. Therefore, to ensure the sustainability of the emerging contribution to the project goal, it is important to consolidate the results through an additional phase of four years focusing specifically on LED with LSG, private sector and civil society, and particularly on business skills and knowledge that is required for businesses to become sustainable.

Georgia is a mosaic of very different geographical, political and socioeconomic communities with many variations from one municipality to another. The evaluation has visited municipalities that do not depend on the central state budget given access to mining tax rights, while others are very stretched given their low capacity to leverage resources locally. There are obviously large differences between the regions and within the regions regarding LSG capacity to develop LED initiatives, just as there are different opportunities for the private sector and civil society in each municipality. To treat all these very different components of the project targets under the measure of a single indicator hardly allows to capture the changes and the qualitative processes which have been pursued to arrive to the more concrete results that are sought. The evaluation therefore finds that, to the extent of its possibilities and considering the operating context during the past four years, the project has made substantial gains towards the project goal. It is too early yet to appraise concrete LED results from the measure of specific indicators.

Nonetheless and referring to the indicator passport developed as a result of a consultancy at the end of 2020 at donors' request, the results of the so-called impact indicators[19] are as follows:

Table 8 – indicator passport "impact" indicator results – source: UNDP FRLD2 project team

Ind.	description	target	Results	comment

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[19] The evaluation team leader expresses his disagreement regarding the technical nature of the chosen indicators for this project and the fact that these are technically not impact indicators through which project attribution could be measured.

1	# of people benefitting from LED initiatives, disaggregated by direct and indirect beneficiaries	900,186		882,553 ind. beneficiaries 6,207 direct benef. of which 60% women	On track
2	Amount of new investments made in four regions as a result of project interventions	8		12 public investments for USD 351,445 were made in the four target regions	exceeded
3	% of increase in the employment rate of four target regions			The indicator was suggested to be the number of new jobs created; data is not yet available[20]	
4	% increase in women's economic activity rate in 4 project regions	RLKS: 60% SZS: 65% KK: 67% Guria: 75%		RLKS: 72.1% SZS: 59.5% KK: 58.4% Guria: 66%	+12.1% Exceeded -4.5% unmet -7.6% -9.0% unmet

5.2.4. What are examples of good practice?

The project has developed a number of good practices, in particular in the area of LSG capacity development. Good practices examples have been:

1) Developing and supporting the MDD methodology to enable municipalities to proactively plan, through public consultations, its medium-term priorities in conjunction with local actors.

2) The development of MIP is a good practice as it enables potential investors to immediately have access to the opportunities that the municipality can offer. There are apparently some additional legislative changes required for investors to approach the local level instead of the central level, but MIPs are an important process and tool which also contribute to LSG empowerment.

3) Knowledge sharing, skills training and capacity development for the municipalities in order to ensure both the development of MDD, in some cases of MIP with facilitated support, and the access to direct donor funding for LSG through grants for LED initiatives.

4) Placing staff at the regional and local level and holding events that allow participants to connect into a network of partners with common interests in the regions.

5) Attitudes, responsiveness and flexibility of the project team staff towards local actors.

6) Use of existing national resources and implementing partners based at the local level which provided technical support to the municipalities as project implementing partners. Nonetheless, a clearer partnership strategy for the selection of the service providers is warranted.

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[20] UNDP comment: the indicator was suggested by the logframe consultant David Johnson; however it was not endorsed by partners. The formulation was changed from the initial indicator description which was **% of decrease in unemployment rate in 4 project target regions**. The data is currently not available.

5.2.5. What capacities have been developed as a result of the project?

The key to empowering LSGs, civil society and the private sector is based on the two-tier strategy followed by the project: first, the necessary policies and legislative changes must take effect and be enacted; second, at the local level, the actors must be properly prepared, trained and supported to assume the new responsibilities that the additional competencies received as a result of the decentralisation process. However, since this is a fundamental change from the way LSG operated in the past, there are some new capacities that need to be adequately supported to ensure that the LSG and local actors have in fact the necessary knowledge and skills to assume their expanded role for LED. At the municipal level, the project used a number of service providers and also provided direct support so that municipalities could plan for medium-term local economic development based on local priorities. This required first and foremost an understanding of the new role of the LSG and of their competencies, therefore a significant effort to **raise awareness** about the decentralisation process and what opportunities this entailed for the LSGs. Specific training was provided in local economic development planning, through the preparation of the MDDs, which played a key role as a bridge between civil society, the business community and the LSG. MDD priorities were discussed and presented at public fora, and followed an inclusive and participatory process. At the same time, specific training was given to ensure gender mainstreaming of the MDD by the MPSA. Grant management is one area in which the municipalities have received technical support, and half of the municipalities interviewed have since the FRLD2 project received additional grants from other donors.

Through the provision of direct grants to the municipalities, and to civil society which administered the sub-grants to direct beneficiaries, the obtention of direct funding was a new experience for a number of municipalities. Before this project, direct funding for any kind of initiative was not available without the corresponding specific government decree. At present, municipalities can partner directly with donors and implement projects without having to refer to the central level or the line ministries, as the project has opened direct access for municipalities to donor funding. At the same time, the NGOs, most of which have had previous grant management experience with UNDP and/or other donors, also benefitted from this project to engage with the LSG and individual private sector beneficiaries in a coordinated and concerted manner in which the collaboration of the different parties enabled to create positive conditions for LED initiatives. In certain municipalities the assisted preparation of Municipal Investment Profiles (MIP) has also led to a better understanding of the opportunities and the potential of the regions for LED.

What the project has yet to develop further and has had no time and means to ensure is the business management capacity of the private sector grantees to ensure their business will become successful, provide employment and reach a certain sustainability. For this to happen, an additional phase focusing on more structured capacity development in business management and skills would be necessary. Additional information received from UNDP shows that this aspect was partially covered through the small grants provided, but it needs to be pursued further.

Anecdotal evidence collected also indicated that in some cases UNDP was able to provide targeted technical support to answer specific partners' questions. The evaluation was also able to observe the concrete achievements made of the municipal grants under the project (four sites visited with on-site observation, three seen through photographs and videos).

5.2.6. What were the key challenges and shortfalls experienced during project implementation? (Lessons learned)

Such a complex and ambitious project is bound to encounter a number of challenges during its implementation. There are a large number of lessons learned which should be carried forward into the support for a future LED consolidation phase. The key lessons identified have been:

a) At the project design level

a.1.) Ensure that the project is well designed and fully developed without leaving room for interpretation by the different stakeholders. The project design is weak and leads to confusion because it does not sufficiently state who is responsible for what under the project. It shares the human resources for this project with that of another project under a different donor (DGG under DANIDA) but without providing an overall management oversight at the senior level to ensure consistency and coherence between the two projects[21].

a.2) Ensure that Results Based Management skills are properly used in the preparation of the results framework, the choice of the indicators and the theory of change. All project signatories are mutually responsible for a flawed project results framework, indicators which measure the macro level over which the project has very limited sway, statements which do not align with the UNDP and UNDG guidelines, including the definition of "outcomes" and "outputs". The project paragraph on "theory of change" is technically not a theory of change nor is the diagram. It is unclear if and how the M&E resources available within the project and in UNDP's management have been used to review and vet such a project document. Similar lack of technical knowledge on RBM is also found among the two project donors, as shown by the back-and-forth written exchanges on the logframe and the indicators.

a.3) There should not be a provision to leave what needs to be established up front for later in a project document. The statement on the first page of the project that the project document will be revised during the first steering committee meeting based on the comment of one donor already indicates a certain misconception about the project. It is essential that all key stakeholders share a common vision regarding the project outcomes and results, and these must be grounded on realistic and achievable targets that are within the remit of the project, and not larger effects over which the project has a very indirect impact.

b) communications and reporting

b.1.) project reporting is weak. Reporting is narrative and descriptive based on the activities undertaken. It does not provide a vision of what has changed and how this is positively influencing the development of LED initiatives. It is unclear what has been the added value of the shared human resources for communications and M&E between this project and the DGG project that have been budgeted for. The annual and semi-annual reporting are focused on the micro-level and fail to capture the changes at the local level in each of the regions. Considering that there were three regional coordinators, it would have been much more constructive to have a regional reporting format[22] for each of the four regions, particularly considering the

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[21] Comment by UNDP: the Democratic Governance Team Leader ensured this. Evaluation comment: no supporting evidence of this was provided

[22] UNDP comment: "Our regional coordinators have been reporting on monthly basis on project implementation progress, challenges, monitoring visits and general developments in the region, which could be linked to us or affect our initiatives. Therefore regional reporting was in place". Evaluation comment: that is correct, but the point is that the change process at local level does not form part of the

differences between and within the regions with the target municipalities, to highlight how the different project results affected the local level partners (LSG, civil society, private sector). There is no indication of the longer-term linkages or of how the positive achievements are enablers for future LED in the regions. Results-based reporting supporting the strategic vision should be an essential component of project management.

b.2.) communication among key project stakeholders seems to be based on mistrust. KII and the presentation of the preliminary results from the evaluation to UNDP and one donor showed a very formal and cold relationship. In the words of one donor representative, this is because there were "different and higher expectations" regarding the project. There hasn't been a collegial and inclusive oversight of the project. MRDI is the national counterpart but has not been invited to participate in the debriefing. Communications from donors to UNDP are always done formally in writing, and there is a sense that there may be some personality issues that have not allowed for a smooth and mutually respectful relationship around the implementation of this project.[23] There is an excessive and unwarranted level of micro-management from the donors which should have drawn more attention from UNDP senior management. At the same time, with such weak reporting, UNDP is not able to provide evidence to its donors about the project's key achievements or the longer-term vision to which the project is contributing. While MRDI is the national counterpart, it seems to have been relegated to a secondary role in the project structure as all key issues are discussed between the donors and UNDP, but strangely without visible MRDI inputs[24]. Donor discussions are clearly more critical than friendly, thereby reflecting a level of satisfaction which is, as the ratings suggest, well below that of the national stakeholders and local actors.

c) project management and UNDP management

c.1.) the original project manager was changed in 2019 and the M&E specialist left her position in 2020 after having taken her maternity leave. There were no proper RBM skills or reporting skills with the project team to ensure a good quality results-based information and communication to the key project stakeholders[25]. UNDP management should have taken a more active role in ensuring that the necessary correction was made to support the successful and smooth implementation of the project. The evaluation finds insufficient support from UNDP's management to the project team to address the challenges and issues raised from the beginning of the project.

c.2.) M&E is an essential strategic function that allows to report on the evidence of the project's results. There is no document regarding the work of the project M&E specialist, but the documentation reviewed shows that the project materials are not fully aligned to the UNDG and UNDP guidelines and are not RBM compliant. Even if the project M&E specialist did not have the

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narrative reports submitted to donor nor is it captured in the documentation provided, which is narrative and descriptive. The point here is that reporting should be based on the local changes that have been achieved.

[23] SDC comment: "along with formal communication, semi-informal (explanatory verbal exchanges) communication between donors and UNDP were continuously exercised throughout project implementation".

[24] Or at least not documented evidence to show that MRDI is taking a position regarding the different challenges mentioned in the donors' correspondence. UNDP further informed that despite the lack of supporting documentation, the FRLD2-MRDI cooperation was quite close, and all key activities were coordinated with MRDI. This was indeed confirmed during KII with MRDI.

[25] UNDP comment: M&E was responding to increased inquiries coming from the partners

necessary skills, UNDP management and the UNDP M&E specialist should have provided a proper response to the various issues related to the theory of change, the results framework and the choice of indicators. The importance of the M&E data should not be minimised as it is critical to provide evidence of progress and results.

It is surprising that, at the end of the day, the project was able to achieve considerable success at the field level, while the donors' perception is largely reflecting a much more nuanced view of the project's success. To be able to speak the same technical language allows to clear potential differences through the use of a shared terminology and understanding. This common terminology has not been present during this project, and a technical training on RBM would certainly enhance the communication capacity and the understanding between UNDP and its donors. It is not enough to write the words "theory of change" on a paragraph to technically respond to ToC requirements.

d) Contextual changes

In March 2020 the WHO declared a COVID-19 pandemic which remains into effect to this date. This had resulted in a number of measures, lock-down, quarantines, and other measures which have necessarily affected the normal way of doing business. Obviously this has impacted all project, and the FRLD2 is not exception. A no cost extension was granted until 31st March 2022 because of the pandemic. It is normal that unforeseen risks which are not in the risk matrix require some flexibility and the possibility of repurposing (or reallocating) budget lines. There did not appear to have much flexibility under this project, something that is in stark contrast with a number of other projects evaluated during the COVID-19 pandemic in other countries. This vets the question of why no such flexibility could be granted to this project.

5.2.7. Has the project incorporated the UN programming principles in its implementation (gender, HRBA, LNOB, environment) and if so, have they leveraged specific results?

There is limited indication that the project has incorporated the programming principles in the project design and there are no indications in the project document regarding how the UN programming principles would be implemented during the project. There are a number of references to the programming principles in the project document, but it refers to third parties and not to how this particular project is applying the UN programming principles.

The evaluation found that the most evident incorporation of the programming principles was in the area of gender equality, with efforts to mainstream gender sensitive MDDs at the municipality level (though specific support from MPSA) and in the participation of women in the different project activities and grants. There is observable evidence that gender has been included in the project implementation, even though the project document is not gender responsive or gender transformative.

In regard to the Human Rights Based Approach, all activities undertaken by UNDP have to include the respect for human rights. In this particular project, human rights are part of the implementation modalities, and they go hand in hand with the Leave No One Behind (LNOB) programming principle which is part of the UNDP's recently adopted strategic plan. While Local Economic Development necessarily deals with the LSG and entrepreneurs, and therefore does not focus on the most vulnerable persons as in the case of social protection projects, the concept has found applicability in the criteria for selection of the different grants and sub-grants, in order

to ensure that all potential candidates would have a fair access to the project activities and benefits. In particular, the evaluation was able to visit an entrepreneur who is disabled and is running an NGO. He created through the grants an association of persons with disabilities (PwD) in Samegrelo region with training and inclusive development to undertake economic activities. The evaluation team also found anecdotal evidence of the project's efforts to include the youth, ethnic minorities (such as the community centre visited) and rural women as project beneficiaries.

This is a noteworthy effort to ensure inclusion and avoid discrimination. Nonetheless because this is a newly created association, it requires further support as the different donors do not want to engage directly with new associations unless they have the proven skills and capacities. Hence, a lesson learned when applying LNOB is that if there are some risk-taking grants they should be supported for more than one round to maximise their options to reach an adequate level of sustainability.

The unforeseen COVID-19 pandemic also created a situation where the flexibility and adaptability of the project came under pressure. KII indicate that despite the delays and difficulties linked to the pandemic, with some activities having been cancelled, others postponed, others had to be reviewed and changed, the project was still able to largely remain on track. This was in part due to the responsiveness and adaptability of the project team that placed the achievement of the results as a priority despite the constraining conditions, something that is an example of good practice.

As regards to the environmental aspects, the project tried to incorporate some aspects of environmental sustainability, notably in the criteria and the choice of the grants and sub-grants that were given. Some activities are directly supporting sustainable tourism and looking for incorporating environmentally conscious tourism in the activities (a number of public spaces that have been funded by grants to municipalities have considered the problem of littering, and thus providing proper waste bins in the areas to ensure there will be less or no littering). Yet at the same time, a number of activities and grants are using wood products, and more could have been done to link the wood that was being used to a sustainable wood production facility in order to link it to a value chain approach. Additional information received from UNDP FRLD2 team shows that as per ADC recommendations, some municipalities such as Zugdidi and Poti planted trees, but this was not included in the documentation reviewed by the evaluation team.

5.3.   Impact

5.3.1.   How have people's lives been affected by the project?
The evaluation did not include a survey of indirect beneficiaries, but rather focused on the effect that the project had on the lives of direct beneficiaries. These, as mentioned in the methodological section, included municipalities, NGOs and private sector producers and entrepreneurs who benefitted from grants or micro-grants under the project.

The effects generated by the project are felt differently according to the type of direct beneficiary. One common perception amongst the three types of beneficiaries is that the relationship and interaction between LSG, NGOs and private producers/entrepreneurs has changed to a more collaborative and mutually supportive view of how LED positively affects the lives of people in the municipality. Foremost because the process for which the municipally managed grants are undertaken is based on inclusiveness and participation from civil society

and the private sector through public consultations and discussions on MDDs and local priorities. Secondly the role of LSG in supporting LED is slowly starting to surface, as there was traditionally little positive interaction between the LSG and the private sector. Through the decentralisation process and the newly acquired competencies and capacities, direct grant management by municipalities also open more venues to collaborate with NGOs and the private sector. One aspect which has not yet been fully pursued is to look for wider co-funding on the grants allocated to municipalities, as in some cases NGOs and/or private sector have expressed an interest in co-funding LED initiatives -in addition to the municipal co-funding- but this was not possible within the modalities of the FRLD2 project. It may be particularly important to consider this approach in the future for example on development of business incubators or other initiatives that are likely to leverage a more diverse source of co-funding than only that of the municipalities. In any case there is now a legal framework that allows to create win/win situations around LED initiatives across the different local direct beneficiaries.

It is also important to consider from the perspective of civil society and of the private sector that the LSG can play a key role in supporting or triggering LED initiatives. A number of grants showed constructions (a municipal market, public square renovation, wooden huts for selling products, wooden stalls along tourist routes) that have a direct influence on the ability of the private sector to generate income through the use of the facilities which are, in a number of cases, provided free of charge. Some municipalities have already calculated their returns based on the income they will be receiving from rents (in certain cases) in the future, or income from increased economic activity.[26]

Civil society organisations are using the grants in some cases with a cascading effect to enable individual entrepreneurs to develop their business. There are encouraging signs in the different initiatives undertaken, but it is unfortunately too early to draw conclusions on the economic returns given the COVID-19 pandemic's constraints and delay which affected the LED initiatives. Many of the private entrepreneurs are small-scale producers who are still struggling to reach a critical mass in their business. The grants and micro-grants have offered a good opportunity to explore and develop further what appear to be good ideas for LED, but it is unlikely that many will become sustainable unless there is a stronger support in the number of grants that can be obtained and closer business advisory services to the private sector entrepreneurs. Those interviewed during the evaluation show a willingness to succeed but do not necessarily possess the necessarily business skills to reach the business volume necessary to sustain the activity. Hence the importance to pursue a grant graduation scheme over three potential grants rounds.

The change in mindset and the mutual interest of collaborating between LSG, civil society and private sector on LED is a visible effect achieved by the project.

5.3.2. To what extent has the project changed the way regions and municipalities manage LED?

Before this project LED was not a concept that was used or applied in practice. Firstly because the LSG did not have the competencies to engage in LED: indeed, even key national institutions such as MoESD are not using this terminology in their planning document. LED is therefore introduced as a new concept for Georgia, within a wider reform process that includes

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[26] UNDP explanation: Initially it was elaborated on the basis of a service charge. However due to COVID-19 municipalities delayed charging entrepreneurs for now.

decentralisation, capacity development and a change in the role of LSG regarding economic development, making LSG a part of the enabling environment for LED. But consultations at field level also show that there are many unknowns about LED and different understanding of LED amongst the local actors. This indicates that, despite the awareness raising events and activities held, there was no strategy to roll out the concept of LED at the local level amongst the key project stakeholders, and may also indicate limited knowledge or information on the way that business is conducted at the local level.

So the question should really be: to what extent has the project enabled regions and municipalities to manage LED? Since LED was not an approach that was being applied in Georgia to any significant extent.

The project has first and foremost supported the changes at the national level with the establishment of policies, the costing and implementation of action plans, the legislative measures that enabled LSG to undertake LED. This was the thrust of the project for the first two years, as without the necessary normative framework and the proper measures in place there could be no LED. In this the project played an important role.

The second aspect was to support the municipalities to manage LED. Before doing so LSG had to have the proper planning and implementation tools to support medium-term economic development. The establishment of MDDs marks a significant progress in capacity development for LSG and in their relationship with civil society and the private sector. To implement direct grants, a first for many municipalities, a new procedure had to be followed to ensure the adequate management of the grants. The project made an effective contribution in this aspect. The evaluation recognises however the variety of LSG within varying contexts, opportunities, constraints and capacities, and obviously with ensuing differences in municipal performance in line with resources, skills and knowledge.

The third aspect was on the contents of LED initiatives themselves. There is from the project document a lack of clarity on what LED means in practical terms in Georgia, and this aspect was not part of a communication strategy[27] that was sufficiently explained to the key actors, despite the awareness raising activities. Yes the project did hold a number of consultations and events that allowed to discuss LED and its opportunities and constraints, but there is not clear LED vision embedded and described in the project document that can lead to tangible results at the local level. Hence also the lack of a clear framework regarding the expected results. As one of the donors mentioned, there were not clear LED indicators for this project. As a result, it was to be expected that additional constraints and delays would be faced during the efforts to develop LED initiatives, as these are basically pioneering a new approach of joint collaboration between LSG-civil society-private sector. LED is often itself a stand-alone project which is followed in countries and context where the necessary legislative and normative conditions already exist.

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[27] UNDP comment: "It was covered through awareness campaign, which aimed at LED promotion. A number of footages have been prepared and aired by National TVs promoting LED initiatives. Videos are available at the https://www.facebook.com/chaertedamarte campaign FB page". Evaluation comment: there is a difference between using a communication strategy as a management tool, and awareness raising which are activities to be implemented. The project used communication downstream but not as a strategic tool to enhance donor coordination and understanding of results – hence primarily focusing on addressing local level needs, rather than communicating the higher-level results to project donors. Communication is an essential strategic management function which should support management decision making, along with the M&E function which provides the terminology, tools and understanding to share a common vision of the anticipated results.

Taking this innovative approach requires a longer-term focus as the project provided support to both the creation of LED enabling conditions at national level and LED initiatives at the local level, without taking into consideration the time required between the policy adoption and implementation phase and that of ensuring the existence of the capacity to apply the measures at the local level. As a result, LED initiatives are still work in progress, as all the ones visited seem to be in the early stages of implementation, and it is too early to be able to analyse through a rigorous impact assessment its results. There is anecdotal evidence of high potential on a number of initiatives, but it is unclear whether there is a capacity to have a level of demand that matches the products and services offered under these initiatives. This is without making any judgement on the high number of initiatives linked to tourism, which are during this time of COVID-19 pandemic at risk, given the often-changing health and prevention measures taken both in the country and in the tourists' countries of origin.

One positive aspect of the project was the link it provided to additional donor funds after the end of the project: already four of the municipalities indicated having received direct grants from other donors as a result of the project, two of which were quite large, while three others expect to be able to access donor funding in the near future. Accessing directly donor funds is part of the capacity development process for municipalities as they learn by managing these funds directly, based on the method of learning by doing. This has empowered the municipalities and created an incentive for LSG to become involved in LED, something that did not exist previously.

5.3.3. What has changed as a result of the project?

From the evidence gathered from the KII, the most significant change that the project has achieved is a change in the mindset of LSG. Before the FRLD2 the LSG were fully dependent on government funding for their budget, and the financial allocations were made directly from the central level according to the calculations made regarding the infrastructure needs of the different municipalities. This project has empowered municipalities to function as development agents together with civil society and the private sector, in a relationship that did not exist previously as there was no incentive for municipalities to reach out to civil society or the private sector to engage on LED, basically because no LED initiatives were being implemented. Access to direct donor funding for municipalities has been like lifting the lid which kept some of the LED potential under-utilized, because the enabling conditions were not being met. The project has, probably together with the DGG project with which it has shared some of the human resources, contributed to a change in the relationship among local actors, and facilitated venues for joint collaboration on local economic development.

This question was asked *ad verbatim* to the different key informants interviewed.

The responses from municipalities and Governor's office were the following:

Table 9 – the Most Significant change from the project according to municipalities – source: KII evaluation notes

• It enabled to get infrastructure for income generation, but also knowledge and MDD
• MDD brings longer-term vision and also empowering people not to rely on government
• Opportunity to coordinate the different players on LED with strong cross sector cooperation
• UNDP opened the can to access external funds
• Our municipality is poor, UNDP opened the possibility of receiving directly donor funds
• The grant changed our culture and the way we behave

• The infrastructure is very important and the skills transfers (MDD and MIP)
• MIP are key but so are MDD – highly strategic in order to access donor funds
• MIP
• MIP and area-based development plan
• MDD
• Knowledge transfer and adaptation of space to tourists' needs
• New economic opportunities have emerged in our municipality
• Increased business from having a market established
• Strengthened municipality's task to identify opportunities, and MDD
• Increase in tourist visits, potential 10 million GEL revenues
• The project approach and it gave assets to the municipality for a long-term approach
• It taught us about project management
• It was the first case of a direct grant from donors

Similarly the question was put to the civil society and private sector respondents. The responses were naturally more diverse according to the type of respondents.

Table 10 – the MSC from civil society and private sector respondents – source: KII evaluation notes

• 6,000 GEL in sales and 20 women employed (entrepreneur)
• Received sanitary certificate and can now sell officially in shops (beekeeper renovation)
• 29 sub-grants for € 80,000 given and still in business despite C-19 (NGO)
• One family expanded accommodation capacity (entrepreneur and NGO)
• Creation of first association of entrepreneurs with disability (PwD) – 70,000 GEL in grants (NGO director and entrepreneur)
• Increased awareness of LED and interaction with municipality (NGO)
• 3500 consultations for legal advice, some activities on hold because of C-19 (community centre)

6. Conclusions

There appears to be two different projects implemented: one is the project that can be read about through the project document, the annual and semi-annual reports, the Project Steering Committee meeting notes, the exchange of correspondence between the two donors and the UNDP. Based on only the documentary review, the project seems to be affected by diverging expectations, mistrust and inadequate communications, within a weak project design and a results framework and logframe that have been the source of continued discussions and misgivings between the donors and the UNDP. From this perspective, it would appear that the project has only achieved limited progress and the narrative reporting format does not bring sufficiently a vision of the changes achieved in line with the longer-term strategy. This only adds to the feeling that the bigger picture may not have been reached.

The second project appears when national stakeholders and more importantly local stakeholders are consulted and visited in their communities. At the local level it is possible to witness the effects of the project and the importance it has had in empowering LSG, civil society and private sector to develop LED initiatives, and in bringing together these different actors into a constructive relationship for the benefit of the community. From an impact assessment perspective, it is much more important to verify the changes at the local level than to discuss the specific wording of the reports. As mentioned in the findings section, the evidence leveraged

by the evaluation confirm that the project did contribute to the three outcomes and to the overall project goal, albeit to different lengths. However, it proved much more challenging to achieve the expected results because of the management intensive requirements stemming from having two different donors sharing costs in this project and also obtaining co-funding from the national counterpart, MRDI. The project was able to ensure financial reporting in two currencies and separate the individual contributions of the three funding partners, which required careful and targeted attention. Repeated donor questions raised in writing on the project reports on some very basic aspects tends to indicate a level of attention that is very close to micromanagement and has taken the attention of the project team away from the larger issues to respond to very specific and narrow questions. The project was effective in achieving its expected results in line with the three outcomes, although because of the COVID-19 pandemic the third outcome focusing on LED is still in its early stages and requires consolidation. In terms of impact the evidence indicates that the major change was the attitude, capacities and mindset of municipalities becoming empowered through the direct grants from donors, and the inclusive and collaborative attitude with civil society and the private sector, which allowed to implement early initiatives that may be offering good LED opportunities.

Where the project performance was weaker is in terms of efficiency. The project has secured commitments until the end of the project that indicate a delivery of over 90%, which is commendable in the context of the COVID-19 pandemic. However, more could have been done by UNDP senior management to address the issues from the start regarding greater clarity on the vision and the project design, ensuring a steady team during the project implementation, training its project staff and partners to develop an RBM compliant results framework and logframe, with indicators that measured the project contribution and not macro level indicators that have very little, if any, linkages with the project results. The absence of a proper M&E system to ensure the project was on track and the absence of a shared vision among the donors regarding the progress of the project, somewhat justified given the poor narrative reporting used for the annual reports, also indicates that the use of the communications expert foreseen in the project should have been more effective in informing the key changes achieved by the project and how they tied into the longer-term strategic vision for LED.

The weaknesses that affected the project design from the start could not be fully solved and the discussions with donors on the results framework and the indicators was a trending topic until the end of the project, including for the TOR of this final project evaluation. At the project level, the team showed its responsiveness in providing all the necessary information to the donors, within the remit of their skills and knowledge. The project team was recognized to be highly responsive by the partners at the local level. It is the impression of the evaluation that the project lacked from a more proactive senior management oversight that could have been able to address the lingering issues with donors in a more constructive manner.

Both at policy level and at local levels the project results are very positive and strongly contribute to decentralisation reform and empowerment of LSG and local actors for LED. However, it is somewhat disappointing that the good practical results achieved by the project have not been properly captured, monitored, reported and have failed to convince the donors, one of which already indicated during the first meeting with the evaluation team that it had already decided not to fund another phase regardless of the evaluation findings. A joint facilitated training on RBM and indicator selection at the beginning of the project could have contributed to clarifying diverging expectations and possibly changed the donor perception that the project was focusing only on the activity level.

Yet for the sake of the LED efforts, it is apparent that the LED initiatives need consolidation and that another phase would be more than useful in developing model of private businesses that can achieve sustainability, while supporting LSG to continue their active collaboration with private sector and civil society at the local levels.

7. Recommendations

To the UNDP Country Office:

1) Ensure full training of the office staff in Results-Based Management and reporting, to ensure the office is able to provide evidence of results at the higher levels;
2) Separate the efforts in decentralisation reform to those relating to LED, and consolidate results in LED under a specific LED project in the economic development portfolio
3) Gains in decentralisation are not irreversible, so continue through another project the support to local empowerment through legislative amendments and good governance
4) LED needs to be addressed more comprehensively with a design that links into micro-finance support, business development skills, and a revolving graduation system of up to three micro-grants per entrepreneur to ensure the business is able to reach a critical mass and achieve some degree of sustainability – with a consolidation phase over the next four years
5) Key results indicators for the next LED project should include the number of jobs created and number of businesses able to reach a critical mass to ensure sustainability
6) Additional business services need to be provided to entrepreneurs and NGOs on specific skills (business plans, value-chain approach, etc.)
7) Identify other economic development projects on which to piggy-back LED in municipalities, to use potentially existing synergies between the projects, even if they are funded by other donors
8) Ensure a fully trained M&E specialist is available for the next phase of the project, tasked with the development of the results framework, the theory of change and the development of indicators, this is collaboration with the donors and with the support of UNDP management and M&E expert. It is necessary to identify qualitative means of verification to capture the project's contribution at the outcomes and goal levels.
9) Considering reporting from the regional perspective, e.g. from the changes the project is leveraging in the regions, instead of narrative and descriptive reporting following a list that does not indicate the important achievements of the project

To the donors:

1) Participate in a facilitated professional RBM training to ensure a technically sound and common terminology is used with project implementers
2) Develop more informal exchanges to discuss potential issues with the implementing partners
3) Recognise the lead role of the national counterpart at all stages of project implementation, and ensure its presence and participation in all decision-making meetings and processes, including the presentation of the evaluation findings.

Evaluation Terms of Reference

Services/Work Description: The purpose of this assignment is to conduct external final evaluation of the UNDP project [Fostering Regional and Local Development in Georgia-Phase 2](#).

Project/Programme Title: Fostering Regional and Local Development in Georgia - Phase 2 (FRLD-2)

Consultancy Title: International evaluator to conduct a final external evaluation of the project

Duty Station: Home based with the requirement to travel to Georgia

Duration: 7 December 2021 – 15 February 2022 (25 consultancy days)

Expected start date: 7 December 2021

1. BACKGROUND

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 a key to overcome these challenges as well as to achieving the Sustainable Development Goals. Local governance still needs to reach greater accountability to the people it serves, to become more transparent and efficient in its use of resources and to apply more systemically participatory approaches to address 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 Cooperation (ADC) launched the Fostering Regional and Local Development in Georgia (FRLD) – phase 1 project (RLD 1) in 2012. This project focused on improving 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.

In response to existing development challenges UNDP has designed a programmatic response aimed at advancing decentralization and local good governance, building upon experience and basic framework created within the FRLD first phase. The programmatic response encompasses two interrelated tracks/projects. One project aims at building stronger LSG institutions and thus creating an enabling environment for local economic development to benefit local population (funded by SDC/ADA). The other project focuses on promoting decentralization and establishing good governance principles at the local level (funded by DANIDA). The two projects complement one another in pursuing advancement of decentralization and local good governance, which will pave the way for sustainable/inclusive growth and reduced poverty/inequality.

The overarching goal of FRLD 2 is to build strong LSG institutions with greater competencies and capacities to act as catalysts for stimulating local economic development, engage citizens in local policy-making and design and implement people-centred inclusive initiatives. 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 16 December 2017-31 March 2022 and the budget is USD 5,521,772.

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 launch of the ongoing LSG reform has taken longer and required more complex preparations than originally envisaged. The project activities are aligned to the three strategic goals of the 2020-2025 Decentralization Strategy adopted in December 2019 with UNDP, SDC and ADC support. Continuous expert and technical support provided to the GoG and LSGs are designed to contribute to enhancement of local capacity to effectively deliver municipal services and promote establishment of transparent, reliable and accountable LSGs.

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED WORK

1. Evaluation Purpose, Scope and Objectives

The final evaluation and impact assessment of the FRLD2 was established in the Project Document agreed among UNDP, the project donors, and the Ministry of Regional Development and Infrastructure (MRDI). In the course of the project implementation an agreement was reached among the donors that the final evaluation shall make special emphasis on impact assessment.

Hence, the overall objective of this final evaluation is to understand and document the main results achieved and changes brought by the project in the lives of people of Racha-Lechkhumi-Kvemo Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli regions. This evaluation is also expected to capture how respective national institutions, local self-governments and other relevant stakeholders have contributed to those changes.

Specific objectives of the final evaluation are as follows:

- Assess the project implementation and results against the updated Logframe (vis-à-vis the indicator targets) and budget as of November 2021, taking full account of the implementation context, local and global;
- Assess the effectiveness, efficiency and impact of the project;
- Document lessons learned, good practices and challenges. Identify the strategies for replicating and up-scaling the project's best practices; provide practical, actionable and feasible recommendations for follow-up phase of the project.

The evaluation aims to inform decision-making on the continuation and designing of the subsequent phase of the project pursuing Local Economic Development through a methodologically sound, credible, impartial and independent assessment of the achievements and shortcomings of the current phase of the project, as well as through lessons learned and recommendations for future interventions.

Main evaluation users include UNDP, SDC and ADA, MRDI, NALAG and local self -governments. All key stakeholders will be closely involved in the evaluation process to increase ownership of findings, draw lessons learned and make a greater use of the evaluation results.

The final evaluation of the FRLD2 Project is to be conducted externally by a team of evaluators (an international and a local evaluator) selected through a competitive process. It is planned to be conducted in the period of 07 December 2021 to 15 February 2022. The evaluation will cover project implementation period from 15 December 2017 to November 30, 2021.

2. Evaluation Criteria and Key Guiding Questions

The international evaluator (along with the local evaluator) will be tasked to conduct the evaluation as per UNDP Evaluation Policy[28], as well as OECD/DAC criteria and assess the effectiveness, efficiency and impact of the Project[29]. The evaluation should consider using a participatory approach and use Human Rights and Gender Equality lenses during data collection, data analysis and evaluation process. The following are guiding questions within the framework of the evaluation criteria to be used as a basis and further refined by the evaluators in agreement with UNDP and the key evaluation stakeholders.

Key Evaluation Questions

Effectiveness

- To what extent were the project outputs achieved (against project logframe)?
- To what overall extent was the theory of change confirmed?
- To what extent did the Monitoring & Evaluation (M&E) system utilized by UNDP ensure effec efficient project management? Was there sufficient monitoring and analysis applied by the To what extent was the monitoring system effective for measuring and informing manage project about performance and progress towards targets? To what extent were the monitor objectively used for management action and decision making? Were the interventions adj address any concerns identified by the project monitoring and evaluation system to r effectiveness of the project? What should be considered in the potential next phase of the pr greater efficiency of the monitoring and evaluation system?
- In which areas does the project have the greatest achievements? Why and what have b supporting factors? How can UNDP build on or expand these achievements?
- In which areas does the project have the fewest achievements? What have been the con factors and why? How did the project management address them and what actions were overcome them?
- What, if any, alternative strategies would have been more effective in achieving the objectives or should be considered in the potential next phase of the project?
- To what extent have stakeholders been involved in project implementation?
- To what extent has the project been appropriately responsive to the needs of the national con and changing partner priorities?
- To what extent has the project partnership strategy been appropriate and effective includin the times of the health crisis of COVID-19?

Efficiency

- To what extent was the project management structure as outlined in the project document in generating the expected results?

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[28] http://web.undp.org/evaluation/documents/policy/2019/DP_2019_29_E.pdf
[29] OECD/DAC criteria of **Relevance** was covered during the mid-term evaluation, while clauses related to the **Sustainability** will be incorporated and considered while evaluating **Impact.**

- To what extent have the UNDP project implementation strategy and execution been efficient and cost-effective? Are the costs of the project justified in relation to the project achievements, taking into account context in Georgia?
- Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve outcomes? Were different resources allocated in ways that considered gender equality and social inclusion? If so, how were they allocated? Was differential resource allocation appropriate?
- Did the project use funds and assets in an orderly, effective, cost-efficient and economical manner in compliance with the objectives of the project? How can the cost-efficiency of future similar projects be performed and what should be considered in the potential next phase of the project for greater cost efficiency of the intervention?
- To what extent have project funds and activities been delivered in a timely manner?
- Which underlying factors within and beyond the implementing agency's (UNDP) control did affect the project?

Impact

- To what extent did the project generate broad impact? To what extent did the project made the specific contribution on transforming the context.
- What sustainable change has the project made in the lives of men and women, vulnerable groups, and targeted communities at large?
- Has the project contributed or is likely to contribute to long-term social, economic, institutional changes for individuals, local communities and institutions targeted by the project?
- Did a specific part/activity of the project achieve greater impact than others? Which? How?

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?
- To what extent were recommendations from the ADA gender appraisal considered and implemented/followed up?
- Did the project achieve its objectives and expected results in ways that contribute to gender equality? If so, how? Were different approaches applied to reach people of different social groups (gender)?
- What are the effects of the project with regard to the reduction of inequalities between men and women and different social groups?

Human Rights and Social Inclusion

- To what extent have poor, Persons with Disabilities (PwDs), women and other disadvantaged and vulnerable 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?
- To what extent were recommendations from the ADA social standards appraisal considered and implemented/followed up?
- Did the project achieve its objectives and expected results in ways that contribute to social inclusion? If so, how? Were there different results for different social groups? If so, how and why? Were different approaches applied to reach people of different social groups?

Environmental issues

- To what extent were recommendations from the ADA environmental appraisal considered and implemented/followed up?

3. Methodology

The evaluation will be undertaken in close cooperation with UNDP, SDC, ADA and MRDI by a team of evaluators (an international evaluator and a local evaluator). 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 team of evaluators to ensure that the evaluation purpose and objectives are met, and the evaluation questions answered, given the limitations of budget, time and data.

The team of evaluators 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, SDC, ADA and MRDI.

The evaluators should deploy an integrated mixed-method approach involving a combination of qualitative and quantitative data collection methods along with the use of appropriate analytical frameworks to guide the qualitative inquiry during the key informant interviews, focus group discussions and the workshops.

Considering priorities, scope and context of the FRLD2 project, for the final evaluation it is suggested to apply a Problem Driven (oriented) Political Economy Analysis framework, along with the Iceberg Model of Societal Change and Reconstruction of the Theory of Change approach. These analytical models are suggested for capturing tangible as well as unquantifiable impact and challenges of the project, and for generating concrete evidence to substantiate possible findings.

Overall, the evaluation methodology should be robust enough to ensure high quality analysis, triangulation of data sources, and verifiability of information. It is expected that the evaluation methodology will comprise of the following elements:

a/ Secondary research:

- (a) Document review of all relevant materials (the list of the key project documents to be reviewed is provided in the ToR Annexes)
- (b) Collect quantitative data, including retrieving public information from government agencies (if needed), necessary for the evaluation

b/ Primary research – aimed at forming new knowledge by collecting information through:

- (a) Key informant interviews (KIIs) 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.
- (b) Field visits and on-site validation of key tangible outputs and interventions.
- (c) Focus Group Discussions (FGDs) with different project beneficiary institutions and external stakeholders (if needed).

Other methods as appropriate to meet the evaluation objectives and answer the evaluation questions. Considering all possible safety measures enforced by the Government of Georgia in line with the spread of the COVID-19 virus, most of the activities envisaged by the external evaluation methodology might have to be conducted remotely. If it is not possible to travel to or within the country by the time of the data collection, the international evaluator should develop a methodology that takes this into account and conducts the evaluation virtually and remotely, including the use of remote interview methods and extended desk reviews, data analysis, surveys and evaluation questionnaires. This should be detailed in the Inception Report and agreed with the UNDP's commissioning unit (Governance Team Leader and M&E specialist).

3. Expected Outputs and deliverables

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) provided in Annex 8).

- **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 2. 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 international evaluator shall organize a preliminary debriefing on the main findings. As a minimum, the international evaluator 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, UNDP M&E Specialist, FRLD 2 Project Manager, SCO, ADA 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 and challenges (political, COVID-19 related), as well as budget expenditures, management and staffing; summary conclusions for effectiveness, efficiency, and impact of the intervention; lessons learned and strategic and operation recommendations for planning and implementing future interventions. 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) provided in Annex 9)

- **Evaluation Report audit trail.** Comments and changes by the international 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 final evaluation report shall include any relevant annexes including the present ToR as well as the Results Assessment Form to be downloaded from the following link:
  - [Results Assessment Form (RAF) Template 15 KB | XLSX](#)

The project materials and other relevant information will be made available by UNDP to the evaluators 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.

In line with the UNDP's financial regulations, when determined by the Country Office and/or the consultant that a deliverable or service cannot be satisfactorily completed due to the impact of COVID-19 and limitations to the evaluation, that deliverable or service will not be paid.

Due to the current COVID-19 situation and its implications, a partial payment may be considered if the consultant invested time towards the deliverable but was unable to complete due to circumstances beyond his/her control.

4. Institutional arrangements/reporting lines

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 evaluators (international and local) 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 evaluators 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.

Implementation Arrangements

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

In case the evaluation is conducted remotely or partially remotely, the Project team will assist evaluators with the planning of the online activities and workshops and ensure the stakeholder engagement.

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.

Time Frame for the Evaluation Process

The tentative timeframe for the assignment is 25 working days for an international evaluator and 12 days for a local evaluator during the period of December 2021 February 2022 including a 9-day mission to Tbilisi and four project target regions (estimated 5 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 international evaluator upon signing the contract agreement.

Proposed Working Day Allocation and Schedule for an International Evaluator

	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 contract December 2021	Remote/via skype	UNDP Int. Evaluator	
Sharing of the relevant documentation with the evaluator	-	Upon signing the contract December 2021	Via email	UNDP	
Desk review, evaluation design, methodology and updated workplan including the list of stakeholders to be interviewed	4 days	Within 10 days of contract signing December 2021	Home-based	Int. Evaluator	
Submission of the inception report (15 pages maximum)	2 day	Within 10 days of contract signing December 2021	Via email	Int. Evaluator	
Comments and approval of inception report	-	Within one week of submission of the inception report December 2021	Via email	UNDP, donors	
Phase Two: Data-collection mission					
Consultations and field visits	9 days	Within six weeks of contract signing December 2021	In country with field visits	Int. Evaluator with logistical support from UNDP	
Debriefing to UNDP, SDC, ADA, MRDI and key stakeholders(TBD)			In-country	Int. Evaluator	
Phase Three: Evaluation report writing					
Preparation of draft evaluation report (40-60 pages including annexes and executive summary [5 pages]) Draft report submission	7 days	Within two weeks of the completion of the field mission December-January 2021	Home-based Via email	Int. Evaluator	
Consolidated UNDP and donor comments to the draft report	-	Within two weeks of submission of the draft evaluation report January 2022	Via email	UNDP Donors	
Finalization of the evaluation report incorporating additions and comments provided by UNDP and donors	3 days	Within one week of receiving consolidated UNDP and donor comments	Home- based	Int. Evaluator	

Submission of the final evaluation report and a summary of the evaluation findings in PPT format to UNDP and the project donors		January-February 2022			
Estimated total days for the evaluation	**25**				

The timeline of the activities will be detailed in the inception report including flexibility and delays in the timeframe for the evaluation, with additional time for implementing evaluation virtually recognizing possible restrictions imposed in response to the COVID-19 pandemic.

4. **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
Deliverable 1. Inception Report		14 December 2021
Deliverable 2. Draft Evaluation Report	30%	15 January 2022
Deliverable 3. Final Evaluation Report	70%	15 February 2022

5. **Experience and qualifications**

The specific skills, competencies and characteristics required of the international 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 evaluating large-scale, multidimensional projects, preferably in an international organization setting with at least 5 evaluations performed in the last three years **(minimum requirement)** ▪ Minimum 5 years of experience of working on the issues of public policy, development models, local governance, democratic governance, local and regional development, or decentralization **(minimum requirement)** ▪ Minimum 5 years of 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)**

6. Payment Modality

Payment to the individual contractor will be made based on the deliverables accepted and upon certification of satisfactory completion by the FRLD 2 project manager.

7. Annexes

Annex 1. UNDP Evaluation Guidelines (2019)[30]

Annex 2. UNEG Code of Conduct for Evaluations [31]

Annex 3. UNEG Ethical Guidelines for Evaluation[32]

Annex 4. UNEG Norms for Evaluation in the UN System[33]

Annex 5. UNEG Standards for Evaluation in the UN System[34]

Annex 6. UNEG Guidance Integrating Human Rights and Gender in the UN System[35]

Annex 7. UN SWAP Evaluation Performance Indicator and related Scorecard[36]

Annex 8. Template of Inception Report

Annex 9. Template of the Evaluation Report

Annex 10. Evaluation Report Quality Assessment Requirements

Annex 11. *Ethical Code of Conduct for UNDP Evaluations*

Annex 12. Suggested list of documents to be reviewed by the evaluators

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[30] http://web.undp.org/evaluation/guideline/documents/PDF/UNDP_Evaluation_Guidelines.pdf
[31] http://www.unevaluation.org/document/detail/100
[32] http://www.unevaluation.org/document/detail/102

[33] http://www.uneval.org/document/detail/21
[34] http://www.uneval.org/document/detail/2 2
[35] http://www.uneval.org/document/detail/1616
[36] http://www.uneval.org/document/detail/1452

Annex 8

Inception report

(Suggested content)

1. Background and context illustrating the understanding of the project/outcome to be evaluated.
2. Evaluation objective, purpose and scope. A clear statement of the objectives of the evaluation and the main aspects or elements of the initiative to be examined.
3. Evaluation criteria and questions. The criteria the evaluation will use to assess performance and rationale. The stakeholders to be met and interview questions should be included and agreed as well as a proposed schedule for field site visits.
4. Evaluability analysis. Illustrate the evaluability analysis based on formal (clear outputs, indicators, baselines, data) and substantive (identification of problem addressed, theory of change, results framework) and the implication on the proposed methodology.
5. Cross-cutting issues. Provide details of how cross-cutting issues will be evaluated, considered and analysed throughout the evaluation. The description should specify how methods for data collection and analysis will integrate gender considerations, ensure that data collected is disaggregated by sex and other relevant categories, and employ a diverse range of data sources and processes to ensure inclusion of diverse stakeholders, including the most vulnerable where appropriate.
6. Evaluation approach and methodology, highlighting the conceptual models adopted with a description of data-collection methods, sources and **analytical approaches** to be employed, including the rationale for their selection (how they will inform the evaluation) and their limitations; data-collection tools, instruments and protocols; and discussion of reliability and validity for the evaluation and the sampling plan, including the rationale and limitations.
7. Evaluation matrix. This identifies the key evaluation questions and how they will be answered via the methods selected.
8. A revised schedule of key milestones, deliverables and responsibilities including the evaluation phases (data collection, data analysis and reporting).
9. Detailed resource requirements tied to evaluation activities and deliverables detailed in the workplan. Include specific assistance required from UNDP such as providing arrangements for visiting particular field offices or sites or scheduling online meetings, interviews and workshops amid COVID-19 restrictions.

Outline of the draft/final report as detailed in UNDP Evaluation Guidelines (2019) and ensuring quality and usability. The agreed report outline should meet the quality goals outlined in these guidelines and also meet the quality assessment requirements outlined in Annex 10.

Evaluation Report Template

This **evaluation report template** is intended to serve as a guide for preparing meaningful, useful and credible evaluation reports that meet quality standards. It does not prescribe a definitive section-by-section format that all evaluation reports should follow. Rather, it suggests the content that should be included in a quality evaluation report.

The evaluation report should be complete and logically organized. It should be written clearly and be understandable to the intended audience. In a country context, the report should be translated into local languages whenever possible. The report should also include the following:

1. **Title and opening pages** should provide the following basic information:
   - Name of the evaluation intervention.
   - Time frame of the evaluation and date of the report.
   - Countries of the evaluation intervention.
   - Names and organizations of evaluators.
   - Name of the organization commissioning the evaluation.
   - Acknowledgements.

2. **Project and evaluation information details** to be included in all final versions of evaluation reports on second page (as one page):

Project/outcome Information		
Project/outcome title		
Atlas ID		
Corporate outcome and output		
Country		
Region		
Date project document signed		
Project dates	Start	Planned end
Project budget		
Project expenditure at the time of evaluation		
Funding source		
Implementing party[37]		

Evaluation Information		
Evaluation type (project/ outcome/thematic/country programme, etc.)		

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[37] It is the entity that has overall responsibility for implementation of the project (award), effective use of resources and delivery of outputs in the signed project document and workplan

Final/midterm review/other		
Period under evaluation	Start	End
Evaluators		
Evaluator email address		
Evaluation dates	Start	Completion

3. **Table of contents,** including boxes, figures, tables and annexes with page references.

4. **List of acronyms and abbreviations.**

5. **Executive summary (four-page maximum).** A stand-alone section of two to three pages that should:
   - Briefly describe the intervention of the evaluation (the project(s), programme(s), policies or other intervention) that was evaluated.
   - Explain the purpose and objectives of the evaluation, including the audience for the evaluation and the intended uses.
   - Describe key aspect of the evaluation approach and methods.
   - Summarize principle findings, conclusions and recommendations.
   - Include the evaluators' quality standards and assurance ratings.

6. **Introduction**
   - Explain why the evaluation was conducted (the purpose), why the intervention is being evaluated at this point in time, and why it addressed the questions it did.
   - Identify the primary audience or users of the evaluation, what they wanted to learn from the evaluation and why, and how they are expected to use the evaluation results.
   - Identify the intervention of the evaluation (the project(s) programme(s) policies or other intervention—see upcoming section on intervention).
   - Acquaint the reader with the structure and contents of the report and how the information contained in the report will meet the purposes of the evaluation and satisfy the information needs of the report's intended users.

7. **Description of the intervention** provides the basis for report users to understand the logic and assess the merits of the evaluation methodology and understand the applicability of the evaluation results. The description needs to provide sufficient detail for the report user to derive meaning from the evaluation. It should:

   - Describe **what is being evaluated**, **who seeks to benefit** and the **problem or issue** it seeks to address.
   - Explain the **expected results model or results framework**, **implementation strategies** and the key **assumptions** underlying the strategy.
   - Link the intervention to **national priorities**, UNDAF priorities, corporate multi-year funding frameworks or Strategic Plan goals, or other **programme or country-specific plans and goals.**

- Identify the **phase** in the implementation of the intervention and any **significant changes** (e.g., plans, strategies, logical frameworks) that have occurred over time, and explain the implications of those changes for the evaluation.
- Identify and describe the **key partners** involved in the implementation and their roles.
- Identify **relevant cross-cutting issues** addressed through the intervention, i.e., gender equality, human rights, marginalized groups and leaving no one behind.
- Describe the **scale of the intervention**, such as the number of components (e.g., phases of a project) and the size of the target population for each component.
- Indicate the **total resources**, including human resources and budgets.
- Describe the context of the **social, political, economic and institutional factors**, and the **geographical landscape** within which the intervention operates and explain the effects (challenges and opportunities) those factors present for its implementation and outcomes.
- Point out **design weaknesses** (e.g., intervention logic) or other **implementation constraints** (e.g., resource limitations).

8. **Evaluation scope and objectives.** The report should provide a clear explanation of the evaluation's scope, primary objectives and main questions.
   - **Evaluation scope.** The report should define the parameters of the evaluation, for example, the time period, the segments of the target population included, the geographic area included, and which components, outputs or outcomes were and were not assessed.
   - **Evaluation objectives.** The report should spell out the types of decisions evaluation users will make, the issues they will need to consider in making those decisions and what the evaluation will need to achieve to contribute to those decisions.
   - **Evaluation criteria.** The report should define the evaluation criteria or performance standards used.[38] The report should explain the rationale for selecting the particular criteria used in the evaluation.
   - **Evaluation questions** define the information that the evaluation will generate. The report should detail the main evaluation questions addressed by the evaluation and explain how the answers to these questions address the information needs of users.

9. **Evaluation approach and methods.[39]** The evaluation report should describe in detail the selected methodological approaches, methods and analysis; the rationale for their selection; and how, within the constraints of time and money, the approaches and methods employed yielded data that helped answer the evaluation questions and achieved the evaluation purposes. The report should specify how gender equality, vulnerability and social inclusion were addressed in the methodology, including how data-collection and analysis methods integrated gender considerations, use of disaggregated data and outreach to diverse stakeholders' groups. The description should help the report users judge the merits of the methods used in the evaluation and the credibility of the findings, conclusions and recommendations. The description on methodology should include discussion of each of the following:

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[38] The evaluation criteria most commonly applied to UNDP evaluations are the OECD-DAC criteria of relevance, efficiency, effectiveness and sustainability.

[39] All aspects of the described methodology need to receive full treatment in the report. Some of the more detailed technical information may be contained in annexes to the report.

- **Evaluation approach.**
- **Data sources:** the sources of information (documents reviewed and stakeholders) as well as the rationale for their selection and how the information obtained addressed the evaluation questions.
- **Sample and sampling frame.** If a sample was used: the sample size and characteristics; the sample selection criteria (e.g., single women under age 45); the process for selecting the sample (e.g., random, purposive); if applicable, how comparison and treatment groups were assigned; and the extent to which the sample is representative of the entire target population, including discussion of the limitations of sample for generalizing results.
- **Data-collection procedures and instruments:** methods or procedures used to collect data, including discussion of data-collection instruments (e.g., interview protocols), their appropriateness for the data source, and evidence of their reliability and validity, as well as gender-responsiveness.
- **Performance standards:**[40] the standard or measure that will be used to evaluate performance relative to the evaluation questions (e.g., national or regional indicators, rating scales).
- **Stakeholder participation** in the evaluation and how the level of involvement of both men and women contributed to the credibility of the evaluation and the results.
- **Ethical considerations:** the measures taken to protect the rights and confidentiality of informants (see UNEG 'Ethical Guidelines for Evaluators' for more information).[41]
- **Background information on evaluators:** the composition of the evaluation team, the background and skills of team members, and the appropriateness of the technical skill mix, gender balance and geographical representation for the evaluation.
- **Major limitations of the methodology** should be identified and openly discussed as to their implications for evaluation, as well as steps taken to mitigate those limitations.

10. **Data analysis.** The report should describe the procedures used to analyse the data collected to answer the evaluation questions. It should detail the various steps and stages of analysis that were carried out, including the steps to confirm the accuracy of data and the results for different stakeholder groups (men and women, different social groups, etc.). The report also should discuss the appropriateness of the analyses to the evaluation questions. Potential weaknesses in the data analysis and gaps or limitations of the data should be discussed, including their possible influence on the way findings may be interpreted and conclusions drawn.

11. **Findings** should be presented as statements of fact that are based on analysis of the data. They should be structured around the evaluation questions so that report users can readily make the connection between what was asked and what was found. Variances between planned and actual results should be explained, as well as factors affecting the achievement of intended results. Assumptions or risks in the project or programme design that subsequently affected implementation should be discussed. Findings should reflect a gender analysis and cross-cutting issue questions.

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[40] A summary matrix displaying for each of evaluation questions, the data sources, the data collection tools or methods for each data source, and the standard or measure by which each question was evaluated is a good illustrative tool to simplify the logic of the methodology for the report reader.

[41] UNEG, 'Ethical Guidelines for Evaluation', June 2008. Available at http://www.uneval.org/search/index.jsp?q=ethical+guidelines.

12. **Conclusions** should be comprehensive and balanced and highlight the strengths, weaknesses and outcomes of the intervention. They should be well substantiated by the evidence and logically connected to evaluation findings. They should respond to key evaluation questions and provide insights into the identification of and/or solutions to important problems or issues pertinent to the decision-making of intended users, including issues in relation to gender equality and women's empowerment.

13. **Recommendations.** The report should provide practical, actionable and feasible recommendations directed to the intended users of the report about what actions to take or decisions to make. Recommendations should be reasonable in number. The recommendations should be specifically supported by the evidence and linked to the findings and conclusions around key questions addressed by the evaluation. They should address sustainability of the initiative and comment on the adequacy of the project exit strategy, if applicable. Recommendations should also provide specific advice for future or similar projects or programming. Recommendations should also address any gender equality and women's empowerment issues and priorities for action to improve these aspects.

14. **Lessons learned.** As appropriate and/or if requested by the TOR, the report should include discussion of lessons learned from the evaluation, that is, new knowledge gained from the particular circumstance (intervention, context outcomes, even about evaluation methods) that are applicable to a similar context. Lessons should be concise and based on specific evidence presented in the report.

15. **Report annexes.** Suggested annexes should include the following to provide the report user with supplemental background and methodological details that enhance the credibility of the report:

- TOR for the evaluation.
- Additional methodology-related documentation, such as the evaluation matrix and data-collection instruments (questionnaires, interview guides, observation protocols, etc.) as appropriate.
- List of individuals or groups interviewed or consulted, and sites visited. This can be omitted in the interest of confidentiality if agreed by the evaluation team and UNDP.
- List of supporting documents reviewed.
- Project or programme results model or results framework.
- Summary tables of findings, such as tables displaying progress towards outputs, targets and goals relative to established indicators.
- Code of conduct signed by evaluators.

Evaluation Report Quality Assessment Requirements

	Are the evaluation report's objectives, criteria, methodology and data sources fully described and are they appropriate given the subject being evaluated and the reasons for carrying out the evaluation?
2.1	**Is the evaluation report well-balanced and structured?** - With sufficient but not excessive background information? - Is the report a reasonable length? - Are required annexes provided?
2.2	**Does the evaluation report clearly address the objectives of the evaluation as outlined in the TOR?**
	METHODOLOGY
2.3	**Is the evaluation's methodological approach clearly outlined?** - Any changes from the proposed approach are detailed with reasons why
2.4	**Are the nature and extent of the role and involvement of stakeholders in the project/programme explained adequately?**
2.5	**Does the evaluation clearly assess the project's/programme's level of relevance?**
2.6	**Does the evaluation clearly assess the project's/programme's level of effectiveness?**
2.7	**Does the evaluation clearly assess the project's/programme's level of efficiency?**
2.8	**Does the evaluation clearly assess the project's/programme's level of sustainability?**
	DATA COLLECTION
2.9	**Are data-collection methods and analysis clearly outlined?** - Data sources clearly outlined (including triangulation methods)? - Data analysis approaches detailed? Data-collection methods and tools explained?
2.10	**Is the data-collection approach and analysis adequate for the scope of the evaluation?** - Comprehensive set of data sources (especially for triangulation) where appropriate? - Comprehensive set of quantitative and qualitative surveys, and analysis approaches where appropriate? - Clear presentation of data analysis and citation within the report? - Documented meetings and surveys with stakeholders and beneficiary groups, where appropriate?
2.11	**Are any changes to the evaluation approach or limitations in implementation during the evaluation mission clearly outlined and explained?** - Issues with access to data or verification of data sources? - Issues in availability of interviewees? - Outline how these constraints were addressed
	REPORT CONTENT
2.12	**Does the evaluation draw linkages to the UNDP country programme strategy and/or UNDAF?**
2.13	**Does the evaluation draw linkages to related national government strategies and plans in the sector/area of support?** - Does the evaluation discuss how capacity development or the strengthening of national capacities can be addressed?
	Does the evaluation detail project funding and provide funding data (especially for GEF)?

2.14	- Variances between planned and actual expenditures assessed and explained? Observations from financial audits completed for the project considered?
2.15	**Does the evaluation include an assessment of the project's M&E design, implementation and overall quality?**
2.16	**Does the evaluation identify ways in which the programme/project has produced a catalytic role and has demonstrated: (a) the production of a public good; (b) demonstration; (c) replication; and/or (d) scaling up (GEF evaluations)?**
2.17	**Are indicators in the results framework assessed individually, with final achievements noted?**
	Does the evaluation report address gender and other key cross-cutting issues?
3.1	**Are human rights, disabilities, minorities and vulnerable group issues addressed where relevant?**
3.2	**Does the report discuss the poverty/environment nexus or sustainable livelihood issues, as relevant?**
3.3	**Does the report discuss disaster risk reduction and climate change mitigation and adaptation issues where relevant?**
3.4	**Does the report discuss crisis prevention and recovery issues as relevant?**
3.5	**Are the principles and policy of gender equality and the empowerment of women integrated in the evaluation's scope and indicators as relevant?**
3.6	**Do the evaluation's criteria and evaluation questions specifically address how gender equality and the empowerment of women have been integrated into the design, planning and implementation of the intervention and the results achieved, as relevant?**
3.7	**Are a gender-responsive evaluation methodology, methods, tools and data analysis techniques selected?**
3.8	**Do the evaluation findings, conclusions and recommendations take aspects of gender equality and the empowerment of women into consideration?**
3.9	**Does the evaluation draw linkages to the Sustainable Development Goals and relevant targets and indicators for the area being evaluated?**
3.10	**Does the terminal evaluation adequately address social and environmental safeguards, as relevant? (GEF evaluations)**
	Does the report clearly and concisely outline and support its findings, conclusions and recommendations?
	FINDINGS AND CONCLUSIONS
4.1	**Does the evaluation report contain a concise and logically articulated set of findings?**
4.2	**Does the evaluation report contain a concise and logically articulated set of conclusions?**
4.3	**Does the evaluation report contain a concise and logically articulated set of lessons learned?**
4.4	**Do the findings and conclusions relate directly to the objectives of the project/programme?** - Are the objectives of the evaluation as outlined in the TOR?
4.5	**Are the findings and conclusions supported with data and interview sources?** - Are constraints in access to data and interview sources detailed?
4.6	**Do the conclusions build on the findings of the evaluation?**

	- Do the conclusions go beyond the findings and present a balanced picture of the strengths and limitations of the evaluation's focus?
4.7	**Are risks discussed in the evaluation report?**
	RECOMMENDATIONS
4.8	**Are the recommendations clear, concise, realistic and actionable?** - A number of recommendations are reasonable given the size and scope of the project/ programme Recommendations link directly to findings and conclusions
4.9	**Are recommendations linked to country programme outcomes and strategies and actionable by the country office?** - Is guidance given for implementation of the recommendations? Do recommendations identify implementing roles (UNDP, government, programme, stakeholder, other)?

Ethical Code of Conduct for UNDP Evaluations

Evaluations of UNDP-supported activities need to be independent, impartial and rigorous. Each evaluation should clearly contribute to learning and accountability. Hence evaluators must have personal and professional integrity and be guided by propriety in the conduct of their business

Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded

2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.

3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and: respect people's right not to engage. Evaluators must respect people's right to provide information in confidence and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals and must balance an evaluation of management functions with this general principle.

4. Evaluations sometimes uncover evidence of wrongdoing. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.

5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.

6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study limitations, findings and recommendations.

7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Annex 12. Suggested list of documents to be reviewed by the evaluators

Management related documents:

Project Document (FRLD and DANIDA funded local governance projects)

Project Logframe/RRF

Project Work Plan for 2021, 2022

Project Budget

Project Progress Reports

Project Annual Progress Reports for 2018, 2019, 2020

Financial report for 2020

Mid-Term Evaluation Report

Mid-Term Evaluation Report

Management Response to Mid-Term Evaluation Report

Progress report of Management Response

Review of the FRLD2

Project Document Logframes - Final Report November 2020

Documents related to the project activities

Local Self-Government Code

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 municipalities and CSOs (2019, 2020)

Municipal investment profiles

Reports on the Survey of Citizens' Satisfaction with Public Services in Georgia (2013, 2015, 2017, 2019, 2021)

Knowledge building and knowledge sharing documents produced within the project framework (including by not limited to: COVID-19 impact studies, studies on challenges in fulfilment of powers by LSGs, study on waste management and street cleaning practices, study on designing municipal development documents in Georgia and EU, LED Policy Paper and Case Studies)

Public Awareness Campaign documents (media campaign strategy, publications, video materials)

Other documents related to the project implementation will be shared at the eval

FINAL INCEPTION REPORT

Final External Evaluation of the "Fostering Regional and Local Development in Georgia- FRLD – Phase 2" Project

Funded by the Swiss Agency for Development and Cooperation and the Austrian Development Cooperation and co-funded by the Ministry of Regional Development and Infrastructure of Georgia

Executed by UNDP under National Implementation Modality

for an amount of USD 5,521,772.--

By: Christian Bugnion de Moreta, Team Leader

Revised final inception report and work plan

14th December 2021

Table of contents

Content

Acronyms and abbreviations

ADC: Austrian Development Cooperation

DAC :   Development Assistance Committee

FGD: Focus Group Discussion

FRLD-2:   Fostering Regional and Local Development in Georgia phase 2 (project)

GoG: Government of Georgia

KII: Key Informant Interview

LED: Local Economic Development

LSG: Local Self Government

MRDI: Ministry of Regional Development and Infrastructure

MSC: Most Significant Change

NALAG: National Association of Local Governments of Georgia

OECD: Organisation for Economic Cooperation and Development

SDC: Swiss Agency for Development and Cooperation

ToC: Theory of Change

ToR :   Terms of Reference

UNDG: United Nations Development Group

UNDP: United Nations Development Programme

UNEG :   United Nations Evaluation Group

6. Introduction

The UNDP has hired an independent consultant to undertake the Final Evaluation of the Project: "Fostering Regional and Local Development in Georgia – FRLD- phase 2". The project started on 15th December 2017 for an initial period of almost four years until 30 November 2021. The project requested and was granted a four-months no cost-extension until 31st March 2022. The total project budget is USD 5,521,772. --, of which the Swiss Agency for Development Cooperation (SDC) contributed US$ 3,531,060.— plus US$ 36,627.—carried over from phase I, the Austrian Development Cooperation (ADA) contributed US$ 1,802,885.—and the rest was funded by the Ministry of Regional Development and Infrastructure (with US$ 151,200.--) or provided in kind.

This final evaluation has been contractually foreseen in the project document and has been included in the UNDP evaluation plan.

7. Purpose, scope and objective of the assessment

The objective of this final evaluation is to provide an assessment of the project performance and an impact assessment. The criteria for the evaluation are standard evaluation criteria defined by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and the United Nations Evaluation Group (UNEG): efficiency, effectiveness, impact. The evaluation is also requested to assess the cross-cutting normative principles of the United Nations namely regarding the Human Rights Based Approach and the inclusion of Gender Equality.

The specific objectives of this final external evaluation are:

4) To assess the project implementation and results against the updated logframe (vis-à-vis the indicator targets) and budget as of November 2021, taking full account of the implementation context, local and global;
5) Assess the effectiveness, efficiency and impact of the project;
6) Document lessons learned, good practices and challenges, provide recommendations for a follow-up phase of the project

The scope of the final evaluation is the entire implementation period of the Project since its start on 15th December 2017 until 30 November 2021, with a particular focus on the last two years since the mid-term evaluation undertaken in early 2020[42].

8. Audience

This final evaluation is meant to provide evidence of results and accountability to the UNDP, the SDC and ADC, MRDI, NALAG and local self-government. It may be published for dissemination and communication purposes. It is undertaken under the oversight of the UNDP Georgia Office. The UNDP evaluation manager is also the UNDP FRLD project manager, supported by the M&E specialist and UNDP management. Her role is to ensure that the final evaluation remains on track with its work plan and submits the required deliverables.

9. Project background

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[42] Anthony Costanzo, Mid-term Evaluation of the FRLD phase 2 project – Final report, 6th April 2020

This project is the second phase of the FRLD. FRLD2 was initially established over an almost four-year implementation period. It started its activities on 15th December 2017 and had a deadline of 30th November 2021. A no-cost extension was granted by donors given the constraints linked to the COVID-19 pandemic that affected project implementation until 31 March 2022.

The overall project budget was 5,521,772.—US Dollars, with the following contributors

Table 1: FLDR-2 project contributors

Amount in US Dollars	Contributor
1,802,885.--	ADC
3,567,687.--	SDC (including 36,627.—from the first phase carried-over)
151,200.--	Government of Georgia (GoG)
196,000.--	In kind
5,521,772.--	**Total**

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The overall goal of the project is "to build strong Local Self Governance (LSG) institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPS and other population groups"[43].

The project is structured around three outcomes:

The first is focused on enhancing the policy and institutional framework to underpin LED. The second is focused on improving service delivery at the local level, creating business enabling environment and incentivizing local economic actors to engage in LED initiatives. The third outcome puts emphasis on community engagement to ensure participatory policy making is in place and the needs of local community members are incorporated into LED initiatives. The approach towards achieving these outcomes is based on the Local Economic Development (LED) approach, which the project addresses as "the purpose of the local economic development (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"[44].

The different outcomes are supported by a range of outputs which contribute to the stated outcome.

The table articulating the different levels of results is as follows:

Table 2. Hierarchy of results Goal-Outcomes-Outputs from project document

Goal	To build strong Local Self Governance (LSG) institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making

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[43] FRLD phase 2 project document, page 1

[44] Ibid., page 20

	and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPS and other population groups		
Outcomes	1. National institutions define and implement policy and institutional frameworks to foster decentralization and enable local economic development (LED)	2. Municipalities and Community Centres are strengthened to deliver relevant services and incentives for the business environment and local economic actors	3. Civil society organizations and local businesses are empowered to participate in inclusive LED planning and decision-making
Output 1	1.1. LED related aspects of Good Governance strategy at the local level and action plan, implemented by municipalities and central government institutions (MRDI, MoED, MoF, etc.)	2.1. Municipal profiles and business support services in place to attract potential investors and entrepreneurs	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
Output 2	1.2. LED initiatives from the Mountainous development strategy and action plan implemented by municipalities and central government institutions	2.2. Municipalities and private sector implement pilot LED initiatives in the areas such as tourism, agriculture, trade facilitation, etc.	3.2. Capacities in LSG and civil advisory councils strengthened to effectively apply citizen participation mechanisms
Output 3	1.3. National and local capacities strengthened to facilitate LED	2.3. Local stakeholders (municipalities, local businesses, CSOs) facilitate Cross border Cooperation	3.3. CSO design and lead participatory LED initiatives
Output 4	1.4. Package of policy initiatives to enhance LED enabling environment prepared and advocated by National Association of Local Authorities of Georgia as a result of consultations with member municipalities and adopted by GoG	2.4. Performance management systems complemented with best practice program in place to share the knowledge and foster better service delivery and share the knowledge	
Output 5		2.5. Two community centres in selected border areas in place and functioning	

The original project document contained no less than 53 indicators to appraise the project's progress. As results of the mid-term evaluation recommendations, the project initiated a joint logframe review exercise with the purpose to re-visit indicators. As a result, an "indicator passport" was created which identified 13 indicators to appraise the project progress at the goal and outcome levels.

8. Evaluability

The original logical framework identifies 53 indicators to appraise the project goal, outcomes and outputs. As mentioned above, the mid-term evaluation suggested to decrease the number of indicators, and as a result an agreement with project stakeholders was reached by which a total of 45 indicators were identified for appraising the project success.

Of these, four indicators are reported to be impact indicators designed to measure the goal of the project, while the remaining nine indicators are designed to measure the outcomes of the project. 32 are used to measure the outputs.

The project design is not fully aligned to the UNDP requirements for project development and the formulation of goal and outcomes is not aligned to the UNDG and the Results-Based Management Guidance from UNDP and UNDG. The theory of change should be a roadmap

highlighting the processes and steps needed to reach the outcomes and the goal. A narrative ToC guidance should have been provided, articulating that IF such a condition is met, THEN it will take the project to the next step which is…., PROVIDED THAT ….(assumptions), from the starting point of the project to its goal. The indicators are mostly outside of the control of the project, so the value of measuring something that the project is only very indirectly contributing to is unclear. Attribution is only possible from the activities to the output level in the hierarchy of results according to Results Based Management, which is the level at which the project holds control and can be accountable. The higher the level of result, the less attribution is possible, and the more important the contribution of other actors become, particularly when the goal seems to be intended for the entire country and not for the four target regions.

One key requirement for a "SMART" indicator is that it is **specifically measuring one result** (the "S" in SMART means it is specific) and not a combination of results. Yet the outcome formulation for each of the three outcomes involves more than one result ("and" wording in each of the outcome statements indicates a combination of processes), so it is not clear which of the interactions in the end need to be measured.

UNDP defines an outcome-level result as "the intended changes in development conditions that result from the interventions of governments and other stakeholders, including international development agencies. They are medium-term development results created through the delivery of outputs and the contributions of various partners and non-partners. Outcomes provide a clear vision of what has changed or will change in the country, a particular region, or community within a period of time. They normally relate to changes in institutional performance or behaviour among individuals or groups"[45] Similarly, the United Nations Development Group (UNDG) Results-Based Management Handbook, defines an outcome as "changes in the institutional and behavioral capacities for development conditions that occur between the completion of outputs and the achievement of goals."[46] The same document states "Impact implies changes in people's lives… Such changes are positive or negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended."[47] It is very unclear to the evaluator how counting the number of direct beneficiaries can be considered an impact indicator, since simply having the number of beneficiaries does not provide any qualitative indication as to whether or not it has changed their lives and if it has been for the better or the worse. Similarly for indicator three, the unemployment rate is a poor indicator for the project contribution. A better indicator would be the number of jobs created through the project outputs. Still, without any qualitative analysis, it is not possible to discuss the quality of the jobs created and how they affect job holders. According to the SDC feedback of October 27, 2020, there is an acknowledgment that some indicators are not adequate to appraise the project global and need to be removed (namely public satisfaction, unemployment rate, women's economic activity) and also that the number of jobs created is a better indicator than the unemployment rate.

As there is now little value in suggesting a revision of the project document, the logframe or the results framework, the evaluation will focus on the constructive value it can bring to the process of answering the general and specific objectives of the evaluation. However, project evaluability

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[45] UNDP (2011); Outcome-level Evaluation: A companion guide to the handbook on planning monitoring and evaluating for development results for programme units and evaluators, p 3.
[46] UNDG, Harmonizing RBM concepts and approaches for improved development results at country level, October 2011, p. 7
[47] Ibid.

is weak because most of the indicators refer to processes over which the project itself has little, if any, contribution and because not enough time has passed to appraise the potential effects of some of the project outcomes. Therefore, the concept of "impact assessment" has to be clearly understood as covering the effects that were generated by the project from the stakeholders' perspectives and not through an analysis of the indicator passport, because it will not only provide a rating regarding the perceptions of project stakeholders, but also the reason behind the ratings through a qualitative explanation.

This evaluation is firmly grounded on all the UNEG guidelines, UNDP evaluation guidelines, OECD-DAC evaluation guidelines, UNDG and UNDP RBM guidelines, so that all materials, definitions and concepts can be referenced back to their relevant normative framework.

The main objective of this final evaluation is to provide an assessment of the project performance and an "impact assessment". Impact is defined by the OECD-DAC as "The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Note: Impact addresses the ultimate significance and **potentially transformative effects of the intervention**. It seeks to identify social, environmental and economic effects of the intervention *that are longer term or broader in scope than those already captured under the effectiveness criterion*. Beyond the immediate results, this criterion seeks to capture the indirect, secondary and potential consequences of the intervention. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment."[48] It is questionable whether the term of "impact" assessment can be used after four years of project implementation, particularly when the first two years were focused on the changes at the national level. This evaluation will follow the DAC guidance as regards to the unit of analysis which will be the **potentially transformative effects of the project**. In order to do so, the evaluation will use an adaptation of the Most Significant Change approach, and also try to appraise the factors that led to identified transformation insofar as they can be traced back to the project (using contribution analysis). Transformative changes outside the remit of the project cannot and should not be used as proxy for the project success or failure.

As a result the first part of the first specific objective of the evaluation "to assess the project implementation and results against the updated logframe (vis-à-vis the indicator targets) a…" is largely a compliance exercise, since most of the indicators are proxy of higher levels of results on which this project has had limited effects and that are primarily the responsibility of the Government together with its development partners. So even though the majority of the indicators from the indicator passport will not be evidencing the results of the project itself, the information will be obtained from the UNDP (since the evaluation has no means, time or resources to collect the information). Note that the evaluation has no added value in the collection of these indicators as it is only using the reported indicator data. The second specific objective "assess the effectiveness, efficiency and impact of the project", will be done using the OECD-DAC criteria and their definition, presented under the methodology section of this inception report. This will be the main thrust of the evaluation through essentially a qualitative analysis of stakeholders' perception and through field data collection with main project counterparts in Tbilisi and the four project regions. The major data collection efforts will be deployed under this specific objective, because beyond the actual indicator measurement, it is important to understand the factors that may have contributed to the positive or negative

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[48] https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

results, something that the sole measurement of an indicator does not provide. An indicator only measures the result, but doesn't explain why it was achieved, not achieved, or exceeded.

From the qualitative analysis and interpretation of the data collection with the key project counterparts, the evaluation will address the lessons learned, good practices and challenges, and will provide recommendations for a follow-up phase of the project, as requested under the third specific objective.

An initial finding is that, in order to facilitate stakeholder engagement, information sharing and coordination, it is important to have the same technical understanding of the key RBM principles and requirements for project formulation, design, indicator development and the theory of change. A major difference in this project that is referred to in the mid-term evaluation among project stakeholders, was the diverging expectations resulting from the absence of a common terminology and vocabulary. Providing a common technical basis for discussion using the UNDG, UNEG, OECD-DAC standards, norms, principles and guidance materials on RBM would also allow for a better understanding of the realistically achievable results in the project timeframe and would contribute to better manage stakeholders' expectations. It is highly recommended that for the formulation of a follow-up project the key stakeholders (UNDP, MRDI, ADC and SDC) all be part of a one-week RBM training focusing on the theory of change, indicators and other means of verification, construction of the logical framework, development of a M&E system for the project so that all participants will have a clear view of how to build a constructive project document that reflects the best practices in Project Cycle Management and Results-Based Management and is evenly understood by all.

9. Approach and methodology

The evaluation follows the United Nations Evaluation Group (UNEG) evaluation norms and standards (2017 revision), and the UNDP "PME Handbook" established by the UNDP in 2009 and revised in 2011, the UNDP Outcome-level evaluation, a companion guide to the Handbook on Planning, Monitoring and evaluation for development results for programme units and evaluators, December 2011, the UNDG, Results-Based Management Handbook, Harmonizing RBM concepts and approaches for improved development results at country level, October 2011, as well as the updated UNDP evaluation guidelines of 2021[49]. It is carried out under the provisions of the revised UNDP Evaluation Policy of 2019[50]. The final evaluation also adheres to and is a signatory of the UNEG ethical guidelines for evaluation and the UNEG Code of Conduct both of 2008. The approach follows a "utilization-focused evaluation" approach that is described by M. Q. Patton in his book of the same name[51] that continues to be a good practice reference material for the conduct of evaluations.

The three criteria for undertaking the assessment are mentioned in the ToR and are the standard criteria used for project evaluations: efficiency, effectiveness, and impact. Originally the definitions of each of the evaluation criteria had been given by the OECD/DAC in its glossary of key terms in evaluation and results-based management in 2002. However, in 2019 the evaluation criteria were revised and updated as follows[52] :

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[49] http://web.undp.org/evaluation/guideline/index.shtml
[50] http://web.undp.org/evaluation/documents/policy/2019/DP_2019_29_E.pdf
[51] "Utilization-focused Evaluation", Michael Quinn Patton, 3rd Edition, Sage publications, 1998
[52] https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

"**Efficiency**: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. Note: "Economic" is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).

Efficiency answers the question: how well are resources being used?

Effectiveness: The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Note: Analysis of effectiveness involves taking account of the relative importance of the objectives or results.

Effectiveness answers the question: Is the intervention achieving its objectives?

Impact: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Note: Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic effects of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. Beyond the immediate results, this criterion seeks to capture the indirect, secondary and potential consequences of the intervention. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment.

Impact answers the question: What difference does the intervention make."

<u>Note</u>: technically, impact is evaluated, as defined above, over the long-term. In the case of the project, the evaluator will focus on direct and indirect effects, e.g. contribution to the outcome (or change process) triggered by the outputs completed under the project, as there can be no rigorous impact assessment at this stage and within the parameters of the project logframe.

The evaluation will therefore backtrack the higher-level results to the likely factors that influenced said results, using contribution analysis. The definition of the higher-level results (either positive or negative) will be based on the perception of the different key informants interviews (either through Key Informant Interviews or through Focus Group Discussions) starting from an adaptation of the Most Significant Change (MSC) approach to identify the changes that took place for the different stakeholders, and contribution analysis to establish if the project results were factors that contributed to the outcome and the changes produced at local level. Note that different regions may have different perceptions of the MSC, and this does not necessarily have a direct link with the 13 indicators identified in the indicator passport.

Tools and methodology

The evaluation will use a combination of methods that will include:

c) Documentary review of project outputs and reports submitted by the project, leading to the preparation of this inception report;
d) Individual Key Informant Interviews (KII) with key project stakeholders: Project Board members including MRDI, donors, UNDP project team and management, as well as

other partners in Tbilisi. In some cases, focus group discussions (FGD) will take place when and where feasible.

e) Field work in four regions with project partners to conduct:
- Interviews with municipalities, NGOs and private sector to obtain their perception regarding the project results;
- Interviews with local population and direct beneficiaries/grantees of the outputs
- On-site observation

The evaluation will be mostly qualitative and work from the perspective of the Most Significant Change (MSC) approach, in order to obtain feedback from the different stakeholder groups, using appreciative inquiry. If possible, sex-disaggregated focus groups will be held for interview with project beneficiaries. To the extent possible, the evaluation will ensure that different "direct beneficiaries" from various backgrounds and gender will also be interviewed, in order to provide some story or anecdotal evidence of good practice, where applicable.

KII will be done through semi-structured individual interview process of around one hour, while focus group interviews (FGD) will take up to 90 minutes. Both data collection processes are likely to require interpretation, which will be provided by the national expert.

The evaluation team will use a questionnaire guide to ensure comparability and consistency amongst the different respondents who will be interviewed. The KII will include open and closed questions, as well as using a five-scale rating to obtain respondents' feedback regarding their perception about the project. This will allow to gather indicators relating to the satisfaction of the project stakeholders. Each rating will in turn be based on a qualitative justification explaining why such a rating was given. The KII will be coded, and the data will be used by the evaluation team to present the preliminary findings. Probing will also be done when and where necessary to obtain a clear understanding of the responses to the Key Evaluation Questions (KEQ).

FGD will be structured around four or five key questions, depending on the size and the composition of the Focus Group. For beneficiaries, it will focus on the identified results, positive and/or negative, from the project implementation. It is expected that FGD will be primarily used with direct beneficiaries, the other means of data collection will be mostly KII and eventually group KII with 2-3 persons.

Contribution analysis will be used to infer the causality between the observed and analysed effects and the factors that led to such outcomes to the extent possible, taking into consideration that some of the effects may not yet be fully visible at this point in time.

Sampling of respondents: the Project Board members are compulsory KII, but the sampling strategy in the four regions is based on purposive sampling, i.e. using "best cases" to identify best practices, aspects that need to be replicated or upscaled, and practices that contribute to the positive effects generated. Conversely, the evaluation will also use "worse cases" to learn from the difficulties in those municipalities where the expected results were not achieved, in order to inform future planning and avoiding the potential gaps and pitfalls that were encountered in the project. In both cases of purposive sampling (best and worst cases), the focus is on learning from the qualitative perspective of the evaluation respondents. The evaluation team will provide the required data interpretation to sustain the conclusions and recommendations that will flow from the data collection analysis and interpretation phases.

10. Risks and limitations

There has been limited time for preparation and some information is still being collected for the final evaluation. Additional information such as the final measure of the indicators passport, of the financial reports and of the sister project funded by DANIDA Decentralisation and Good Governance (DGG) have yet to be provided by UNDP. The evaluator does not speak Georgian so all interviews that are not in English will require interpretation. It is understood that the national expert will provide interpretation services in addition to the support to the team leader during the evaluation process.

Weather conditions in Georgia may cause logistical access problems, so it will be important for UNDP to provide a fully equipped vehicle and a knowledgeable driver to take the evaluation team to the data collection sites in the four regions.

11. Final Evaluation work plan

As agreed with the Project Manager and the UNDP project team, field work in Georgia will take place from 9th December 2021 to 18th December 2021 both inclusive. A tentative agenda is enclosed and has been discussed prior to the commencement of field work with the evaluator. Field work includes selected project participating municipalities and some direct stakeholders.

A draft evaluation report will be provided by 15th January 2022, and the final report will be submitted within three working days from the date of receipt of the consolidated comments from the evaluation manager on the draft report – but in any case, no later than 15th February 2022.

12. Proposed agenda for the mission

The tentative workplan discussed with the Evaluation Manager is as follows:

Thursday 9th December 2021 – arrival of evaluation team leader at 05h10 with TK flight
Morning:
KII and group discussions with UNDP FRLD2 project team (six staff)
Afternoon:
KII with UNDP management (four staff)
KII with Executive Director of NALAG

Friday 10th December 2021
Morning:
KII with SDC
KII with ADC
KII with Enterprise Georgia Deputy Director
Afternoon:
KII with former Mayor of Senaki Municipality
KII with Deputy Minister of MRDI and Head of Department (Zoom)

Saturday 11th December 2021
Activity cancelled. Revision and finalisation of the inception report based on feedback received

Sunday 12th December 2021
Travel to Zugdidi from Tbilisi
Meet with Nino Khukhua, Head of Local Democracy Agency (LDA)

Monday 13th December 2021
FGD with Mamuka Tsotseria, Mayor of Zugdidi
Marika Khasia, Head of Department
Nugar Gabelia, State Administor's Office

KII with Ruslan Sajaia, director of "Hangi" and beneficiaries
Travel to Martvili

KII with Tornike Janashia, Mayor of Martvili Municipality
Bondo Topuria, Head of Infrastructure Department
Travel to Ozurgeti

Tuesday 14th December 2021
KII with Governor of Ozurgeti
Alexander Sarishvili, Mayor of Lanchkhuti Municipality
Kristine Zenaishvili, Head of Department
Aleko Mameshvili, Head of Economic Department of Ozurgeti municipality

KII with Avto Gvelebiani and Mindia Salukvadze "Discover Guria" and beneficiaries,
Visiting Tea Route Location
Travel to Chokhatauri

KII with Zaza Tsintsadze, head of Economic Department of municipality

Travel to Khidistavi
Visiting Skiji House (FRLD beneficiary)

Travel to Ambrolauri

Wednesday 15th December 2021
KII with David Mkehidze, Mayor of Ambrolauri
Giorgi Godziashvili, head of Economic Department
Papuna Margvelidze, Governor
Giorgi Makarashvili, deputy governor
Travel to Oni

KII with Sergo Khidesheli, Mayor
Irina Gobekishvili, Head of Economic Department

KII with Liliana Maisuradze, Etno Oni
Travel to Tbilisi

Thursday 16th December 2021
Visiting Community Center in Kachagani, Marneuili Municipality
KII with Leila Suleimanova, Union of Azerbaijani Women and beneficiaries
Travel to Bolnisi

KII with David Sherazadishvili, Mayor
Mirza Khvibliani

KII with Eka Devidze or Nino Kherkhelauri, partner CSO, and beneficiaries

Travel to Tbilisi

Friday 17th December 2021
Morning preparation for debriefing
Afternoon: debriefing on preliminary findings, conclusions, recommendations to UNDP and stakeholders

Saturday 18th December 2021
Morning: departure of team leader with TK flight via Istanbul

Note: donors are invited to travel with the evaluation team provided they agree to act only as Observers and also commit to the UNEG Ethical Guidelines and UNEG Code of Conduct, so no direct interaction is authorised during the evaluation to avoid potential biases. If donors chose to accompany the evaluation team, they will always abide by the decisions of the evaluation team leader during all of the evaluation field work. However, they may not interact directly with Key Informants, Focus Group Participants, partners or beneficiaries.

13.   Key evaluation questions and framework

The key questions to be addressed by the evaluation have been structured along both the main purpose of the evaluation and the line of enquiry mentioned above. The TOR identify a total of 49 questions. It is unrealistic to expect the final evaluation to provide a full and evidence-based response to 49 different questions. In line with good evaluation practice, the following evaluation framework synthesizes the main questions that will be addressed by the evaluation to provide a constructive contribution to the expectations of the different stakeholders. Some aspects will be covered as sub-questions or through probing, but in order to keep the evaluation framework clear and manageable, the key questions for the evaluation will be:

Table 3 – FRLD2 final evaluation – Key evaluation questions and framework

KEY EVALUATION QUESTIONS	INQUIRY LINES	ISSUE	DATA SOURCE	METHODS
1. Efficiency				
1.1. Is the project bringing value for money?	Appreciative inquiry	Value for money	Budget analysis, KII with UNDP staff and counterparts	Financial reports, audits, interview notes
1.2. Has it been efficiently managed?	Appreciative inquiry	Management efficiency	Workplan analysis, KII with UNDP staff and counterparts	Workplan, budget, PB minutes, financial analysis
1.3. How well was the project designed?	assessment	PCM and RBM value	Documentary analysis and KII with UNDP and M&E specialist and management	Analysis of project document, RBM analysis
2. Effectiveness				
2.1. What are the key results of the project?	Appreciative inquiry	Key results	Documentary analysis and respondents' perspectives including feedback from KII/FGD	Project documents, KII, FGD, triangulated
2.2. To what extent are the outcomes achieved?	Analysis of effects	Outcome achievement	Documentary analysis and respondents' perspectives including feedback from KII /GD	Project documents, KII, FGDs, triangulated

KEY EVALUATION QUESTIONS	INQUIRY LINES	ISSUE	DATA SOURCE	METHODS
2.3. To what extent is the project goal achieved?	Analysis of goal	Achievement of goal	Documentary analysis and respondents' perspectives including feedback from KII/FGD	Project documents, KII, FGDs, triangulated
2.4. What are examples of good practice	Appreciative inquiry	Good practice	Documentary analysis and respondents' perspectives including feedback from KII/FGD	Documentation, interview notes, data analysis
2.5. What capacities have been developed as a result of the project?	Appreciative inquiry	Capacity development	Documentary analysis and respondents' perspectives including feedback from KII/FGD	Project documents, KII and FGD notes
2.6. What were the key challenges and shortfalls experienced during project implementation?	Risk management strategy	Improvement and learning	Documentary analysis and respondents' perspectives including feedback from KII/FGD	Project documents, KII and FGD notes, PB minutes – gap analysis
2.7. Has the project incorporated the UN programming principles in its implementation (gender, HRBA, LNOB) and if so, have they leveraged specific results?	Compliance with UN normative principles	Inclusion and non-discrimination	Documentary analysis and respondents' perspectives including feedback from KII and FGD	Project documents, KII and FGD notes – compliance analysis and contribution analysis
3. Impact				
3.1. How have people's lives been affected by the project?	Most Significant Change (MSC)	Project effects	Documentary analysis, KII and FGD with beneficiaries	Documentation, interview notes, contribution analysis
3.2. To what extent has the project changed the way regions and municipalities manage LED?	MSC	Institutional effect	Documentary analysis, KII and FGD with GoG and LSG	Project documents and interview notes, contribution analysis
3.3. What has changed as a result of the project?	MSC	Ownership, commitment, learning	Documentary analysis, KII with project stakeholders through KII and FGD	Project documents and interview notes, contribution analysis

Total : 13 Key Evaluation Questions

RECOMMENDATIONS
- The project has opened a new dimension for LSG empowerment and collaboration with LED. Each needs to be consolidated further but through different approaches: 1) on the policy/decentralisation side through a separate project, 2) with stronger and more business-oriented LED support for another four years on clear objectives which should be number of jobs created and business investment returns, AND municipal interaction

RECOMMENDATIONS
- Design a proper theory of change and results framework with facilitated support to ensure a common approach and vision is shared between donors/UNDP/MRDI (80% of PCM challenges stem from poor design)
- Facilitate RBM training for UNDP project staff and reporting for results
- Consider reporting from the regional perspective (bottom up) on the changes instead of narrative descriptions of activities

RECOMMENDATIONS
- Gains in decentralisation are not irreversible, part of a political process. Should also further Support municipal empowerment but through another, separate Project (DGG?)
- LED needs to be a more comprehensive design with more business skills and 3 grants per entrepreneur to enable consolidation of successful business – but revolving grant concept based on results and employment
- Business training needed for entrepreneurs

CONCLUSIONS:
- Very weak project design has probably not allowed for donors/UNDP/MRDI to work as team with diverging expectations
- Results framework overly ambitious and not realistic – but results obtained do contribute to outcomes and the project goal
- Excellent results recognised at local level by LSG, NGO, business – but not yet sustainable
- Need to focus more clearly now project on LED

IMPACT: (cont.)
➤ Evaluation findings:
- Excellent progress at the policy level, recognised usefulness and applicability of MIP, MDD, very good learning process to empower municipalities and interact with business and civil society to develop LED
- LED needs consolidation as it started only after policy measures in place to create enabling conditions – high potential but needs to be nursed – some employment and income created

IMPACT: NGO/Benef perspectives

anecdotal evidence of success but constrained by pandemic on LED – but dynamics and interaction with LSG increased
LED requires more support to be sustainable over the longer-term, still at the initial stages

IMPACT: MSC from municipalities

Enabled to get infrastructure for income gen, knowledge and MDD
MDD brings longer vision and also empowering people not to rely on Govt
opportunity to coordinate different players on LED with strong cross sector coop
UNDP opened the can to access external funds
poor municipality, UNDP opened possibility of receiving directly donor funds
grant changed our culture and the way we behave
infrastructure very important and skills transfers MDD/MIP
MIP are key but also MDD -highly strategic to access donor funds
MIP
MIP and area-based development plan
MDD
knowledge transfer and adaption of space to tourists needs
new economic opportunities have emerged in our municipality
increased business from having a market established
strengthened municipality's task to identify opportunities and MDD
increase in tourists visiting, potential 10 mio GEL
project approach and gave assets to municipality for long-term approach
taught us about project management
first case of a direct grant from donors

IMPACT:

- Project has generated very positive effects at local level in four key areas: 1) strategic planning and collaboration with private sector 2) changing mindsets of municipalities, NGOs an private sector to work together on LED 3) capacity and skills development at local level for empowered LSG and civil society and businesses 4) Access to direct donor funding at local level

EFFECTIVENESS: (cont.)
UNDP
- Strengths: responsiveness, staff quality,
- Flexibility, adaptability, communication, interaction, support, trust
- - Weakness: reporting and M&E capacity

EFFECTIVENESS:
Evaluation findings: two different components: Policy very good results, LED at the start phase, needs consolidation and more time given pandemic, but contributes to the Project Outcomes and overall goal. LED process is clearly initiated, but not yet ripe to be self-sustained.
More details under Impact criterion

EFFECTIVENESS:
From the GoG perspective, very different appraisal: 5 out of 5 from MRDI, with key anticipated results achieved

Findings: Disconnect between donor views and national stakeholder's views on results – difference between results achieved at field level and report quality not sufficiently capturing achievements?

EFFECTIVENESS:

➢ Donor's ratings: **average 2.92** from 5 donor respresentatives, but largely different appraisals and motives:

• SDC : low rating on strategy and focus on the short term, but didn't have LED indicators so also trial – average of 3 ratings 2.67 out of 5

• ADC: average of 2 ratings 3.67 out of 5 – some high marks on field work, policy work, govt collaboration, but minimum on visibility

EFFECTIVENESS: from NGO/Benef

overall **effectiveness rating 4.71** out of 5 from 8 NGO rep/beneficiaries, and overall **satisfaction rating of 5.0** with UNDP. Echoing municipalities' comments on constructive support, communication and flexibility and commitment to results

EFFECTIVENESS:
even higher level of **overall satisfaction** with UNDP: **straight 5.0 rating (maximum) from all respondents at field level**, considered most responsive donor and most supportive with the right level of support for municipality needs
total grants given in 9 mun: 817,000 GEL
total co-funding : 247,000 GEL with variations from one to another

- EFFECTIVENESS:
At local level, very high rating on a five-point scale with **4.86 out of 5.0** from 19 municipality and 2 Governor's office respondents. Excellent support received and all anticipated products have been or are being achieved despite pandemic. Excellent appraisal of the support from project team: responsiveness, flexibility, support, communication, interaction

FINDINGS PER EVALUATION CRITERION

EFFICIENCY:
- KII indicate smooth process at field level with national counterparts and grantees
- Financial management and delivery will be presented in the evaluation report, field visit focus on effectiveness and impact

Methodology:
1) documentary analysis,
2) in-country data collection in the four project regions. 9 municipalities visited
22 KII in depth with 21 LSG including 2 Gov. office, 8 NGO/Benef, 5 donor rep, 2 MRDI rep, 2 IPS, and 9 UNDP staff/management
Field visit: 12-16.12.21
Essentially qualitative – MSC

Evaluation criteria:
Effectiveness, Efficiency, Impact as defined by OECD/DAC 2019 revision

Norms and standards: UNDP evaluation Guidelines (IEO) 2021, UNDP guidance on outcome-level evaluation, UNDP PME handbook, UNDG RBM Handbook, 2011, UNDAF Theory of Change Companion Guidance, UNDP, Code of Conduct+Ethics

Objective: assess the project performance and undertake an impact assessment

Scope: 15th December 2017 until 30th November 2021

Unit of analysis: FRLD-2 project

Audience:UNDP, MRDI, SDC, ADC

Fostering Regional and Local Development in Georgia – phase 2 Final project evaluation commissioned by : UNDP Georgia

Preliminary Findings
17th December 2021

CHRISTIAN BUGNION DE MORETA, EVALUATION TEAM LEADER
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THANK YOU FOR YOUR COMMENTS, QUESTIONS AND SUGGESTIONS!

MASLOVA!