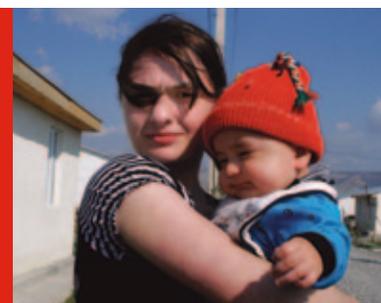




ASSESSMENT OF DEVELOPMENT RESULTS **GEORGIA**

EVALUATION OF UNDP CONTRIBUTION



HUMAN DEVELOPMENT effectiveness COORDINATION AND PARTNERSHIP
efficiency COORDINATION AND PARTNERSHIP sus
NATIONAL OWNERSHIP relevance MANAGING FO
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sustainability MANAGING FOR RESULTS responsiveness
HUMAN DEVELOPMENT effectiveness COORDINATION



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EVALUATION OF UNDP CONTRIBUTION

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ASSESSMENT OF DEVELOPMENT RESULTS: GEORGIA

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Cover photographs provided by UNDP/David Khizanishvili

Copy editing: Sanjay Upadhyia
Graphic design: Laurie Douglas Graphic Design (www.lauriedouglas.com)
Printing: Consolidated Graphics

FOREWORD

This Assessment of Development Results (ADR) was conducted in Georgia by the UNDP Evaluation Office. It is an independent country-level evaluation that examines the relevance and strategic positioning of UNDP support and its contributions to the country's development results from 2001 to 2009. The report assesses UNDP interventions under the various thematic areas of the country programme, with the aim of providing forward-looking recommendations meant to assist the UNDP country office and its partners in the formulation of programmes for the next cycle (2011–2015).

Since the Rose Revolution in 2003, the Georgian Government has been engaging in a fast-paced action-oriented reform with a general scepticism towards long-term socio-economic planning. UNDP Georgia, as a close partner to the Government, has adjusted well to this new approach, providing quick responses to the reform needs on a wide range of issues.

After the revolution, the Government's main concern was to tackle structural problems of the past through market liberalization and deregulation. This required UNDP to take a more persistent approach in promoting its human development agenda. These efforts are now gradually bearing fruit.

Six years after the Revolution, Georgia today is a middle-income country, continuing on its path towards becoming a modern European State. A question naturally arises: what would be the future role of UNDP in this country? This ADR brings out some perspective on this issue.

Georgia, like many other middle-income countries, still has human development challenges to address – most notably disparities and vulnerabilities. Disparities exist between those who were able to take advantage of the opportunities

presented by the liberalized market and those who were left out. The livelihoods of those who were not ready or equipped to take challenges from open-market competition remain vulnerable. Georgia still has persistently high poverty and unemployment rates standing in the way of economic growth. There are human development challenges against which UNDP could play a very useful role.

At the same time, the report points out, UNDP may need to be more focused and selective in where and how to provide assistance. It suggests UNDP to reflect upon the questions: What would be the assistance that most effectively helps the Government address human development challenges? What capacity development initiatives would help the country make progress in human development?

UNDP Georgia is a programme that is appreciated by the Government. I hope this report provides an opportunity for reflection that would lead to a continuing and fruitful partnership with the Government, and to an effective contribution to the human development of the Georgian people.

A number of people contributed to the evaluation. First and foremost, I would like to thank the independent evaluation team, led by Alain Thery, and its members Klaus Talvela and Nino Partskhaladze. The report would not have been possible without the support and contributions from colleagues in the Georgia Country Office: Robert Watkins, Jamie Mcgoldrick, Inita Paulovica, Sofia Kemkhadze, Natia Natsvlishvili, and all the other staff who assisted the evaluation team. I thank the external reviewers, Siddiqur Osmani and Lyubov Palyvoda. My sincere gratitude is extended to all the people in Georgia who have taken time to respond to the requests by the evaluation team: government and

local administration officials, civil society actors, development partners, villagers and all those involved in the projects. Finally, I thank our colleagues in the Evaluation Office: Masahiro Igarashi, the task manager of this evaluation, as well as Michael Reynolds, Thuy Hang To, Cecilia Corpus, Anish Pradhan and Evelyn Wong for their support.

A handwritten signature in black ink, reading "Saraswathi Menon". The signature is written in a cursive, flowing style.

Saraswathi Menon
Director, Evaluation Office

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ACRONYMS AND ABBREVIATIONS

ADR	Assessment of Development Results
AEC	Agricultural Extension Centre
AIDS	Acquired Immune Deficiency Syndrome
ALIR	Abkhazia Livelihood Improvement and Recovery
BDD	Basic Data and Direction
BRIDGE	Building Resources in Democracy, Governance and Elections
CBF	Capacity Building Fund
CCA	Common Country Assessment
CCF	Country Cooperation Framework
CCG	Chamber of Control of Georgia
CEC	Central Electoral Commission
CEDAR	Capacity for Efficient Delivery of Achievable Results
CEGSTAR	Centre on Effective Government System and Territorial Arrangement Reform
CO	Country Office (of UNDP in Georgia)
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CPR	Crisis Prevention and Recovery (focus area of UNDP)
CRA	Civil Registry Agency
DAC	Development Assistance Committee
DCG	Donor Coordination Group
DEC	District Electoral Commission
DEX/DIM	Direct Execution/Implementation
DFID	Department for International Development (UK)
DG	Democratic Governance (focus area of UNDP)
EC	European Commission
EDPR	Economic Development and Poverty Reduction (focus area of UNDP)
EDPRP	Economic Development and Poverty Reduction Paper
ENP	European Neighborhood Policy
ENPAP	European Neighborhood Policy Action Plan
EO	Evaluation Office (of UNDP)
ESE	Environment and Sustainable Energy (focus area of UNDP)
EU	European Union
FOSTER	Fostering Sustainable Transition and Early Recovery
GASW	Georgia Association of Social Workers
GDP	Gross Domestic Product
GEF	Global Environment Fund
GEL	Georgia Lari (currency): US\$ 1 = GEL 1.64 (May 2009)

GEPA	Georgia Export Promotion Agency
GIC	Georgia Investment Centre
GIOC	Georgia International Oil Corporation
GNI	Gross National Income
GOGC	Georgia Oil and Gas Corporation
GYLA	Georgia Young Lawyers Association
HIV	Human Immuno-Deficiency Virus
ICT	Information Communication Technology
IDP	Internally Displaced Person
LAN	Local Area Network
MDG	Millennium Development Goals
MoENR	Ministry of Environment and Natural Resources
MoF	Ministry of Finance
MTEF	Mid-Term Expenditure Framework
NEAP	National Environmental Action Plan
NEX/NIM	National Execution/Implementation
NGO	Non-governmental organization
NHDR	National Human Development Report
ODA	Official Development Assistance
ODS	On-Demand Consultancy Services
OECD	Organization for Economic Cooperation and Development
OSI	Open Society Institute
PDO	Public Defender's Office
PEC	Precinct Electoral Commission
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RC	Resident Coordinator
ROAR	Result-Oriented Annual Report
SDC	Switzerland Development Corporation
SDS	State Department of Statistics
SIDA	Sweden International Development Agency
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VET	Vocational Education and Training
WAN	Wide Area Network

EXECUTIVE SUMMARY

This report reviews the contributions of the United Nations Development Programme (UNDP) to development results in Georgia from 2001 to the present. It examines the interventions of UNDP from a strategic perspective, assessing how it designed its programme to address the key development issues, the relevance of the programme and the role of UNDP within the development assistance to the country. The report goes on to assess the impact of the interventions of UNDP under its various thematic areas. Based on this analysis, the report lays out the findings and proposes recommendations for future programmes. This evaluation process, known as an Assessment of Development Results, was carried out by a group of three independent consultants contracted directly by the UNDP Evaluation Office (EO).

DEVELOPMENT CONTEXT

The transition from the Soviet system to market economy and democracy has not been an easy one for most of the countries of the ex-USSR. In the case of Georgia, it can be argued that that transition may have been particularly wrenching. In 1991, the country emerged from Soviet rule as a fractured nation. Secessionist movements in Abkhazia and South Ossetia sparked violent conflicts that resulted in some loss of territorial control, about 212,000 internally displaced people (IDPs), much destruction of physical capital, the disruption of important trade routes, and a pervasive perception of instability and risk.

A succession of governments under President Eduard Shevardnadze failed to implement the necessary reforms to put the economy on a sustained growth path. By the late 1990s, the country was faced with empty public coffers, an erratic provision of public services and

widespread corruption that discouraged private investments. In November 2003, following a set of elections widely perceived as tainted by fraud in favour of the party in power, massive popular demonstrations in Tbilisi and other cities led to the resignation of President Shevardnadze in the so-called Rose Revolution. New elections brought to power President Mikheil Saakashvili in January 2004 and a new majority in Parliament in March 2004.

The new government included many young, western-educated reformers with an ambitious pro-market development agenda who did not believe in an incremental approach but in bold steps. While the agenda for reforms designed at creating both market economy and a functioning bureaucracy was broad, the pace of implementation focused largely on areas related to public finance and economic activity and was nothing short of spectacular. The impact was immediately noticeable. With the elimination of the pervasive corruption and regained confidence in the prospects of the country, investors came back. Economic growth resumed and reached almost 10 percent in 2007.

This turnaround should not hide a number of lingering problems. Although the reforms have been impressive, they have largely involved the removal of bureaucratic and regulatory barriers that promoted corruption and inefficiency. A lot less has been done by way of building institutions that would allow the economy and society to function smoothly. As of early 2009, the Georgian constitution tended to give much more power to the executive branch than to the judiciary and the legislative branches, to the extent that many perceive a lack of balance of power necessary for a functioning modern democracy. Despite impressive growth, national income per capita in 2007

still remained at 70 percent of its level in 1990. Furthermore, the renewed economic growth has not been broadly distributed, leaving a large segment of the population behind and on subsistence levels.

In 2008, the country was seriously affected by a short but disastrous conflict with Russia over South Ossetia that resulted in significant economic damage and thousands of new IDPs at a time when the impact of the global crisis was starting to be felt.

FINDINGS: UNDP'S PROGRAMME RELEVANCE AND POSITIONING

In 2001, ambiguous policy direction and problems in implementation impeded a clear positioning for UNDP. In many ways, the second Country Cooperation Framework 2001-2004 reflected the lack of clear directions in the policy environment with the exception of the assistance to the elaboration of a poverty reduction strategy. The Economic Development and Poverty Reduction Paper (EDPRP), approved in 2003, was supposed to bring coherence to policy-making.

After the Rose Revolution, the preparation of the United Nations Development Assistance Framework (UNDAF) and Country Programme Document (CPD) for 2006-2010 in many ways assumed that the EDPRP would be the guiding strategy for the new political leadership. This assumption proved optimistic as the EDPRP rapidly lost relevance in policy-making. The new political leadership, however, had a very clear vision of a policy agenda primarily focused on economic and financial reforms aiming at boosting economic growth as a necessary and sufficient condition to address the issue of livelihoods in the country.

This policy stance left little opportunity for UNDP to provide sustained policy advice to the Government on issues squarely on its human development agenda. Accordingly, UNDP concentrated its activities on building the capacity of a number of important institutions.

Some of these may not have been at the centre of the Government reform agenda, but they were essential for the future development of the country.

Regarding assistance to the reform agenda, a mismatch existed between the very fast pace of reforms and evolving priorities within the Government and the project-based approach of UNDP assistance. To support the reforms as well as to maintain its relevance, UNDP designed new modalities that would be more flexible and more responsive on short notice to requests for technical assistance or policy advice. A number of experts provided through these modalities have had a significant impact on the direction and implementation of reforms.

With UNDP supporting key institutions and adopting a flexible modality of support, there is prospect for the organization to play a more central role in the policy debate, especially on poverty reduction. Such an opportunity emerged, for example, in 2008 when the Government showed an increased willingness to adopt active measures to fight unemployment. Whether UNDP has really succeeded in strengthening its role in this regard remains to be confirmed, even after the publication of the first National Human Development Report (NHDR) in 2008.

While not substituting for the Government, UNDP has filled a void by being quite active in donor coordination. With the Government not keen on donor coordination at the strategic level but only for large investment, UNDP has provided the necessary space for substantive exchanges between development partners and is being recognized for it.

FINDINGS: UNDP'S CONTRIBUTION TO DEVELOPMENT RESULTS

The programme addressed a number of needs that are important to sustain the country's transition to a democracy and a well-functioning market economy. The following constitute strong aspects of the programme:

- **A high degree of responsiveness** as demonstrated by the reaction to crisis as well as the implementation of new modalities of assistance that better fit Government's needs;
- **Assistance to the elaboration of a poverty reduction strategy** that has led to the establishment of EDPRP and brought consistency to Government's policy making, although EDPRP has lost its relevance later on under the new Government's policy direction after the Rose Revolution;
- **Support to human rights**, notably through the Public Defender's Office from its early years, contributing to building one of the most respected institutions in the country, strengthening and extending the protection of human rights in the country;
- Support to the elaboration of **a strategy and legal framework towards local governance**;
- **Support to elections** from 2003 onward and strengthening of the capacity of the national election system;
- Pilot testing of **Vocational Education and Training** that energized the efforts of the Government in that regard and the interest of development partners;
- Support for greater awareness on **gender** issues that led to improved legislation regarding women's rights;
- Successful introduction of ICT in key administration agencies to support **public administration reforms towards improved services**.

Other interventions had impacts that were either more localized or more likely to develop over time such as:

- Support for a number of **environmental projects** aiming either at biodiversity or conservation;
- Support to **Parliament and its subsidiary institutions** where the procedures set in place will bear full fruits once Parliament

members use them for discharging their democratic responsibilities;

- Support for **decentralization and regional development**.

Weaker aspects of the programme include the following areas:

- **The level of attention to MDGs and poverty reduction that UNDP succeeded to bring about**, which many observers perceived to be insufficient, leading them to wonder whether UNDP programme has not been overly reactive to the Government's policy agenda and requests of the day;
- The interventions on **sustainable and/or renewable energy** that so far have yielded very modest results;
- The **insufficient prevalence of programme elements aiming at confidence building and conflict prevention** given that ethnic and religious tensions are underlying risks to the unity and the development of the country and where UNDP has an expertise to address through various programme components;
- The **low profile of advocacy activities** on core values by UNDP, as perceived by some development partners and civil society actors;
- **A narrow view of capacity development** that were, in many cases, limited to providing technical support such as a provision of materiel, computer software and basic training, rather than attempting to trigger a process of endogenous changes in institutional culture that would contribute most to the progress towards the expected outcomes.

MAIN CONCLUSIONS

Since 2004, the Government of Georgia has engaged in a fast-paced reform agenda, centring on market liberalization and deregulation. UNDP has maintained a strong partnership with the Government, providing programmatic support and policy advice when requested and when it saw the opportunity.

This sometimes required a persistent approach in promoting the organization's human development agenda, such as on human rights, gender equality and sustainable development, or in addressing the plight of internally displaced persons, while the policy priorities of the Government was on rectifying structural problems of the past. Many of these efforts have gradually been bearing fruit.

Under the reform agenda, UNDP also needed to seek new ways to effectively address the issues of income and social disparities and vulnerability of a population facing the newly liberalized market and global competition. The initiative to introduce vocational training was a successful example of such an effort. The challenge persists, however, with poverty and unemployment rates still remaining high.

In order to keep pace with the fast-paced action-oriented reform, UNDP has introduced innovative response mechanisms in the forms of the Capacity Building Fund and On-Demand Consultancy Services. These mechanisms have been effective in serving Government needs and are very much appreciated by the beneficiary institutions. A number of these initiatives have provided support or impetus for policy and institutional reforms.

At the same time, such responsiveness of UNDP to the Government's immediate needs led to a perception by some observers that the organization has become a provider of technical consultancy rather than a promoter of human development. Fair or not, such a perception is unfortunate since it might negatively affect the fund-raising ability of UNDP in the country.

Some of the UNDP's downstream projects have provided valuable lessons. The sustainability of the impact of these initiatives depends on whether they are widely replicated or not. There are initiatives that are already replicated, such as the vocational training programme, and those which require further exploration of a successful formula, such as the regional development initiative.

UNDP has successfully provided capacity development support to a number of institutions, such as the Civil Registry Agency, Treasury, Electoral Commissions, Gender Equality Council and Public Defender's Office (PDO), when the institutions themselves led the effort. In some other cases, UNDP's capacity development effort turned out to be not very effective or to be premature, due to a variety of reasons.

In addition to its close relationship with the Government, UNDP has effectively used the partnerships with civil society organizations to promote the human development agenda and implement its projects. The agro-diversity project with ELKANA and electoral support with GYLA are good examples.

UNDP has had a measure of success in programmatic coordination among UN agencies. It has also provided opportunities for the community of donors and the Government to exchange views and gain greater awareness of respective programmes and initiatives.

As Georgia has become a middle-income country and is on the way to becoming a modernized European country, there is a legitimate concern about the future role of UNDP and the funding availability for its activities in the country.

UNDP Georgia still has an important role to play in the future of the country. The capacity and the functioning of its democratic institutions still vary from one institution to another. With a substantial portion of its population still not having been integrated into the liberalized market economy, poverty reduction should remain at the centre of UNDP's agenda. Vulnerabilities of the lives of those who were affected by open conflicts and those who could not take the challenges of open market competition raise human development concerns. Important environmental challenges, such as on forest and water, still remain. The country's vulnerability to natural and man-made disasters calls for a continued effort in raising the preparedness and the mitigation effort.

There is no doubt in the national ownership of development process in Georgia. While continuing to support the Government of Georgia in its reform process, UNDP should place at the centre of its policy advice, advocacy, capacity development and other programme activities the agenda to address the aforementioned human development challenges, and gain the recognition by all partners and stakeholders of the value that it brings to the country.

RECOMMENDATIONS

1. Given the small size of the country office's resource base and the uncertainty of future funding situation, UNDP should sharpen the role it plays in the country as a promoter of human development through its policy advice and programme activities, and be strategically selective on the areas of its interventions and support.
2. UNDP should take a more result-oriented programme approach than a project-based approach, and make clear with partners what it is aiming to achieve through its policy advice and programme activities. For a true result-oriented approach, UNDP should also consider delinking programmatic and organizational structures to make the most effective use of expertise available in the small office with a view to achieving results. In designing its programme, UNDP should carefully select indicators that are better aligned with the intended results to be achieved.
3. UNDP should also be selective in capacity development initiatives and aim to support institutions that would engage in an endogenous process of improvement and reform.
4. UNDP should continue to support the Government reform initiatives through its innovative Capacity Building Fund and On-Demand Consultancy Services. In doing so, it should try to focus on initiatives that, in its analysis, would help in making progress in human development rather than simply providing capacity supplement to the requesting agency.
5. UNDP should explore more proactive ways to promote policy debate, for example, by initiating a discussion forum to address human development issues, supported by its corporate expertise and experiences from its successful projects.
6. In view of potential risks posed by the multi-ethnic and multi-religious construct of the country, UNDP should consider introducing, as a cross-cutting issue, confidence-building dimension in a broader range of projects where possible and appropriate. The methods used in the FOSTER project or by the PDO's Tolerance Centre provide good examples in this regard.
7. In view of the status of Georgia as a middle-income country and the uncertainty in the future landscape of development assistance, UNDP Georgia should find opportunities to reflect on its value added to the country and articulate its *raison d'être* to outside partners.

Chapter 1

INTRODUCTION

1.1 THE OBJECTIVE AND SCOPE OF THE GEORGIA ADR

The *Assessment of Development Results* (ADR) in Georgia is an independent country-level evaluation conducted by the Evaluation Office (EO) of UNDP in 2009 to assess UNDP's overall performance and contribution to development during the past two programming cycles, covering the years 2001 to the present, and to draw lessons for future strategies, particularly for the next programming cycle (2011-2015).

Scope of evaluation: This ADR has examined UNDP's strategy and performance under the ongoing Country Programme 2006-2010 and Country Programme Action Plan (CPAP) 2006-2010, as well as the previous second Country Cooperation Framework (CCF II) 2001-2004, extended to 2005 with a closer look at the more recent programme. It also looked at the UNDP projects and activities as a part of the broader United Nations Development Assistance Framework (UNDAF) 2001-2004 and 2006-2010. Finally, it has considered the contribution made by UNDP in support of the Resident Coordinator system in Georgia since its introduction in 2001.

UNDP's strategy and performance were evaluated from two perspectives. First is the assessment of the *strategic positioning of UNDP*; i.e., within the development and policy space in the country. The report examined how UNDP positioned itself and what strategies it took in assisting the development effort by the country. The strategic positioning of UNDP was assessed according to the following criteria:

- **Relevance:** how UNDP's programme has been addressing the development challenges of the country and whether its programme

was in support of national development strategies and policies;

- **Responsiveness:** whether the UNDP programme adapted itself to changes in national development challenges and priorities, whether the country office (CO) acted in a timely fashion at times of crisis and emergencies and whether responsiveness was balanced with a more long-term development perspective;
- **Contribution to UN values:** more specifically the goals embodied in the Millennium Declaration for sustainable development (equality, solidarity, freedom, shared responsibility, tolerance and respect for nature);
- **Strategic partnerships:** the use of partnerships that UNDP has developed to scale up the scope and impact of its work in all areas;
- **Contribution to UN coordination:** whether UNDP has supported the development of a more efficient and coherent UN system at the country level and is working together with other UN partners, notably in mobilizing experts and resources elsewhere in the UN system.

Secondly, UNDP's performance in achieving intended programme outcomes and contributing to the development results was assessed using the following criteria:

- **Effectiveness:** to what extent the intended results of UNDP interventions have been attained and whether unintended results (positive or negative) have also been generated;
- **Sustainability:** the likelihood that results and benefits generated through a set of interventions (projects/programmes and non-project

activities) will continue after the closure of the interventions;

- Partnerships: whether and to what extent UNDP sought and succeeded in establishing working and cooperative arrangements with other organizations that increased the prospects for achieving the expected outcomes.

1.2 EVALUABILITY

When conducting an evaluation over a long period, information gets less precise as documents get lost and personnel change. This general issue emerges with particular intensity in the case of Georgia:

- The Rose Revolution in 2003 did not result in a simple change in government but in the election of a group of determined reformers who sought the fast implementation of a reform agenda to create a true market economy and a EU-style democracy. In that wholesale change of political orientation and its consequent impact on institutions and personnel, much of the institutional memory within the administration has been lost;
- While the top political levels of governments have remained more or less constant since 2003, a fast turnover in many sectoral ministries and their staff has resulted in little institutional memory.

Consequently, government officials who generally are a key source of information in an exercise of this type, are not very cognizant of the nature of UNDP's interventions even as recently as from the beginning of this programming cycle. This situation at times severely restricted the sample of official partners who could be usefully interviewed.

1.3 METHODOLOGY AND PROCESS OF THE GEORGIA ADR

1.3.1. METHODOLOGY

The applied methodology was based on the Terms-of Reference¹, the draft ADR Manuals (2 February and 12 April 2009 versions) and the broader UNDP evaluation policy.

In terms of data collection, the evaluation applied a multiple-method approach that included desk reviews, group and individual interviews at both UNDP headquarters, Georgia country office, with national stakeholders, beneficiaries and selected project/field visits.²

Interviewees were selected through stakeholder mapping that identified both UNDP's direct partners as well as individuals who did not work directly with the organization but were active in the respective sectors. These stakeholders included Government officials in ministries/agencies, representatives of civil society organizations and of the private sector as well as of UN agencies, multilateral organizations, bilateral donors, and beneficiaries. During the interviews, great care was exercised in ensuring that the stakeholders felt confident and comfortable to express assessments and opinions.

The validity and reliability of the information and data collected was regularly tested through critical reviews on its consistency across different sources and a process of triangulation which sought to identify distinct knowledgeable sources to corroborate or infirm the information.

1.3.2. PROCESS

The ADR in Georgia was conducted by an independent evaluation team, composed of three external evaluators—Alain Thery as team leader, Klaus Talvela as team specialist and Nino Partskhaladze as national consultant—and a task

¹ Annex 1.

² The persons met during the interviews and field visits, and the main reference documents are listed respectively in Annexes 2 and 3.

manager, Masahiro Igarashi, from the UNDP EO. The team was supported by a research assistant, Evelyn Wong.

The preparatory phase involved an intense initial review of documentation as well as consultations with the EO and the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC).

After the preliminary desk research, a scoping mission to Georgia by the team leader and the task manager took place from February 21 to 28, 2009. The purpose was to refine the scope of the evaluation, to discuss the structure and rationale of the country programme and reach a preliminary assessment of how it fit within the broad strategies of the Government of Georgia. The scoping mission was also used to select projects and activities to be reviewed in greater depth and to map UNDP partners for more detailed interviews. As a result of the mission, an inception report outlining the issues and questions to be investigated was drafted by the team leader and shared with the country office. Based on the report, all team members undertook a second round of desk review of documentation.

The main evaluation mission was undertaken from 25 April to 14 May 2009, to further collect and examine evidences in the field and to validate the findings. Besides conducting the interviews and visiting sites in Tbilisi, members of the ADR team travelled to various regions of Kakheti, Samstkhe-Javakheti and Abkhazia to observe the project sites/activities and collect the views of beneficiaries. The sites to be visited outside Tbilisi were selected on the basis of travel time required, the number of project sites that could be visited and the coverage of thematic areas.

1.4 LIMITATIONS

The scoping mission set a sound framework for the investigations during the main mission, which lasted two-and-a-half weeks during a period of political tensions in Tbilisi and in the country. During that period, the ADR team worked to cover all the relevant elements of the programme, identify as diverse a group of stakeholders as possible and ensure that all the members reached a common assessment of the context and the programme outcomes. Despite these efforts, the team could not develop the mastery of the programme details that a longer mission would have allowed. The ADR team is nevertheless fully confident in the validity of its assessment of the programme.

The focus on outcomes and results would require a baseline for comparison at the time of the mission. Unfortunately, but not surprisingly, no such baseline data was available. Although outcome indicators were included in the CPAP, in many cases they were of little utility either, as they were too broad to reflect meaningfully on the contribution of UNDP's activities, or because no systematic mechanism of data collection for these indicators was in place.

In this regard, it may be useful to remind the readers, especially ones familiar with the UNDP programme in the country, that the purpose of the ADR is not an evaluation of projects, but of outcomes resulting from the activities of the country office and how they contributed to the development of the country. Projects, which normally have their own evaluation mechanisms that provide a source of information for the ADR, are examined only as means by which these outcomes were achieved.

Chapter 2

DEVELOPMENT CHALLENGES AND NATIONAL STRATEGIES

2.1 DEVELOPMENT CHALLENGES AND NATIONAL STRATEGIES

This chapter provides an overview of the development context in Georgia at the beginning of this decade, the evolution during the last eight years under review and the role played by the international community.

The period covers two UNDP country programmes: CCF II, which initially intended to cover 2001–2004 but was eventually extended to 2005; and CPD 2006–2010. These two programmes were implemented in an economic and political environment that underwent major transformations and led to significant changes in policy. Accordingly, rather than following a presentation according to the UNDP programming cycles, the exposition in this chapter will describe the nature of the development challenges in Georgia prior to and in the aftermath of the events of November 2003.

2.1.1 DEVELOPMENT CONTEXT BEFORE NOVEMBER 2003

For a large number of ex-Soviet republics, the transition from their former status to independence and from a centrally planned to a market economy has been—and, for many, still remains—a difficult one. For Georgia, this process may have been particularly wrenching. Soon after the country emerged from Soviet rule as a fractured nation in 1991, it became embroiled in a civil war and in some regions secessionist movements seized the opportunity of the chaos to try to attain their goals of independence. In Abkhazia, a violent conflict resulted in the loss of control of the western-most region, some 212,000 internally displaced people (IDPs) and much destruction of physical capital. The conflict in South Ossetia did not have a clear

result and led to a protracted period of tension, insecurity and periodic violence. The region of Adjara, under its autonomous status and the authoritarian rule of Aslan Abashidze, remained peaceful but for all practical purposes escaped the authority of the national Government in Tbilisi. These conflicts and political rivalries have led to periods of insecurity, resulting in loss of investor confidence and economic decline. Handling of political power struggle internally and geopolitical interests externally have thus been the major challenge for successive administrations.

Political ambitions of secessionists and geopolitical interests of outside powers have often exploited the multi-ethnic construct of the country. Ethnic issues also exist in other regions of the country even if they have not led to open conflict. With the unity of country being the major political goal of the governments, mitigation of ethnic tensions is hence one of the underlying development challenges of the country.

While dealing with these conflicts and their aftermath, the successive governments under President Shevardnadze (1995–2003) started to try to implement a range of political and economic reforms to advance the transition towards democracy and a market economy. However, overcoming the legacy of 70 years of Soviet rule presented formidable challenges. Behaviours entrenched during the years of communism led to a business culture that relied on minimizing visibility to the authorities, the flouting of formal rules and a heavy dependence on personal connections. In addition to a deep public distrust of state institutions, strong vested interests in the status quo proved to constitute a significant obstacle to change. By the early 2000s, power had fragmented among competing groups, law and order had deteriorated, corruption was

widespread, and public salaries, pensions, and social transfers were in arrears. The political will for reforms had slackened and the overall economic situation had severely deteriorated.

Poverty levels in the country skyrocketed as workers from the defunct public enterprises were either let go and “compensated” for their years of service with a small piece of land³ on which they tended to practice subsistence agriculture, or put on indefinite forced unpaid leave, a disguised form of unemployment. The deteriorating economic situation swelled the ranks of the newly poor.

At the same time, the catastrophic fiscal situation left public institutions increasingly unable to

provide basic services such as security, electricity, access to education or health, and poorly paid civil servants resorted to corruption in the allocation of the services that were available. While a part of the Government’s programme, the strengthening of democratic institutions, especially regarding human rights and transitional justice, was left generally unaddressed.

To meet its growing and pressing needs for financial resources, the governments under President Shevardnadze were keen to prop up their good relations with international and bilateral organizations through the elaboration of and formal agreement on strategies and action plans that in turn would allow disbursement

Table 1. Chronology of key events in Georgia

	Georgia	UNDP
1993	End of Hostilities in the Country	
1997		Set-up of UNDP Country Office and Initiation of CCF1
2000		Drafting of 2001-2004 CCA-UNDAF
2001		Initiation of Implementation of CCF2
Jun-03	Approval of EDPRP	
Oct-03	Parliamentary Elections	
Nov-03	Rose Revolution/ Resignation of President Shevardnadze	
Jan-04	Election of President Saakashvili	
Mar-04	New Parliamentary Elections	
		CCF2 extended to 2005
2005		Drafting of 2006-2010 CCA & UNDAF
2006		Initiation of Implementation of CPD/CPAP 2006-2010
Nov-07	Mass Political Protest by the Opposition/ State of Emergency Declared	
Jan-08	Reelection of President Saakashvili	
May-08	New Parliamentary Elections	
Aug-08	Conflict over South Ossetia	
Sep-08	Joint Needs Assessment	
Oct-08	Brussels Donor Conference	
Apr-09	Mass Political Protest by the Opposition	
Jun-09	End of UNOMIG/OSCE Mission	

³ During the first phase of land privatization, all rural residents received small plots of land.

of funds. Unfortunately, as the urgency of the short-term needs took primacy over long-term prospects, these action plans in their majority were not implemented effectively and few results materialized. In an attempt to break that cycle, UNDP and the World Bank supported the process of elaborating and drafting a poverty strategy paper that would establish a clear path for policy implementation

By 2001, the first year of CCF II, despite years of attempted reforms, the country was facing a worsening economic and social situation and severe dysfunctions within state institutions. Development challenges were increasingly left unaddressed, as the political leadership's attention became more and more focused on urgent short-term issues.

2.1.2 DEVELOPMENT CONTEXT AFTER THE ROSE REVOLUTION IN NOVEMBER 2003

The social tensions building from the deteriorating economic situation came to a head in November 2003. Following parliamentary elections widely perceived as rigged in favour of President Shevardnadze's political bloc, the main democratic opposition united to demand the departure of the President and new polls. Massive popular demonstrations, first in Tbilisi and then in all major cities and towns, eventually led to the resignation of President Shevardnadze in the so-called Rose Revolution. The Speaker of Parliament assumed interim power and the Supreme Court annulled the parliamentary elections. In early January 2004, Mikheil Saakashvili won an overwhelming victory as the new President of Georgia and, in late March 2004, new parliamentary elections resulted in a large majority for the Saakashvili-supported National Movement - Democrats.

The Rose Revolution represents a defining moment in the history of modern Georgia and its aftermath was a time of renewed hope. The incoming Government was largely made of a group of young and energetic western-educated reformers who quickly embarked on aggressive

structural and institutional reforms aiming at a radical transformation of the management of the economy. Sharing a common strong market-oriented economic philosophy, described by some Georgian and external observers as heavily influenced by libertarianism, these reformers moved rapidly to eliminate a very large number of rules and regulations they identified as sources of economic inefficiencies or corruption. They also proceeded swiftly to overhaul the tax and customs system to generate increased revenues while lowering the rates, and to privatize public utility services with a view to improving service.

The clear priorities of the new administration were economic and financial stabilization and reforms for the resumption of economic growth. Success in these areas has been nothing short of remarkable. The simplification of many procedures provided incentives for large segments of the economy to abandon their informal status and have themselves formally registered, further encouraged by lowered tax rates and streamlined tax administration. As a result, tax-revenue collection increased from 15 percent of GDP in 2003 to over 25 percent in 2007. The reorganization of the public administration, through a reduction of the number of ministries and the amalgamation of many departments, cut by half the number of employees. This, in turn, allowed for a more streamlined functioning of the state apparatus and a significant increase in public sector wages, thus making these positions more attractive to Georgians with the appropriate training and skills.

Other reforms focused on reducing business costs through either the streamlining of licensing requirements and regulations or their wholesale elimination. The latter was often justified on the ground that, since the State did not have the means to enforce them effectively, these regulations were useless anyway and could only provide opportunities for corruption. The regulatory reforms, reduction of corruption and improvement in the business climate, etc., have been recognized by a number of international

agencies and bodies⁴. Because of these reforms and a prudent macroeconomic policy, Georgia experienced a strong economic recovery with annual GDP growth steadily increasing to 12.3 percent in 2007, despite the loss of the Russian market for the country's agricultural products since 2005.

Despite this remarkable progress, Georgia still bears the traces of the economic decline throughout the 1990s. GDP is estimated at only 70 percent of what it was in 1990. However, strong economic growth combined with a significant loss of population through emigration and an appreciation of the currency *vis-à-vis* the US dollar resulted in almost a tripling of the gross national income per capita from an estimated \$680 in 2001 to \$1,990 in 2007.

While living conditions have improved for large segments of the population, not all Georgians have shared the benefits of the reforms. The lack of reliable and comparable data over time has made the assessment of poverty a challenging task, with estimates from different sources covering a wide range. However, a recent study by the World Bank⁵ based on a recent Living Standards Measurement Survey and an in-depth study of the available Household Budget Surveys indicates that in 2007, some 24 percent of the population was living under poverty with 40 percent of them (or 9.5 percent of the population) living under extreme poverty. The same study indicates that poverty is largely concentrated in rural areas, that it affects mainly non-wage earners (including workers who lost their jobs in public enterprises) and that it varies widely across the regions of the country. With the double impact of the conflict of August 2008 and the world financial crisis, it is projected that poverty levels will rise over the next two years.

In June 2003, a poverty reduction strategy paper—required by the Bretton Woods institutions to initiate their programmes in a country—had been approved by the Government of President Shevardnadze. The political changes after November that year seriously weakened the potential effectiveness of this document—called the Economic Development and Poverty Reduction Paper (EDPRP)—in guiding the state policies. In consonance with their reliance on market mechanisms to address all issues, including social ones, the governments under President Saakashvili have been reluctant to enact specific measures on poverty, except through a fiscally sustainable social welfare programme targeting the poorest that shifted the trigger for assistance from entitlements to needs. Until recently, the approach seemed to be driven by the confidence that the market would ensure a trickling down of national wealth eventually benefiting the poor. Having given the EDPRP little attention in the years up to 2006, and buoyed by successful implementation of many reforms and rising credibility with international organizations, the Government stopped monitoring the paper.

The impressive reforms undertaken since 2004 have had a major impact on the economic and financial prospects of the country. But this success has not been matched with progress in building the EU-standard institutions that the government had identified as a necessary step towards integration with the European Union. The public administration staff in the ministries largely serves at the pleasure of the minister, and a change at the top, a very common occurrence, can lead to the selection of new personnel. The organs of audit of state expenditures remain weak and, although responsible to Parliament, their fate seems to be controlled largely by the Executive. The justice system has yet to come under a framework that guarantees its independence and

⁴ Notably, among others:

- The World Bank/IFC: Doing Business 2006-2009
- EBRD: Transit Index 1990-2007
- American Chamber of Commerce: Regional Investment Climate, Transport and Trade Facilitation Survey 2008
- Transparency International: Corruption Perception Index 2003-2007

⁵ World Bank, Georgia Poverty Assessment Survey, April 2009.

to acquire the technical capacities to render sound and equitable judgments according to the accepted standards of democracy. A key challenge for Georgia consists in building the institutional framework of a functioning modern democracy. While many of these aspects have been acknowledged in official policy papers, progress has been far slower than in the economic sphere.

Regarding regional issues, the new Government in Tbilisi succeeded in re-establishing a sound relationship with the autonomous region of Adjara. It has been far less successful in resolving the issues of Abkhazia and South Ossetia. The August 2008 conflict has added a large number of IDPs to those from the previous conflict and the Government has been making a great effort to address their plight on a priority basis. The conflict was also another reminder of the precarious geopolitical situation of the country that requires astute and judicious political management, and the potential benefit of patiently addressing regional, ethnic and religious issues for the long-term development of the country.

After a period of overwhelming political support, President Saakashvili has had to face growing political opposition over the last two to three years. Tensions came to a head in November 2007 when

mass demonstrations were broken up by security forces and a state of emergency was declared. A more accommodating tone towards some issues by President Saakashvili and members of his party, as well as poor organization and the lack of a clear leading figure within the opposition, assured his reelection in 2008 and a new large majority in Parliament. However, the August 2008 conflict and the impact of the global financial crisis exacerbated the opposition to President Saakashvili.

In mid-2009, with uncertain economic prospects, Georgia faces the double challenge of confronting the impact of the global economic crisis and building democratic institutions that would ensure conditions for a sustained and equitable development.⁶

2.2 THE ROLE OF EXTERNAL ASSISTANCE

2.2.1 TRENDS IN ODA

Since independence in 1991, Georgia has benefited from significant international development cooperation. According to information from the OECD, the contributions by various development partners have increased steadily in recent years (Table 2).

	2003	2004	2005	2006	2007	Total	
USA	\$75.0	\$92.3	\$72.1	\$103.2	\$86.8	\$429.3	25.2 %
World Bank/IDA	\$58.9	\$64.4	\$59.2	\$75.8	\$69.2	\$327.5	19.3 %
Germany	\$31.7	\$58.4	\$51.1	\$46.4	\$38.3	\$226.0	13.3 %
EC	\$28.3	\$36.2	\$35.9	\$55.1	\$28.1	\$183.5	10.8 %
Other bilaterals (1)	\$56.1	\$59.1	\$63.8	\$69.2	\$124.6	\$372.8	21.9 %
Other Multilaterals (2)	\$11.7	\$14.5	\$15.7	\$12.7	\$23.7	\$78.3	4.6 %
Other sources	\$0.0	\$5.1	\$33.8	\$38.3	\$6.7	\$83.8	4.9 %
Total	\$261.6	\$329.9	\$331.4	\$400.8	\$377.4	\$1,701.1	100.0 %

(1) Other bilaterals includes Austria, Japan, Netherlands, Norway, Switzerland Sweden, Turkey, UK, France, Canada, Arab countries, Belgium, Finland, Czech Republic, Denmark, Poland, and Ireland.

(2) Other multilaterals include Global Fund, UNHCR, GEF, UNDP, EBRD, IFAD, WFP, UNICEF, and UNFPA.

Source: OECD/DAC

⁶ The evaluation mission took place from end-April to mid-May 2009.

While the list of Georgia's development partners is long, the four largest contributors (USA, World Bank, Germany, and the European Commission) have provided two thirds of the total aid in 2003 to 2007. UNDP's share is 0.5 percent of the total not including external funding of its projects. Several international NGOs operate in the country, but their aid volumes are fairly low and are not recorded in any comprehensive database.

The aftermath of the August 2008 war brought about a sharp increase in assistance pledges. In September, the World Bank, the European Commission and the United Nations prepared a Joint Needs Assessment that examined the impact of the war, assessed resulting needs, and presented a three-year recovery plan. The assessment formed the basis for an international conference held in Brussels on October 22, 2008, at which donors pledged \$4.55 billion in support—over a billion dollars more than the \$3.25 billion requested in the assessment.

After an initial Flash Appeal on 18 August 2008, the Humanitarian Coordination Group, led by the UN Resident Coordinator, launched a Revised Flash Appeal in October that identified projects to cover immediate needs during a six-month period for those most affected by the conflict. The Flash Appeal includes 105 humanitarian project proposals, with a combined budget of \$109 million to be implemented by UN Agencies, NGOs, and other partners.

Official development assistance (ODA) plays a significant role in the Georgian economy and the inflow per inhabitant is quite high. According to the Human Development Report of 2007/2008, ODA was \$69.2 per capita in 2005, placing Georgia 31st among the 129 recipient countries. While some development partners (European Commission, World Bank) provide significant amounts of budgetary support, most of the international development cooperation is based on projects coupled with technical assistance.

The share of ODA in total central government expenditure has dropped from almost 55 percent in 2003 to 13.1 percent in 2007 (Table 3). The unusually fast rate of decrease is indicative not only of the success the new administration has had in mobilizing domestic resources (Table 3) but also of its success in privatizing a number of public utilities receiving investment-related official assistance. In relation to exports, the share of ODA has been cut almost by half.

It is expected that the ODA directed to Georgia, after that last spike to address the consequences of the August 2008 conflict, will decrease quite sharply starting in 2010-2011. According to the projected mid-range scenarios, this drop should have only a small impact on the country's growth prospects. For the UNDP country office, which has seen an increasing part of its programme financed by other development partners⁷, however, the expected reduction of ODA will

Table 3. The share of ODA from the total government expenditure and total exports of Georgia, 2003-2007

	ODA		Government expenditure		Total exports	
	US\$ million	US\$ million	ODA, %	US\$ million	ODA, %	
2003	\$261.6	\$509	51.4 %	\$465	56.3 %	
2004	\$329.9	\$1,072	30.8 %	\$647	51.0 %	
2005	\$331.4	\$1,455	22.8 %	\$867	38.2 %	
2006	\$400.8	\$1,551	25.8 %	\$993	40.4 %	
2007	\$377.4	\$2,916	12.9 %	\$1,240	30.4 %	
Average	\$340.2	\$1,501	22.7 %	\$842	40.4 %	

Source: OECD/DAC, The Economist Intelligence Unit, National Bank of Georgia.

⁷ See Section 4.6 below.

necessitate a serious examination of its role and corresponding adjustments.

2.2.2 COORDINATION OF EXTERNAL ASSISTANCE

In spite of the importance of the external development aid and the high number of donors contributing to Georgia, formal donor coordination is only incipient. The Ministry of Finance (MoF), the designated coordinating government body since 2004, has yet to have a fully functional and accurate database on ODA flows. It has been reported that several line ministries make direct arrangements with donors and, in some cases, fail to report to the MoF. There are no established rules or mechanisms for effective central-level government-led donor coordination.

A Donor Coordination Group (DCG) has been created by development partners present in Georgia, with the objective *“to harmonize aid for greater effectiveness and enhance regular dialogue between donors and Government, including members of civil society and private sector”*⁸. The DCG has written terms of reference that refer to the global aid effectiveness process. It meets once a month and the RC’s office serves as its secretariat. According to the Terms of Reference, government representatives are encouraged to participate in the group, but, in practice, they have not done so. The practical value of the DCG is in information exchange and discussion among development partners.

There have been attempts to establish donor coordination mechanisms. The MoF has recently created a donor coordination task force, chaired by the minister, which includes the United Nations Country Team, World Bank, EC, European Bank for Reconstruction and Development (EBRD), and USAID. Some development partners note that the Government’s interest in donor coordination varies significantly from one politician to another and frequent changes in key positions are reflected in the official approach to donor coordination.

The donor community can act more effectively when it shares a comprehensive, mutually agreed development strategy with the government. The reluctance of the Georgian Government towards such a framework may have been an obstacle to enhanced coordination on both sides. The closest that Georgia came to having such a document was probably the 2003 Economic Development and Poverty Reduction Programme (EDPRP), perceived by a number of government officials as largely a donor-driven exercise and, consequently, subject to a very fluctuating official commitment. The Basic Data and Directions (BDD) 2007-2011 is mainly a listing of the programmes to be implemented by each ministry that serves as an input in the elaboration of the budget under Mid-Term Expenditure Framework (MTEF). In the absence of any other Cabinet- or Parliament-approved strategy document, the BDD by default has been elevated to the level of a strategic reference in the donor community. In parallel, the European Neighbourhood Policy Action Plan (ENPAP), adopted for a five-year period in November 2006, provides a strategic planning framework for many donors, especially the European ones.

In some sectors, a modicum of a coordinating mechanism exists, but in most cases, it is rather informal and limited to basic tasks such as information exchange. More harmonized activities, such as pool funding or joint strategies, have not taken place. In response to the August 2008 crisis, however, many donor agencies acted together, as witnessed by the Humanitarian Coordination Group, the Joint Needs Assessment, and the Brussels donor conference.

In the environment sector, a donor roundtable led by the CO’s Environment and Sustainable Energy Team met on a quarterly basis until three years ago when acknowledgment of little added value led to a preference for direct informal contacts. Some donors, however, wish that these roundtable meetings would resume but have yet to initiate steps. After the August 2008 war, the Ministry of Environment and Natural

⁸ DCG terms of reference.

Resources (MoENR) called donor meetings but some donors found them ill prepared, with no practical results, and the meetings have stopped. In the agricultural sector, a donor roundtable meets quarterly, bringing together all the donors active in agriculture and food security but the Ministry of Agriculture, although always invited, rarely attends. A sector strategy is being prepared by the Ministry of Education that, once finalized later this year, is expected to be presented to a donor roundtable to discuss challenges it perceives in differentiated donor approaches.

There are certain signs that a government-led aid effectiveness process may be gaining momentum in Georgia as conditions for it may gradually be shaping. Policies, strategies and MTEF are still at incipient stages, but more advanced than four or five years ago. Regarding public financial management systems, budget processes have

improved significantly in recent years. On the other hand, expenditure mechanisms as well as accounting and control still need strengthening. Monitoring and evaluation (M&E) systems are still far from comprehensive and entirely reliable but the forthcoming reform of the State Department of Statistics (SDS) could evolve towards a commonly accepted mechanism. Determined efforts are needed to strengthen systems for stakeholder and beneficiary participation and consultation. Political decisions and commitment are needed from the government side to put in place a formalized donor coordination mechanism and from the part of the development partners to initiate a process towards harmonization and alignment. The high volume of the foreign assistance promised after the August 2008 conflict called for donor coordination. The process will be equally important when donor interest in Georgia starts decreasing.

UN AND UNDP STRATEGIC RESPONSE

3.1 UN RESPONSE TO DEVELOPMENT CHALLENGES AND THE ROLE OF UNDP

3.1.1 THE 2001-2004 UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK (UNDAF)

In August 2001, the UN agencies in the country published a single document that combined the Common Country Assessment (CCA) with UNDAF. Since the CCA is supposed to diagnose and identify the country's development challenges and UNDAF is supposed to indicate how the UN agencies are going to address them, a combined sequential presentation would seem logical at first sight. However, in this particular case, the logic appears to have broken down. As indicated in the executive summary of CCA/UNDAF, there were four key challenges confronting the development of the country: (1) the institutional weaknesses of state agencies, (2) the depressed levels of investment and productive growth, (3) the decay of social services due to insufficient funding, and (4) the absence of a viable solution to conflict. The executive summary contains the only mention in the whole document of these four development challenges.

The rest of CCA/UNDAF is organized along eight distinct themes: (1) poverty, (2) governance, (3) gender, (4) health, (5) education, (6) food security, (7) internally displaced persons (IDPs) and (8) the environment. There are also in the document summary eight development goals that, according to their targeted priorities, in some cases do not match the thematic areas.

Rather than outlining a global strategy for the UN system, UNDAF consisted of the collection of

sections at the end of each of the thematic areas. As these thematic areas largely corresponded to areas of specific interest for each or several UN agencies, these sections can be largely interpreted as the intended activities by the respective agencies in that area rather than coherent elements of a common strategic approach for UN assistance. No table allowed a formal connection between each theme, its relation to the respective development challenges, and how the UN response was contributing to addressing the identified development challenges. While there is a graphical representation of the theoretical relations between these development goals, this representation does very little to try to link the expected impacts of the UN system activities to global outcomes.

In many ways, the Georgia CCA/UNDAF 2001-2004 may be taken as a very early attempt at coordination among UN agencies in the country as long as coordination is understood as the clear delineation of areas of interventions to avoid overlap by the respective agencies. If coordination is to be understood as the actual cooperation among agencies towards common outcomes, i.e., the programming of a coherent set of activities among agencies that could contribute to achieving progress towards a common objective, then this CCA/UNDAF should be considered as falling quite short of that goal.

If anything, the so-called "cooperation" arrangements among UN agencies⁹ indicate clear assumption of responsibilities for specific activities by the specialized agencies with unspecified activities "otherwise, mandated to a large extent to UNDP". This assignment to UNDP of all activities that either have not been already claimed by

⁹ Table 11 mentioned above.

other UN agencies or have not even been identified, can suggest a rather passive attitude on the part of UNDP, one that would conflict with its responsibility to lead the process towards the elaboration of CCA/UNDAF.

3.1.2 THE 2006-2010 UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK (UNDAF)

The CCA and UNDAF drafted in 2005 for the 2006-2010 period present themselves as radically different from the previous ones discussed above. Five areas of cooperation had been identified: (1) poverty and economic growth, (2) governance, (3) basic social services, (4) volatility and instability, and (5) environment. Each of these areas was selected as meeting a national priority and was related to the MDGs. For each area of cooperation, working groups identified country programme outcomes, outputs with the main responsibility for delivering these outputs, the indicators for the outcomes (including the data sources for these indicators and the risks and assumptions) as well as the partners who could contribute towards achieving the outcomes.

The UNDAF 2006-2010 clearly shifted from the narrow interpretation of coordination that seems to have been underlying the previous UNDAF towards a much more assertive cooperative approach not only among the UN agencies but also with other development partners in the country. The contributions of the respective agencies were no longer narrowly defined activities but articulated in relation to broad Country Programme objectives to which other agencies were also identified as contributors.

At the programming level, the UNDAF 2006-2010 shows the emergence of a greater coherence between the activities to be undertaken by the respective agencies and a noticeable intent to work together towards common goals. Interestingly, the role of UNDP underwent a significant shift. Whereas in the UNDAF 2001-2004, UNDP's role could be largely

characterized as almost passive, relegated to activities that had not been already claimed by specialized agencies, in the UNDAF 2006-2010, the organization is seen as a potential significant contributor in all five areas of cooperation and to almost all country programme outcomes.¹⁰

One weakness of the UNDAF 2006-2010 may be found in the common problem of identifying indicators that can be easily collected, are realistic and closely relate to the proposed interventions. The difficulty in finding indicators that meet the three criteria makes the monitoring of UNDAF implementation more challenging. While UNDAF Theme Groups prepared M&E plans that they were responsible for implementing, from comments received, the M&E regarding UNDAF has fallen short. A mid-term review of UNDAF was planned for 2008 but the elections in the first half of the year, then the conflict in August and the need for an emergency response, led to its postponement to the time when the United Nations Country Team had programmed a joint and final UNDAF evaluation, prior to initiating the process towards a new framework.

3.2 UNDP'S STRATEGY

3.2.1 THE 2001-2005 UNDP COUNTRY COOPERATION FRAMEWORK (CCF)

As previously mentioned, as in many ways the areas of intervention for UNDP were those left unclaimed by specialized agencies, the UNDAF 2001-2004 provided little guidance as to the nature of the role that UNDP was expected to play in the assistance to the country. CCF II recognized that the outlook for development had deteriorated since the first CCF (CCF I) in 1997 with poverty increasing, no immediate prospects of settlement in the conflicts in Abkhazia and South Ossetia, and that the key causes of this deterioration was to be found in the weaknesses of the existing economic and governance structures. One issue identified from CCF I was that the failure of the Government to honour its

¹⁰ See Annex 4 for the relationship between UNDAF 2006-2010 and UNDP's CPD/CPAP 2006-2010.

cost-sharing contributions negatively impacted the implementation of the projects and that, in a number of cases, given the low budgetary allocations available to key institutions, UNDP had to step in and extend direct support alongside its technical support. Unfortunately, the second CCF (CCF II) for the period of 2001-2005 did not suggest how to address this hindrance to the smooth implementation of the programme that may also denote a certain lack of ownership on the part of the Government.

In the absence of an explicit development strategy endorsed by the Government of Georgia and with very little guidance from CCA/UNDAF, the UNDP strategic planning referred to a general analysis of the country situation. CCF II stipulated three serious development challenges: (a) depressed levels of investment and productive growth¹¹; (b) lack of accountability and the absence of law enforcement mechanisms to ensure efficiency in the public management of resources; and (c) the absence of a viable solution to internal conflicts, which is further complicated by regional instability, especially on the country's northern border. CCF II projected to focus on two priority areas, (1) improved economic, political and social governance and (2) poverty reduction through advocacy and support to equitable economic growth, though interventions at the central and upstream policy level of decision-making. With its reduced budget, the country office proposed to address the management and conservation of natural resources primarily through financing from GEF.

CCF II acknowledged that, in key aspects, the assistance under the new programme was going to be an extension of the assistance provided in CCF I, in particular through on-going projects that had been approved in the last year of CCF I. In summary, CCF II projected to contribute to:

- Improved economic, political and social governance with:

- Improved systems of accountability through partnership with the anti-corruption center

- Introduction of modern systems of management and information exchange that would enhance coordination among various entities, improve management of resources at the governorate level, set up the necessary communication systems between Parliament committees and between Parliament and the public and develop a national ICT policy framework.

- Effective enactment of the rule of law and democratic principles through continued support to the strengthening of the Public Defender's Office (PDO), work with local communities for improved local governance with a view to conflict resolution and, if regional funds became available, the initiation of sub-regional projects to enhance cooperation between the countries of Armenia, Azerbaijan and Georgia.

- Poverty reduction through advocacy and support to equitable growth through:

- Improved system of social targeting and reduced poverty level through the support to the elaboration to a national poverty reduction strategy, the definition of a new approach to address the needs of internally displaced persons (IDPs);

- Increased public awareness of poverty issues and civil-society involvement in policy making mostly through support to the National Human Development Report (NHDR) and the Discussion Paper Series;

- Continued support to on-going activities targeting the country's revenue and productive base (subject to the availability of non-core funding) through the Georgia Investment Centre and improve debt management capacity.

¹¹ It can be easily argued that this "development challenge" is more of a symptom of institutional dysfunction in the country than a root cause that should be addressed.

As national capacity building and ownership continued to be the overriding principles of UNDP cooperation with Georgia, national execution was to remain the governing modality for UNDP projects. However, how does that decision fit with the already mentioned failure of the Government to honor its cost sharing contribution was never addressed. On the other hand, the positive experience with national experts was leading to further enrich that national capacity through greater utilization of the Technical Cooperation among Developing Countries (TCDC) modality.

A year prior to the end of the CCF cycle, the Rose Revolution brought to power a new political leadership with a bolder approach towards reform implementation to deal with the country's key challenges as well as a more sceptical attitude towards the international aid community. To incorporate the views of this new leadership, the drafting of UNDAF was extended by a year and CCF II was extended to 2005.

However, the extension of the programme did not imply business as usual for UNDP as the country office seems to have intensified the pace of its support in the last years of CCF II. Under CCF II, a total of 73 projects were under implementation and of these:

- 26 had been initiated prior to the signing of CCF II;
- 25 had been initiated between 2001 and 2003 (an average of slightly over 8 per year); and,
- 22 were initiated between 2004 and 2005 (an average of 11 per year) with 14 initiated in 2004, mostly in the area of Democratic Governance; while some of these projects may have been under preparation for a while, projects such as the Capacity Building Fund 1st phase were directly related to an urgent need expressed by the new Government while others may have had their implementation accelerated.

This acceleration in the rate of project implementation, as well as the introduction of a new

modality of support can be considered a strong responsive approach in support to a new programme of government focused on reforms.

3.2.2 THE 2006-2010 COUNTRY PROGRAMME DOCUMENT (CPD)

Overview of the Programme

The CPD programming cycle opened and was implemented under a set of circumstances that were radically different from the ones that prevailed at the initiation of CCF II. Whereas under the previous administration reforms were slow in coming, under the current one reforms were considered priorities by the political leadership and were implemented with decisive speed, albeit at times with a lack of consultation that could prove somewhat problematic at a later stage. Furthermore, despite its clearly indicated strong market-primacy philosophy, the policy environment could appear at times quite fluid as the relative importance and levels of priority of issues seemed to be shifting on a day-to-day basis. The often-quoted claim from a high government official that "*Our strategy is not to have a strategy*" rather than suggesting an *ad-hoc* approach to policy implementation may in fact be the indication of a very pragmatic approach to policy making focusing on what is assessed as achievable among a set of priorities rather than on what is desirable. The attitude may also be a reaction against the planning approach of a Soviet past as well as a departure from the ineffectual sectoral strategies elaborated under President Shevardnadze's successive governments, generally under pressure from international development agencies.

In a similar way, the new government puts a great emphasis on national ownership and confidence in Georgia's capacities in implementing reforms. In doing so, it holds generally a rather sceptical view of the technical assistance that is proffered by international agencies. Technical assistance is welcome provided it responds to needs clearly identified by the Government itself. Otherwise, it tends to be accepted somewhat reluctantly as the unavoidable part of an assistance package.

Policy implementation without an approved document that outlined medium-term global or sectoral strategies and a clear distaste by the Government for any perceived dependence on external technical assistance presented a novel situation for organizations such as UNDP, and challenged their approaches to the design and implementation of programmes. In the early stages of the current programming cycle, the Government of Georgia often made reference to the poverty reduction strategy, the EDPRP, the preparation of which UNDP and the World Bank had supported, as a framework for action. The EDPRP defined three main political priorities: (1) the establishment of a democratic society; (2) socio-economic development; and (3) ensuring security, stability and territorial integrity. Its goal was to raise the welfare of the population of Georgia through fast and sustainable economic development and the reduction of poverty. As the only existing published strategy document, the EDPRP framed the support of UNDP under its forthcoming programme.

However, even at that time, the degree of the Government's commitment to the EDPRP was being debated. An indication of the importance the Government gave to the EDPRP, even though it was supposed to be the policy paper that defined assistance from the Bretton Woods institutions as well as other key donors, may be drawn from the fact that 2006 saw the last published data on the monitoring of that strategy. By the time of the ADR mission, it was quite clear from different sources that the EDPRP had little practical input into government policies.

As described by one interviewee from another development agency, Georgia may be one of the very few countries, if not the only one, where international agencies have to scramble continuously just to keep even with the changes. While this policy environment has led to notable successes, it has to be recognized that it also has

its downside, as it is accompanied by significant institutional instability: the leadership of many ministries can change so rapidly and under the current system many of the ministry staff change at the pleasure of the minister, leaving little or no institutional memory¹².

This environment did not present propitious grounds for a successful engagement on policy advice at the central level with the standard UNDP approach. Accordingly, UNDP responded to requests on economic and financial matters when they were of a more technical nature and it developed a programme that was active at addressing issues at the periphery of the central government's direct reform agenda. UNDP also designed modalities through which it could provide necessary assistance on short notice to respond to the fast developing policy environment. By both supporting agencies at the edge of the reform process and preparing them to meet their full responsibilities when the political environment would call for it as well as providing fast support to the government reforms, UNDP aimed at setting the necessary steps for long-term development while providing the opportunity for a more substantial involvement in policy dialogue.

New Modalities of Assistance

The standard modality of assistance through projects may not be the most effective approach to provide support in a fast evolving policy environment. A number of demands for assistance from the Government in Georgia concern inputs into an on-going policy discussion; the response to the request for assistance must be speedy if it is to be relevant to the needs of the Government. In addition, some requests may require levels of resources too small to be adequately handled through standard project administration. In response to these challenges, UNDP, along with other partners set up alternative modalities to respond to some types of request for assistance.

¹² It is commonly mentioned among international agency personnel that ministry staff is often asking for copies of key documents, including signed agreements and conventions, that should be in the files and archives of the ministry.

The Capacity Building Fund (CBF) was initially set up in 2004 by UNDP and OSI with additional funding by Sweden International Development Agency (SIDA) and the Starr Foundation to assist the new Government in the implementation of its package of governance reforms through the administration of salary supplements as a key anti-corruption measure and through provision of policy advice and technical assistance. By 2005, as government officials had their official salaries fully funded by the state budget, all funds were dedicated to the provision of policy advice and technical assistance through the financing of sub-projects implemented by government agencies on a competitive basis.

After two rounds of request proposals that financed 17 projects, in July 2007, an external evaluation report pointed out that, while some sub-projects offered a significant potential for impact across a number of institutions, others could only have a localized impact and only if the project outputs remained aligned with the current minister's priorities. A key recommendation was then to ensure that all sub-projects were designed to contribute to goals and objectives inscribed in national strategy documents and in particular in the BDD and in the European Neighborhood Policy (ENP). While generally sound, that recommendation does not address the issue of whether the sub-projects that are financed fit into UNDP's mandate. For example, one can question as to how the assistance to the set-up of a database for the Ministry of Culture or the establishment of computer network infrastructure in 340 secondary school constitute assistance to governance reform, except in the loosest sense. Also, the BDD and the ENP are located at a different level from the sub-project proposal and may provide only very loose guidance as to the potential sustainability of the sub-project outputs.

The majority of CBF stakeholders considered that the key reference point for evaluation of the proposals should be the *"individual strategic documents prepared within Ministries to guide delivery of their national mandates"*. It should be

noted that this documentation, if it exists, has generally not been approved by the Cabinet of Ministers and therefore is only indicative of the intent and views of the high-level officials of the ministries as they serve in their position.

Although giving a measure of added flexibility as to what kind of projects could be funded, the CBF could not meet all the types of demand for assistance on very specific issues. With a fast-moving reform agenda, the Government required fast inputs into its process of policy implementation. To respond to that demand and continue supporting public sector reforms, in 2007, UNDP, along with SIDA and SDC, initiated an **On-Demand Consultancy Services (ODS)** modality. A board that includes UNDP, the financing partners and senior government officials provides overall guidance for the initiative but does not have any decision power in the selection of proposals to avoid conflict of interests. A very straightforward system of vetting the received request between UNDP and the government counterpart first and getting the non-objection of the financing partners allows the mobilization of the technical assistance within days.

In 2007 and 2008, more than two dozen experts have been thus mobilized. Some of this expertise has come in support of areas in which UNDP's assistance either had or was involved as in the case of VET or the PDO. However, the range of institutions that have been supported is much broader. At least some of the expertise that has been thus provided seems to have had an impact. A consultancy to the SDS has led to a draft legislation that would change the status of the agency towards greater effectiveness and reliability. Policy advice to the Ministry of Agriculture appears to have contributed significantly to the elaboration of a strategy for the sector that is currently under review by the Council of Ministers. Besides these examples, it has been reported that Georgian experts have been absorbed by the host institutions at the end of their consultancies, thus contributing to greater capacity in these institutions.

The ODS have been greatly appreciated by the Government for their flexibility and timeliness. At the same time, it has to be recognized that the on-demand modality also carries a risk. It might end up financing numerous requests with limited impact, other than to satisfy the immediate needs of the requesting agencies. The risk is also related to the difficulty in gauging how the financing of those requests would in the long term contribute to the human development of the country, the UNDP's primary concern.

The country office's management of the ODS so far seems to have been effective in avoiding such risks; some consultancies seem to have had a clear potential of a significant impact, for some others the time was too short to tell the results. To ensure the continued effectiveness of the approach and to avoid the risk of a drift towards lowered relevance with UNDP sought outcomes, the CO management should regularly monitor the effect of technical assistance financed through ODS, and review how they have made a sustainable contribution to the human development of the country with a view to applying this knowledge to future proposals.

Chapter 4

UNDP'S CONTRIBUTION TO DEVELOPMENT RESULTS

This chapter reviews the key activities supported by UNDP and their contributions to the progress towards meeting key national development challenges in Georgia. The evaluation team examined a number of projects in each area that were selected on the basis of their assessed relevance to the development challenges, their relative importance in the portfolio and whether enough information from separate sources could be collected for the needs of this independent assessment. This section concludes with an overall analysis of the operational efficiency of the office.¹³

4.1 ECONOMIC DEVELOPMENT AND POVERTY REDUCTION

In 2000 as in 2005, the governments of Georgia confronted two distinct challenges regarding economic policies:

- Putting the country on a sustained economic growth path that would reverse the deterioration of livelihoods;
- Decreasing the levels of poverty and inequality by promoting more equitable participation in the benefits of economic growth.

In 2001, a cautious perspective on what could be achieved against these challenges resulted in the corresponding CCF II outcome, "*Poverty reduction through advocacy and support to equitable economic growth*", to be presented as a set of activities. In 2005, by contrast, the EDPRP, assumed to be a guiding principle of policy, and the reforms since early 2004 led UNDP to articulate the poverty reduction programme around

two axes: strengthening national capacities towards MGD-based policies and supporting economic growth through a socially responsible private sector.

4.1.1 MDG COUNTRY REPORTING AND POVERTY MONITORING

This component of the Economic Development and Poverty Reduction (EDPR) focus area responds to the CPAP Outcome 1.1 "*National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased*".

After having supported the preparation and drafting of the EDPRP approved in June 2003, UNDP continued its contribution to the **achievement of Millennium Development Goals** (MDGs) by assisting in the definition of MDGs in Georgia in 2004, in publishing the MDGs Georgia Progress Report 2004-2005, and in the preparation of the Tbilisi MDG Report in 2007. The work on MDG issues has been relatively modest, considering the importance of the subject among UN values. The lukewarm interest shown by the Government towards the MDGs themselves has not been auspicious for a greater engagement at the policy level. In its modesty in reflecting the pre-eminence of the MDG issue, however, the UNDP programme may have been overly reactive to the dominant political approach and did not provide enough of a counterbalancing perspective. The feebleness of the public MDG debate in Georgia may be a cause but also a consequence of the weak advocacy in this area.

¹³ For each focus/thematic area discussed in this chapter, UNDP's programme framework and its relationship with UNDAF are presented in Annex 4, and the list of projects together with some project information is provided in Annex 5.

A significant contribution to the MDG and poverty monitoring outcome has been the **support to the SDS** of the Ministry of Economic Development. The support started as early as in 1996 and has continued with five separate projects until the end of 2007. Each project had a specific focus, as indicated in their titles. They all aimed also at developing and strengthening the capacity of the department, although capacity development may have been—until recently—rather indirect. Technical assistance was provided and methodologies were developed. Through a recent short-term consultancy, UNDP contributed to defining a holistic approach for the SDS and obtaining the support of all major development partners. As a result, the department has ceased to service particular data requests of the donor agencies. It is probable that its professionalism and credibility have been strengthened through UNDP’s—and other donors’—contributions, although considerable capacity challenges still exist.

Regarding **poverty monitoring**, UNDP has produced National Human Development Reports in 2001-2002 and in 2008. UNDP coordinated the preparation of the Poverty Reduction and Economic Growth Programme in 2001-2005 with the PREGP Secretariat. In parallel with that project, UNDP supported the production of the report “Improving Targeting of Poor and Extremely Poor: the Construction of Poverty Maps at the District Level”. The report was one of the first attempts to produce maps of different poverty indicators (head count, gap, severity and income inequality) disaggregated at the district level and to reveal gaps in the targeting of extremely poor families. The results were used, among other criteria, in defining the location and contents of the regional development projects that were later started in Adjara, Kakheti, and Samtskhe-Javakheti.

Support to social service capacities and policies, in 2008-2009, has been an interesting initiative towards poverty reduction. The project involved social service staff from the municipalities of Tbilisi and Batumi, as well as low-income

families and assisted in institutionalizing these functions within the municipalities. While the training course organized by the project has so far reached only 34 public-sector employees, the intervention is directly targeted to vulnerability and has introduced the concept of social housing to Georgia.

4.1.2 PRIVATE SECTOR DEVELOPMENT

This component responds to the CPAP Outcome 1.5 “*Equitable economic growth promoted through close cooperation with private sector entities within the overall framework of corporate social responsibility*”. The projects in private sector development can be grouped under four themes: regional development programmes, support to vocational training, institutional support, and support to private enterprises. The project “Inclusive Financial Systems in Georgia”, started in early 2009, marks a new opening in the portfolio of the EDPR focus area.

The **support to regional development** has focused on the regions of Samtske-Javakheti and Kakheti, and the Autonomous Republic of Adjara. In defining the location of the projects, the results of the previously mentioned poverty mapping were used as well as an awareness of the presence of significant minority populations such as Armenians in Samtske-Javakheti. Poverty head counts were among the highest in districts of Adjara and Samtskhe-Javakheti, and Kakheti was severely affected by the embargo Russia imposed on Georgian agricultural produce. The actual contents of the projects were decided through methods normally applied in participatory project preparation, including stakeholder consultations and specific studies.

Local populations and authorities have benefitted in various ways. Infrastructure (irrigation systems, hospitals, schools) has been built and rehabilitated, NGO capacity strengthened, dialogue between population and authorities stimulated, regional development strategies prepared, staff of municipalities and regional administrations trained, project for external funding prepared,

and a food processing facility (Cooperative Kitchen in Kachreti) established. As a result, the regional and local development planning capacities have been strengthened and conditions for sustainable livelihoods and social cohesion have been improved. The Regional Governor's Office in Kakheti considers that the recent regional development strategy is likely to facilitate new investments.

The projects have contributed also to indirect outcomes. In Samtske-Javakheti, for example, a long-awaited border checkpoint was opened in Ninotsminda as a result of the "Study of economic relations between Georgia and Armenia: the development of regional trade related growth in Samtske-Javakheti". Some project activities face challenges before they can have an impact on the communities. While the Cooperative Kitchen in Kachreti is likely to improve the local producers' marketing possibilities, the low capacity of the facility (20 litres per hour) has become a bottleneck for wide-scale impact.

Vocational training has been supported in two locations in Kakheti, in Samtske-Javakheti, and in Ambrolauri regions, as well as in Batumi under the umbrella of a different project. In the first two regions, there has been close collaboration with the respective regional development programmes. The project has developed and implemented a model for tailor-made vocational training to improve the job-readiness and marketability of the unemployed and enhance the skills of the employed. Twenty-five priority professions have been identified and relevant standards developed, 23 teaching curricula elaborated, and 62 trainers retrained in the selected Vocational Education and Training (VET) Centres. Regarding the construction trade, according to the country office's EDPR Team, around 75 percent of the trainees have been employed within two months after the course completion. VET Centres have provided training for local farmers. A Pilot Agricultural Extension Centre (AEC) has been established within the Kachreti VET Centre and has served more than 2,000 farmers of the neighbouring districts. Thus, the centres address

the lack of agricultural extension services in the country, a key constraint for a number of small-scale farm producers.

The success of the VET concept supported by UNDP has drawn the attention of other donors. The EC has recently started financing a UNDP-supported VET project in Shida-Kartli, in collaboration with Gori University. It also revived government interest in the issue.

Institutional support by the EDPR focus area has included two projects: "Impact assessment of free trade agreement between EU and Georgia" and "Support to the Prime Minister's Office and selected line ministries". The former consisted of a macroeconomic study carried out by a team of consultants, at the request of the Government. Some have questioned whether the study has actually benefited Georgia, and its effect on the Government's trade negotiation capacity is difficult to verify. The support to the Prime Minister's Office operated on the ODS concept analysed in section 4.2. Through short-term consultancies, the project was responsive to the Government's needs in economic and private sector development. However, its strategic impact has been questioned by several observers.

In the early years of the evaluation period, UNDP directly **supported private enterprises** by assisting the Investment Promotion Agency and introducing total quality management to the export sector and manganese processing. The Georgian Investment Centre (GIC) benefited from training and development of management and operational systems. The GIC and the Multitest laboratory, affiliated to the Georgian Exporters' Association, continue to function. Multitest, which provides services especially for food exporters, is appreciated for its high-quality performance. Support to manganese processing consisted of the establishment of a pilot plant in Rustavi equipped with modern quality-control apparatus. The plant continues to operate.

Despite the relatively successful output delivery, outcome effectiveness of the support to private

enterprises remains unclear. Most of the projects have not been evaluated. Thus, the key attributes of the CPD and CPAP outcome definitions—promotion of employment opportunities and corporate social responsibility—cannot be verified.

The EDPR focus area also included some projects¹⁴ that cannot be classified under either of the outcomes such as Green Wave Radio created in 1995 by an NGO of the same name. Thirteen radio programmes were produced with UNDP support with a focus on key development issues and information broadcast on a weekly and daily basis for the one-year duration of the project¹⁵.

4.1.3 ASSESSMENT

Effectiveness

The overall effectiveness of the EDPR focus area has been fair, although reservations need to be made. The impact has been narrower than what was planned during the formulation of the CPD and CPAP outcomes and the related indicators.

The two main components of EDPR have not been equally effective. The effects are clearer in the private sector development component. In that sphere, the programme has contributed to progress towards the stated outcome, although the positive impacts tend to have been limited to the projects' geographical areas. However, some initiatives may end up having a much broader impact as they have a strong potential for replication. The support to the VET in the context of a regional development project constitutes a good example. The component includes an adequate mix of mutually supportive projects, as evidenced by several points of collaboration between regional development and vocational training initiatives. The projects have been identified in areas of high development needs and where positive impacts are likely to materialize. This is less so with respect to private enterprises themselves where public financial support easily translates into unsound subsidies. The EDPR

focus area has, quite correctly, diminished the allocations to private enterprises in recent years.

The effectiveness has been less satisfactory regarding the MDG Country Reporting and Poverty Monitoring. Few activities contributed directly to MDG promotion or poverty reduction. In that regard, the support to social service capacities and policies constitutes an exception in the whole EDPR portfolio. While the small size of the project limited its impact, this experience could provide an opportunity for the country office, within the current political context, to further capacity development towards promoting the MDGs and addressing poverty issues.

In private-sector development, several projects have dealt directly with vulnerable people. Vocational training has assisted many unemployed and support to social services targets low-income families. The microfinance project, started in early 2009, targets women as well as IDPs and vulnerable groups. In institutionally oriented projects, the benefits to vulnerable groups have been less clear.

Until recently, poverty reduction and MDGs have not ranked high on government agenda, which is perhaps the main reason for UNDP's limited range of actions in the area. Capacity strengthening is no simple task in the absence of conducive institutional policies from the government. However, there are some signs that the Government's interest in poverty reduction may be increasing. MDG and poverty reduction issues are closely related to UNDP's ability to conduct a policy dialogue with the Government. Without enabling and supportive policies, it is difficult to maintain an explicit poverty reduction focus in the institutionally oriented projects.

Compared to the indicators defined in the CPAP 2006-2010, the attainment of the two outcomes in the EDPR focus area fall short of expectations. While the progress on several indicators has not

¹⁴ A number of these projects were implemented at the request of UNESCO that had no representation in Georgia.

¹⁵ Green Wave radio continues functioning and advocates for the principles of democracy and human rights.

been systematically monitored through objective sources of verification, it is commonly known that variables such as the poverty and unemployment rates have not improved during the programming period. In future programming, attention should be paid to realistic and adequate definition of the key indicators, so that relevant information can be utilized in strategic adjustments of the programme. The general appreciation by the beneficiaries and stakeholders supports the conclusion that the effectiveness of the EDPR projects has been reasonably satisfactory.

Sustainability

The policy environment in Georgia may be quite fluid and rapidly evolving. But it also should be acknowledged that there are very few cases of significant reversals once a policy has been adopted. With very few projects targeting the policy levels, the sustainability perspectives of the contributions of EDPR projects can be considered reasonably satisfactory. In direct delivery projects, such as regional economic development and VET, the beneficiaries and stakeholders are generally aware that UNDP contribution is not ever lasting. A debate is going on as to how the activities and subsequent flow of benefits can be maintained after UNDP pulls out. In Kakheti, districts involved in the regional development project are ready to contribute financially to the Regional Development Agency. It is expected that, through their contribution, they will ensure that the agency continues to provide the services. Sustainability is much less clear in institutionally oriented projects, such as the support to the SDS. Technical assistance in these projects is sometimes used to work as replacements for government civil servants, with weak impact on actual institutional capacity. According to some observers, this has happened also in projects supported by UNDP. On the other hand, the development and strengthening of capacities as a strategic goal should be conducive to sustainability. In recent years, the Government's adoption of a more remunerative civil service policy has begun to result in a strengthening of the human resources in the public sector, a first and necessary step towards fully developing its capacity.

Few projects have had an explicit and realistic exit strategy in their initial design. The high proportion of projects with direct execution modality (DEX) indicates that effectiveness and efficiency may have been more important considerations than sustainability. Nevertheless, many projects have taken sustainability measures in the course of implementation.

The EDPR focus area has not implemented pilot projects, if these are understood as interventions that from the outset were meant for testing, and therefore carefully monitored and evaluated for a possible upscaling. There have been, however, several small-scale projects and activities that had been or could be subjects for expansion. The first support to the SDS led to amplification. Some of the on-demand activities can be considered as pilot efforts that led to upscaling.

4.2 FOSTERING DEMOCRATIC GOVERNANCE

Regarding Democratic Governance (DG), in the period under review, the different Governments faced challenges on two fronts:

- The need to set up the administrative and financial systems that would allow the public authorities the means to meet their responsibilities towards the population;
- An incipient democratic culture in the social and political life of the country that needed deepening and strengthening.

Under the governments of President Shevardnadze, despite some attempts at improving the administration and the financial management of the State, very little progress was registered. At the same time, international organizations such as Freedom House registered deteriorations in the respect for the rule of law and in civil and political rights. The governments under President Saakashvili not only stopped these deteriorations but also reversed them in many ways by rapidly implementing a series of reforms. UNDP's response was to design a programme that supported that process.

4.2.1 PARLIAMENTARY DEVELOPMENT

This component of the Democratic Governance focus area responds to the CPAP Outcome 2.2 *“Representational, law-making and oversight functions and capacities of the Parliament and its subsidiary bodies strengthened”*. One of the key issues in the democratic strengthening of Georgia is the imbalance between the executive, the legislative and the judiciary branches of Government that in many ways is a reflection of a history when the executive carried most of the power.

As President Saakashvili had suggested legislation that was supposed to better balance the powers of the three branches, UNDP focused its assistance towards ensuring not only a better representativeness of elected officials but also improved functioning of Parliament.

UNDP had been assisting the electoral process in Georgia since 2003 through **support to the Electoral Administration** during elections in 2004, 2005 and 2006. This experience led UNDP to have a sound appreciation of issues linked to the electoral code, the administration of elections, the need for greater public awareness of the issues and the importance of the electoral process. In 2007, UNDP initiated a project aiming at addressing these issues. Implemented by UNDP with a substantive involvement by the Georgian Young Lawyers Association (GYLA), the project addressed the short-term needs of forthcoming elections through extensive training of staff of the Central, District and Precinct Electoral Commissions (CEC, DEC and PEC) and activities to increase awareness of voters and media on electoral procedures. The project also addresses the long-term needs for a sound electoral process through assistance to the institutional development of the Electoral Administration (review of structures and alternative options, and review of electoral code), training of professional staff within the CEC and the DEC through an adaptation of the BRIDGE¹⁶ approach to the Georgian context, and continued activities

towards promoting the values of civic education and active citizenship in the population and professionalization of the media in reporting on the election processes and outcomes.

UNDP also addressed the issue of **strengthening Parliament and its subsidiary bodies** through institutional capacity building as one element that could contribute to redressing the relative power balance between the legislative and the executive. Within Parliament, a UNDP project assisted in a comprehensive review and restructuring exercise that included the consolidation of units within a newly reorganized Public Relations and Information Department with a new and popular Media Centre, although the Citizens Reception Centre actually remained within the remit of another department. Procedures were also streamlined for the adoption of a bill, from 72 steps to 45, and the hand-carry of hard copy of bills to the respective ministries was replaced by secure electronic transfer. In fact, the project seems to have involved a fair amount of ICT in terms of facilitating communications among members, organizing the different processes of Parliament and eliciting citizens' comments on draft legislation through a web portal. A training centre was set up within Parliament to impart lectures and skills to MPs and staff on a wide variety of topics such as English, legislative procedures and computer use through an improved human resources management system linking job descriptions, individual profiles, departmental objectives and strategic Parliamentary goals. However, according to an evaluation of the project, the attempt to build capacity fell somewhat short in fostering a culture of informed policy making in Parliament.

The project also contributed to greater outreach at the regional level through the establishment of Parliament Representation Office in Kutaisi (Western Georgia) acting as a communication channel for regional constituents to discuss issues with Parliamentarians.

¹⁶ “Building Resources in Democracy, Governance and Elections”.

The political situation in Tbilisi in April-May 2009 did not permit a visit to Parliament and many Parliamentarians were out of town or unavailable. There are no grounds to question the reports that Parliamentarians found themselves quite satisfied with the project and would probably be in favour of a follow-up. And it is probably fair to conclude that the UNDP project has in many ways helped in setting in place the necessary structures for improved operations of the Parliament and better communications with the public. However, improved procedures and better facilities alone are far from sufficient to ensure a more assertive role of Parliament. While some legal and systemic adjustments may still be needed, a new democratic culture must take root within Parliament and the public at large. By its assistance to Parliament, UNDP may see an opportunity for a project to facilitate the development of a true democratic culture within members of the institutions. But for that to be successful, it would need to be fully owned by the members.

Regarding the oversight functions of Parliament, UNDP attempted to strengthen the capacities of the **Chamber of Control of Georgia (CCG)** to hold all public agencies accountable for the use of public funds. Prior to the UNDP-supported project, the CCG was said to have been in shambles. It was largely seen as rubber-stamping the accounts of executive agencies and the staff could be unreachable for days. In 2004, with the new administration focused on an anti-corruption campaign, a new chairman was appointed by Parliament with a strong commitment towards reforming the agency. UNDP supported this new direction for the CCG by designing and implementing a new project that included a functional review, which led to the dismissal of some 200 staff who did not meet the evaluation criteria, the introduction of modern internal management practices, including ICT-based ones, and clean reporting lines within the organization, the institutionalization of verification practices as well as the establishment of a training centre and a Department of Citizens Relations.

During the evaluation of the project, CCG staff acknowledged UNDP's support and considered that their capacity had been built sufficiently for efficient operation. However, as UNDP staff freely admit, the project had fallen short of its target of turning the CCG into a Supreme Audit Institution (SAI), which may have been ambitious given the conditions at start-up and the implementation timeframe. The independent evaluation nevertheless concluded that "*UNDP investments can be considered to have made significant contributions to helping the CCG become a SAI*". From information received, as a result of the project, it appeared that the CCG actively identified cases of mismanagement of funds by state agencies. Although the CCG, in keeping with its mandate, reported these to Parliament, law-enforcement agencies did not seem to have followed up significantly.

Furthermore, there was a sudden change in the management of the CCG due to the death of its chairman. This change seemed to have put the reform on hold. During its stay in Tbilisi, the ADR team was informed that over the preceding few months, the situation at CCG had been radically altered, that many staff had been let go and that for all practical purpose the CCG had stopped moving in the intended direction.

In both cases—assistance to the Parliament and to the CCG—the projects largely achieved their outputs but fell short of achieving their target. It is questionable whether Parliament now represents more "*impartially, independently transparently and effectively the constituents from all over the country and exercises [better] the human rights and fiscal control/monitoring/oversight of the institution subjected to such a control under the legislative framework*", as the mechanisms put in place have been limited by the will of those who use them.

4.2.2 JUSTICE AND HUMAN RIGHTS

This component responds to the CPAP Outcome 2.4 "*Transitional Justice mechanisms and reform processes implemented towards a well-functioning justice sector with emphasis on Human Rights*".

Established in 1997 after an amendment to the Constitution two years earlier, the Public Defender serves as the Ombudsman on issues of citizens' rights in Georgia. **The Public Defender's Office (PDO)** has the mandate to protect the respect of human rights through the handling of complaints, the proactive monitoring of the exercise of public authority and the examination of the existing law body as well as upcoming legislation in relation to their impact on human rights. The PDO is an independent body that reports to Parliament.

Since 1999, the PDO has had the support of UNDP and a number of donors. In the beginning, the support was aimed at building the minimum capacities of the staff and to provide the necessary means for the PDO to start working effectively such as computer equipment and job descriptions. In 2004, after the Rose Revolution, a new Public Defender was named who dismissed the entire existing staff and started hiring replacements with more formal legal education. This required a new training programme for the new staff in aspects of human rights legislation.

The support to the PDO has since been broadened to create a Centre for Tolerance that works towards greater protection of the rights of ethnic and religious minorities through monitoring and awareness raising. While a Commission on Ethnic Minorities exists within the Office of the President, UNDP-sponsored research indicated that the majority of Georgians did not seem to have been overly tolerant of religious minorities and were even in favour of limiting their number. Thus a Centre for Tolerance was felt necessary.

The strengthening of the PDO over the years has had a marked impact. The number of cases it handles has increased every year to reach 5,000 in 2008 not because of a worsening human rights situation but because, through awareness

campaigns and civic education, citizens are becoming more informed of their fundamental rights. Combined with the ongoing reforms of the police, the number of cases involving excessive force, mistreatment and torture of detainees has decreased. Police are also now more active in intervening in cases of domestic dispute¹⁷ and are more likely to identify crimes against minorities as crimes of discrimination rather than hooliganism. One of the areas where progress has been hardest is the penitentiary system even though it is also one of the areas of greatest needs. But even there, some advances have been registered. For example, an agreement has been reached for prisoners to have regular access to representatives of their own religion.

While in a recent survey the Public Defender was named the second most respected personality in the country, immediately behind the Georgian Orthodox Patriarch, the PDO is facing serious challenges. Budgetary allocations remain severely insufficient and the PDO's activities depend largely on funds from international donors. The PDO website, for instance, shows it has offices in Tbilisi, Kutaisi, Batumi, Zugdidi, Gori¹⁸, Akhalkalaki and Marneuli. However, the last two offices do not have a phone. In addition, the independence of the current Public Defender vis-à-vis the executive branch of the Government has raised the profile of the office. But it also seems to have soured its relations with the executive. Furthermore, the PDO claims that the worsening political climate since 2007 is undermining the human rights situation, amid increased use of excessive force by the police and a rise in violence against minorities.

In 2005-2006, despite the onset of reforms, the **justice system** was still deficient in many regards. Judges were widely seen as lacking independence, too often biased in favour of the prosecution and generally not well prepared to enforce respect for human rights. A High

¹⁷ Now a requirement with the Law on Domestic Violence.

¹⁸ The Gori office was established in the fall of 2008 in response to the IDP crisis in Shida-Kartli with significant assistance from international donors.

School of Justice was established to build the capacities of judges and the institute of the Speaker Judge was created to foster a transparent relationship between the court and society. UNDP supported these institutions. Courses were designed and conducted to retrain judges with a particular emphasis on human rights and access to justice by marginalized groups. Relying largely on the High School of Justice, the in-house training exposed judges in the regions to thematic seminars on aspects of human rights. In order to increase transparency, efforts were made to strengthen the communication capabilities of the Institute of the Speaker Judge so that court decisions could be conveyed to the public in a readily understood way. Public outreach programmes also informed people about rules and procedures of the courts. A number of journalists received training on international human rights standards and issues as well as the functions of the court to enable them to better understand and analyse courts' decisions.

4.2.3 DECENTRALIZATION, LOCAL GOVERNANCE, AND URBAN/RURAL DEVELOPMENT

This component responds to the CPAP Outcome 2.6 *“Increased capacities of regional and local governments in line with national decentralization strategy and efforts”*. Under the two programming cycles, UNDP has been working on various issues related to regions in Georgia through either the perspective of economic development or that of democratic governance. This section will concentrate on UNDP's support to local governance through the development of a framework for decentralization.

With a recent history of violent separatist tendencies in some regions of Georgia, the concept of decentralization is a very sensitive issue. It can be perceived to foster a fertile ground for an eventual future disintegration of the country. However, the political leadership, strongly committed to greater integration with the EU

not only as a *“return to the European family to which [Georgia] has belonged for ages”*¹⁹ but also as a security strategy, has endorsed the National Programme for Harmonization of the Georgian Legislation with EU Law and the Action Plan which includes reforms towards local governance. In 2004, the Georgian Parliament ratified the European Charter on Local Government and a Commission on Effective Governance System and Territorial Arrangement Reform that was to facilitate local governance reforms and coordinate the decentralization activities of different public authorities.

The following legislative measures have been adopted: (i) the 2005 organic law on self-governance that paved the way for the consolidation of more than 1,000 self-government entities into 69, (ii) the 2004 tax code that clarified revenue sources for local governments, (iii) the 2006 law on self-government budgets that established a formula-based intergovernmental fiscal transfer mechanism, (iv) the law of local self-governing units, and (v) the law on state supervision over activities of local authorities.

However, a clear strategy for local governance reform was missing and no clearly designated counterpart within the executive was responsible for leading or coordinating action. In April 2006, UNDP played a key role in the establishment of a **Centre on Effective Government System and Territorial Arrangement Reform (CEGSTAR)** to provide organizational, informational and expert services to the commission with the mandate of facilitating the adoption of a decentralization strategy, creating the necessary legal framework and coordinating the activities of interested stakeholders.

According to information received, at least from the technical standpoint, the CEGSTAR met many of its intended outputs. Its experts have drafted some 80 amendments to different laws (of which 28 have been adopted) to make them consistent with the decentralization effort and a

¹⁹ President Saakashvili's speech on www.eu-integration.gov.ge.

draft strategy has been prepared. Further legislative work to clarify remaining aspects is pending.

Discussions regarding this project raised the issue of whether the process of elaborating strategy and legislations and amendments was not overly expert-driven. During a conversation, officials from NALAG indicated that they commonly became aware of a new law affecting municipalities through the newspapers and that they did not experience consistent attempts to incorporate their inputs in the CEGSTAR-supported process. This impression of inadequate consultation was confirmed by the findings of a project review:

- *Regarding strategy development: “The review has revealed that there has been insufficient consultation with and involvement of line ministries and other national stakeholders in the process of strategy development...Significantly, local self-governments who are the main beneficiaries of reform have not been consulted in the process of strategy development”;*
- *Regarding drafting/amending decentralization-related legislation: “The project mainly focuses on the provision of legal expertise and drafting/amending legislation as requested by the Government and only to a limited extent facilitates the process of consultation with stakeholders. The drafts are shared [once completed] for comments...however the process is not systematic and key stakeholders are not always effectively involved. The consultative process typically starts after the draft/amendment is ready but in most cases stakeholders are not involved in discussing the principles and defining possible alternatives of respective legislation to be developed or amended”*

Awareness-raising efforts were also conducted through weekly radio talk shows involving experts and practitioners on local governance issues responding to called-in questions, newspaper supplement and TV clips.

Whereas a focal point was missing within the executive on reforming local governance and decentralization, a State Ministry of Regional

Development and Infrastructure was established in January 2008, which was upgraded to the level of ministry a year later. This development is seen by local leaders as an encouraging sign. They feel that local governance now has a champion within the executive that will not only be able to speed up implementation but also channel issues that emerge at the local level to the political leadership.

This support to policy development, although apparently weak on participation, represents a significant departure from previous **support to democratic governance at the local level** such as in the case of Imereti. Project revision D describes the achievements until then as “*a successful demonstration of direct developmental benefits brought by ICT [with] the project impact [being] not so much about the use of ICT but about changing traditional governance practice coupled with new ways of government-citizen communications and new web-based public e-services*”, in short a very good example of e-governance. Specific achievements according to the revision D consisted in the connection of the Kutaisi Mayor’s Office with the Imereti Regional Administration (IRA) via LAN and the provision of modern computers, office and media technologies (phase 1), the assistance to an inter-agency network (Kutaisi Sate MAN) with 20 branches of state institutions through the provision of equipment and training (phase2), the creation of the Imereti Regional Information Network (Imereti WAN) to connect the Regional Administration Management Information System and Kutaisi interagency network with 11 district councils through the construction of the district administration LAN (phase 3), and the establishment of pilot e-Clubs in 11 communities with equipment of computers, furniture and satellite internet services through which the population could communicate with the outside world and have access to “*wider governance information systems*” (phase 4).

The revision suggested the extension of the project for an additional 12 months to improve coordination of the regional and local government with the central government, to provide training targeting local council members and

staff, and to further develop information and communication technology tools.

As it was not possible to travel to the region, the ADR team could not ascertain how traditional governance practices changed as technology in itself is not a guarantee of a change in practices. By putting an emphasis on the technological outputs than on the transformation towards democratic governance they were to support, the project revision D raises the question as to the precise nature of the impact of the project. Based on written evidence, one may deduce that the project was more successful in introducing ICT in the public administrations of Imereti than in introducing e-governance and changing the nature of the relations between the citizenry and the administration.

In Kvemo-Kartli, with financing from SIDA, UNDP is implementing a project to strengthen regional and local governance with a view towards contributing to poverty reduction and improvement of services. The project recognizes that, under the decentralized system being finalized, the responsibilities of the governor's offices are still in flux and that increasingly governors are trying to carve out a role for their offices in relation to regional development. The project aims to contribute to the capacity development of governors and their offices towards coordination through models for regional development councils and agencies/centres. As officials in the ministry seemed not fully convinced on such models, this may best be viewed as a pilot activity that will eventually inform the decentralization policy. At the local level, the project addresses the fact that a number of officials are new to local government and have generally not received any training in their functions.

4.2.4 PUBLIC ADMINISTRATION REFORM AND ANTI-CORRUPTION

This component responds to the CPAP Outcome 2.7 *“Public sector reform in support of efficient, effective, responsive pro-poor public services promoted and supported through policy advice and capacity development activities”*.

On numerous occasions over the last 10 years, UNDP has been asked to assist in improving the operations of a number of state ministries and agencies. In many cases, the distance of time and the change in 2004 make it impossible to ascertain what impact this assistance has had. However, on a number of projects under implementation since 2004 as part of the Public Administration Reform programme, a clear understanding of the contribution of UNDP to institutional transformation can be gained.

UNDP had been supporting the modernization of the public finance system of Georgia since 2000. After the Rose Revolution, the new government, facing empty coffers, placed top priority on reforming the public financial system. Among the key issues to be addressed was the need to rationalize the management of the **State Treasury**, in particular through the consolidation of many accounts into a single one and the development of procedures and software to manage that single account. Treasury and MoF staff designed the broad outlines of the project but lacked knowledge of modern standard Treasury management practices, capacity in designing the proper software, and financial resources to mobilize external expertise. UNDP, already involved in modernization of financial management, was approached. With financial support from the Belgian Government, it initiated the implementation of the project in 2006.

Project staff was located within the MoF and had developed good working relations with the MoF staff and thus could assist in the smooth implementation of the three components of the project: (1) the implementation of the Treasury Single Account with its methodology and practices, the development and implementation of a special software for simplified expenditure financing and the development of e-Treasury by which all the entities of the Georgian public administration could transact their financing operations, (2) the improvement in human resources development and personnel management within the MoF, and (3) the improvement of management, public relations and ICT infrastructure within the MoF.

The success of the project, as pointed out by Treasury officials, can be best appreciated by the fact that operations are much smoother now despite public expenditures having risen from around GEL 1,800 million in 2004 to close to GEL 7 billion by 2008. The same officials indicated that the project owed its success to UNDP's full support of a MoF initiative through a team that had earned the trust of the staff and UNDP's flexible procedures that allowed it to deliver on time what it had promised.

UNDP also assisted in the reform of the **Civil Registry Agency (CRA)**. The agency was created in 2004 through the merger of the Civil Acts Office and the Passport Office, which had over the years earned an abominable reputation for inefficiency and corruption. For example, in 2005, or some 15 years after independence from the USSR, only 45 percent of the population carried a Georgian ID card. The rest still carried old Soviet IDs and were not in the national database. As the agency with the most direct contact with citizens, it was logical for the new government to select the CRA as a priority for reform, since it would also bolster the credibility of its anti-corruption and public reform programme. In addition, the issues of reform within the CRA were mostly technical in nature and not likely to face political problems. The full concept of civil registration reform was developed by the Ministry of Justice, with the assistance of international experts, with the objective of allowing a coherent and broad national integration by clearly enumerating the population of Georgia and serving as a source of update for other functional registries. The other key objective was to provide the public with a simple one-stop-shop access to civil acts registration, identity documentation and passport and enable the regulated and safe exchange of sensitive information between State institutions in accordance with laws and prescribed procedures.

In a first phase of the project, UNDP supported the establishment of five pilot offices, mainly

in the regions, and the building of capacity of the Civil Registry staff therein to respond, as one-stop-shop, to citizens' requests in a speedy, efficient and effective manner. After completion of phase I. UNDP was approached by the CRA and USAID to assist with the implementation of phase II. Activities in this phase included:

- The development of a legal framework with the elaboration of laws meeting international standards on the population register, on identification documentation and on civil acts registration as well as participation in the elaboration of a law on personal data protection;
- The digitization of written archives going back 40 years for death certificates and 65 years for birth certificates, including the cumbersome but necessary process of verification;
- The improvement of the IT system and network through a WAN and the development of new software for the issuance of civil act registration, issuance of IDs and passports and information sharing with various government agencies;
- The refurbishment of 14 additional offices in the regions according to a set of specifications prior to the IT connection
- A campaign to build public awareness of the reforms within CRA and the information regarding new procedures and services.

This ambitious set of tasks was largely completed by the end of 2007 when the whole system went online. The Government financed the issuance of digital ID cards. Linkages with different government agencies, such as the motor vehicle administration and the Public Registry Office, allow any citizen to be identified immediately through the presentation of the PIN²⁰. The CRA regularly provides data to the CEC to update the voters list. The CRA is now providing the necessary software to the Consular Department

²⁰ Even notaries are now connected to the system.

to provide CRA services for Georgian citizens living abroad.

The success of the CRA reform created the unintended effect of placing more and more demands on the agency. For example, the CRA set up a system for the registration of all recent IDPs and their households immediately after the August 2008 crisis, though this was not in its original mandate. Instead, with a reinforced IT department, the CRA now provides technical assistance to other government agencies such as the Ministry of Education for the registration of students or the Penal Department for the registration of prisoners.

A visit to several CRAs in Tbilisi and in regions²¹ and interviews with Georgian nationals confirmed the image of professionalism and service that the agency now projects and the radical transformation it has made. Initially perceived as a corrupt and inefficient agency, the CRA is now seen as a clean and capable organization.

4.2.5 ASSESSMENT

Effectiveness

Before an overall assessment, it is worth assessing the achievements of the UNDP-supported activities for each of the outcomes:

- **Parliamentary Development.** Most of the outputs for this outcome area have been delivered as expected. UNDP's support to the electoral process in particular made a significant contribution through an innovative use of partnerships and its outreach to the citizenry with support to the electoral commissions, media and non-governmental organizations. With regard to the functioning of Parliament and its subsidiary institutions, the question remains whether the outputs in themselves were sufficient for the intended outcome to be achieved and for the Parliament to meet its responsibilities under a properly functioning democratic system.

To answer that question unequivocally, a steady monitoring of the indicator would have been useful. As it is, all the information received by the ADR team suggests that a true parliamentary culture is still in its early stages of development for the legislature to act as an independent body and meet the responsibilities in its mandate. UNDP and its partners have developed and transferred the systems that would allow Parliament to fully fulfill its representational and fiduciary roles; for the outcome to be achieved, it is up to Parliament to act.

- **Justice and Human Rights.** Again, most of the outputs for this outcome area have been delivered, especially with regard to the PDO. There can be very little doubt as to the contribution that UNDP has made towards strengthening the PDO and extending its reach to marginalized ethnic and religious minorities. While not the sole actor in support of the PDO, UNDP has certainly contributed in making the office a broadly respected institution. However, the effectiveness of the PDO in a large measure depends on the full respect and acceptance of its mandate by the executive and the Parliament. Regarding the justice system, UNDP has contributed to better training of judges and in improving a system of greater transparency and communication of court decisions. UNDP has assisted in putting in place some of the necessary elements for a well functioning justice sector that has the trust of the population. Again, these improvements can have an impact only when judges use the gained knowledge and tools to create a properly functioning judicial system and earn the trust of the citizenry.
- **Decentralization and Local Governance.** As for support towards local governance, most of the outputs regarding the legislative and institutional framework have been delivered, even though some areas may still need clarification and refining. If there is one

²¹ Only small offices now remain to be refurbished.

point to make regarding the support to local governance under the current programming cycle, it could be that the activities may have been overly delivery-oriented to the detriment of a more participatory process that would have involved all stakeholders throughout the full cycle of elaborating various legislative instruments. It is uncertain how successful the campaign to raise awareness of the population regarding local governance has been. It is also uncertain whether the activities targeted towards local administrations had been more than informational, having actually resulted in their increased capacity in performing their functions under the new legislative framework.

- **Public Administration Reform.** UNDP has assisted a number of government agencies in reforming their procedures and becoming more effective and efficient. Its success in contributing to transformational change is strongly linked to its ability to bring about the necessary complementary aspects to a change process that was fully owned and clearly identified by the government agency. In these cases, UNDP supported the process of change through implementation of ICT.

The strength of UNDP activities in the DG area has been to assist in introducing and establishing systems and procedures that would improve governance. These systems, if used in the spirit for which they were designed, could greatly enhance progress towards the outcomes. These systems nevertheless have their use and constitute a step towards improved governance.

Many of these systems and procedures relied on ICT. It is clear that the introduction of appropriate technologies is an important element of building the capacity of an institution but it cannot be considered sufficient. Technology is but a tool and the true measure of its impact depends of the nature of its use. A number of capacity building initiatives had a significant technological component and training was provided. Some of these initiatives have assisted

the beneficiary institution to bring about a transformational change when the institution is clearly driven to use the new technology and methodology for its professionalization and modernization. At the same time, in a number of other initiatives, the balance seemed heavily tilted towards training in the mechanics of using a new technology, rather than for the use of a technology to change the approach towards meeting the institutional mandate.

Sustainability

By and large, UNDP and its partners have contributed to establishing systems that would help advance progress towards the outcomes, if and when the requisite political will exists. As these systems can be used even under the current political context and can provide some benefits towards better governance, even if without completely achieving the outcomes, they can be sustained and preserved for more ambitious purposes when the political context improve.

4.3 ENVIRONMENT AND SUSTAINABLE ENERGY

An EU-financed assessment of Georgia conducted in 1999 identified key environmental issues as forest management, pollution of water resources, waste management and urban air pollution. These same issues were still at the forefront of concerns of senior officials of the MoENR and major donors to the country in 2009. Although the EDPRP included environment as a strategic priority, until recently, the priority on environmental issues was more focused on the market potential of the environment and its contribution to economic growth than on its long-term sustainability and, outside the MoENR, externalities of economic activities on the environment were given short shrift. Since 2005, when the previous environmental action plan lapsed, no strategy document has governed that sector.

Regarding energy, the general policy is guided by the policy document “Major Directions of Energy

Sector Development” with a key objective of increased energy security through the increased utilization of domestic energy sources (with a view towards increased exports) and through increased transit potential.

Policy formulation in environment and energy can be characterized as often being general and deficient in tangibility. It seems that environmental concerns are not a high priority on the government agenda. In contrast, energy is a priority sector but that has not been reflected in a coherent long-term strategy framework.

4.3.1 ENVIRONMENT

This component of the Environment and Sustainable Energy (ESE) focus area responds to the CPAP Outcome 5.1 *“National and local capacities enhanced and best practices adopted for sustainable environmental and natural resources management”*. As made clear above, the programming of the environmental assistance by UNDP occurred in what was largely a policy vacuum and, consequently, some of the projects have an *ad-hoc* nature. In addition, a significant share of the environment portfolio is composed of GEF-funded projects programmed in multi-year cycles between the GEF and the Government. In these GEF-funded projects, the role played by UNDP was characterized as more in the implementing of projects and supervising of the use of funds, than in programming.

The projects for this environment outcome have included an NGO-implemented project in agro-biodiversity, a regional project in Kura-Aras river basin, a project to support protected areas, a project for conservation of arid and semi-arid ecosystems, several projects and enabling activities to support the Ministry of Environment and Natural Resources (MoENR), mainly in fulfilling Georgia’s commitment to international conventions, and projects addressing Georgia’s compliance with the Montreal Protocol on Substances that Deplete the Ozone Layer. Protected Areas and Kura-Aras River Basin will be supported through sizeable projects starting in 2009.

The **agrobiodiversity** project in Samtske-Javakheti region is implemented by ELKANA, a national NGO, in collaboration with local farmers and their association FAREZI. It aims at conservation and sustainable use of globally threatened crop varieties that are important to agriculture and food production. A four-hectare plot for multiplication of seeds and planting material has been established, seeds and saplings have been distributed, training to farmers organized, and several studies, surveys and seminars conducted. The mid-term review in 2007 assessed the performance of the project to be satisfactory and, in parts, highly satisfactory. Several hundred farmers have been directly involved in project activities and some of them participate in the training organized by the VET Centre in Akhaltsikhe, which is supported by UNDP. Many farmers are willing to assume a part of the financing after the UNDP contribution ends. ELKANA, whose in-kind contribution to the project is significant, assesses the partnership with UNDP to be positive, although in the beginning the project suffered from delays due to administrative reasons.

The project for **Catalysing the Financial Sustainability of Georgia’s Protected Area System** was prepared in 2008 and the implementation started in May 2008. The project objectives are to promote an enabling legal and policy environment for sustainable protected areas financing, to develop capacity for more cost-effective protected-area management, and to test site-level revenue-generation mechanisms. The Agency for Protected Areas has gone through a major overhaul and become a modern and efficient organization. Protected areas are among the Government’s priorities and after the World Bank completed a GEF-funded full-scale project in this sector, there has been a demand for UNDP.

The **Arid and Semi-Arid Ecosystem Conservation** in the Caucasus was the first UNDP/GEF-funded biodiversity project of this type to be completed in the region. It was designed to address the issue of ecosystem conservation through a holistic approach that included

elements of biodiversity protection, conservation management and development of rural livelihoods. The final evaluation conducted in 2006 concluded that the positive NGO execution modality greatly enhanced the project outcomes. The efficiency of UNDP also contributed to satisfactory project performance. However, according to the evaluation, the inability of the public administration, at the national and local level, to participate fully in the project resulted in a number of weaknesses in the outcomes that can adversely affect the sustainability of some of the achievements.

There have been eight projects and enabling activities directly supporting the **Ministry of Environment and Natural Resources**, mainly through provision of technical assistance to assist the Government in fulfilling its commitments to international environmental conventions. The support started in the 1990s and has continued without interruption. One of the projects in 1999-2002 was directly supporting the capacity building of MoENR. UNDP has assisted the ministry also in highly strategic issues such as the preparation of the National Environmental Action Plan (NEAP). A major challenge has been the lack of policy support, as the NEAP has not been endorsed by the Government. Changes in the political leadership have been frequent (six ministers during the past five years) causing shifts in policy orientations.

While most institutional projects have achieved their immediate objectives (e.g., national reports produced), the key question about the strengthening of the ministry's capacity in a sustainable manner remains open. Certain progress has taken place but several observers criticize the excessive use of external experts doing what the Government should do in the first place. The ministry itself is not satisfied with the situation where the GEF rules do not allow the hiring of the ministry's own staff under GEF funding to

work on project activities but instead require the use of outside technical assistance.²²

Two projects related to refrigeration technology and to the phase-out of ozone-depleting substances under the Montreal Protocol were carried out from 2002 to 2005. Fifteen enterprises received assistance in changing their refrigeration systems and 3357 kg of CFC-12 was eliminated. The MoENR mentions these projects as examples of success stories. However, the reliance on externally financed subsidies could raise the issues of replicability as well as the upscaling potential of these initiatives for Georgia to fully comply with the Montreal Protocol.

4.3.2 SUSTAINABLE ENERGY

This component responds to the CPAP Outcome 5.2 *“Access to sustainable energy improved through increased electricity production by using indigenous renewable energy resources, improved energy efficiency and the development of Georgia's energy corridor”*. CPD 2006-2010, just as UNDAF 2006-2010, did not include an outcome specific to the energy sector. The only reference to energy is to be found in UNDAF Output 5.2.5. *“Access to sustainable energy increased through utilization of indigenous renewable energy resources”*. It is only at the time of the translation of CPD into CPAP that this outcome for the sector was included.

The project to **support to renewable energy resources for local energy supply** is being implemented together with the Ministries of Environment, Energy, and Finance. The project has studied institutional and regulatory barriers, developed a renewable energy strategy, prepared feasibility studies for small hydropower projects and a geothermal project. Nevertheless, no small-scale hydropower scheme has been built. The Renewable Energy Fund, foreseen in the initial project design, turned out to be unfeasible in reality because it implied loan schemes in which UNDP

²² Hiring of Government officials for projects is generally against the rules of UNDP and the Government. The statement of ministry officials here should hence be taken as the indication of their assessment that the ministry's capacity has not been built sufficiently that its own staff could take over the work.

cannot be involved. The two million dollars budgeted for the fund were reassigned for technical assistance. The project involves many stakeholders and financiers, and addresses several policy issues, such as institutional and regulatory barriers. It is challenging to manage, mainly due to the high number of partners that have their autonomous and separate decision-making structures. The Government has been reluctant in adopting the renewable energy strategy and the respective Renewable Energy Fund could not be operationalized. The mid-term review carried out in 2008 enumerates the project's challenges and concludes that "for projects having objectives in the area of sustainable energy policy changes, high-level government commitment and willingness is a condition for the change to actually happen".

Clean energy technologies project, in collaboration with local governments, has worked with local communities in Oni and Ambrolauri districts. The project has provided 72 solar heating systems, 34 biogas units, 2 micro hydropower plants, and 110 high-energy efficiency wood stoves. The results and experiences have been disseminated to a wide audience and a stakeholder dialogue has been promoted. The project has faced challenges in relatively low adoption of the technology provided. Twenty-four of the 34 biogas units are not functioning properly because of maintenance problems. The hydropower plants are not operational because they are not adaptable to the heavy fluctuations of the water levels in the rivers. This could indicate problems in relevance to the beneficiaries and is likely to translate into sustainability problems. Although not systematically analysed, the low adoption by the beneficiaries could be related to free-of-charge provision of the technology that prevented the full assumption of local ownership. This seems to be the conclusion of USAID and British Petroleum that are starting a similar project based on small credits to private entities, which will have a full stake in the success

of these investments using new technology, and hence an incentive to sustain their operation.

Support to small hydropower resources at the community level consists of rehabilitating three power plants constructed in the 1960s. The project was planned to terminate in 2007 but two hydropower plants are still not finalized. The one in Pshavel is suspended due to significant cost overrun. The contractor, Winrock International, and UNDP disagreed on who should fill the financial gap and the construction is on hold. In Chiora, the power plant construction has been suspended due to harsh winter conditions in 2008-2009. Several stakeholders, among them the Ministry of Energy, think that the grant approach, adopted at the request of Norway and consisting of a sizeable donation to the communities, is not sustainable. They prefer a more commercial approach based on loans and clearly defined ownership.

Assistance to the Georgia International Oil Corporation (GIOC) started at the government's initiative in 1997 and was continued through a series of successive projects. In 2007, the Georgia Oil and Gas Corporation (GOGC) was created through the merger of two other publicly owned energy companies with GIOC and a new project was created to support the GOGC. It has been a central initiative in the country office's current ESE programme because 72 percent of UNDP's own funding allocated to this ESE focus area has been used by this project. The size of the allocation, given the extremely tenuous relation with the defined outcome, is at the very least surprising. One justification for all these projects has been capacity building to ensure reliable energy supply. Accepting this justification, one can wonder as to the effectiveness of that effort over the 1997-2007 decade. Capacity building was again the justification for the new phase of assistance to the new company GOGC starting in 2007²³. While ensuring reliable energy supply is a critical

²³ The project document indicates a support through TRAC1/2 of \$1.3 million (13 percent of the TRAC allocation for the whole programming cycle) and a contribution of GOGC of \$ 5.2 million (generating a general management fee of \$ 260,000 to the office) for a total budget of \$ 6.5 million.

issue for Georgia, the real justification for the project—according to the Ministry of Energy—was the possibility of using UNDP procurement procedures that were considered more flexible than the Government’s own. In any case, capacity building, the overall objective defined in the project document, seems to constitute a small part of the project expenditures and has consisted mainly of studies and training. The project’s effectiveness is also questionable, as only 20 percent of the funds have been utilized halfway through the current phase. Sustainability continues to be a major challenge, as the GOGC has yet to establish a unit for human resources development that could assume the capacity-building functions supposedly supported by the project. The outcome evaluation carried out in 2008 concluded that, while the project has contributed to GOGC institutional strengthening, the Government would have provided the same support anyhow.

The purpose of the **Pipeline Monitoring and Dialogue Initiative** was to support the capacity building of civil society organizations which set out to monitor construction and use of the Baku-Tbilisi-Ceyhan (BTC) pipeline. Working groups were established and 31 NGOs participated in their work as well as in the training provided. Regular meetings took place between the working groups and representatives of the BTC pipeline companies and seven audit reports were published. The outcome evaluation of 2008 was concerned that NGOs may gradually lose the auditing and other skills acquired during the project.

4.3.3 ASSESSMENT

Effectiveness

When assessed against the outcome indicators defined in CPAP 2006-2010, the environment component of the focus area has had some elements of effectiveness, considering all the circumstances. To a certain extent, UNDP has contributed to the implementation and planning

capacities and to the adoption of sustainable environmental practices at the MoENR, although the ministry’s overall situation is still short of what many observers are expecting. The institutional, geographic and population coverage has not been very extensive. The lack of a medium- or long-term environmental strategy of the Government has complicated the achievement of the intended outcomes.

In the energy component, the results have been less satisfactory. After many years of work, the key results of sizeable energy projects are still pending. Administrative complexity and absence of a conducive policy (renewable energy project) as well as technical and contractual hardships (small hydropower project) are among the main impediments. Fundamental questions about the provided technology remain answered: Has it been appropriate for the beneficiaries? Has the grant approach been sustainable?

Adequate relevance to the government policy²⁴ and the country’s development needs should provide a firm ground for the effectiveness of the environment and sustainable energy focus area. The MoENR values highly the cooperation with UNDP, which it considers “professional, present, flexible, accessible, and understanding”. There is also a satisfactory collaboration with other programme units. With only two professionals, the country office’s ESE Team is the smallest of the UNDP’s four programme teams although it manages the second largest portfolio in terms of budgeted funds. This may have an adverse impact on effectiveness because of the heavy administrative and managerial burden placed on the team, resulting in the ministry to view UNDP’s administrative rules and procedures as a bottleneck.

Finally, it should be recognized that clean energy technologies and agro-biodiversity projects deal directly with poor communities. The former gives priority to families in vulnerable situation.

²⁴ Neither the Ministry of Environment and Natural Resources nor the Ministry of Energy has a medium- or long-term strategy. Both ministries, however, verbally have stated that UNDP’s support is relevant to their policies.

Sustainability

The perspective of sustainability of the field-level projects of the environmental component is fairly satisfactory. ELKANA and NACRES are professionally managed and capable NGOs with sufficient resources. The beneficiaries, for example, those in Samstke-Javakheti, are aware that external contributions are not long lasting and many are willing to assume financial responsibilities. With institutionally oriented projects, the sustainability issue is more complicated. The support to the MoENR has mainly taken place through fairly small and narrowly defined convention projects, which have not necessarily created permanent capacity to the ministry. Such convention projects should not be perceived only as ways to deliver reports but they should be seen in connection of the Government's capacity to formulate and implement policies.

In most energy projects, sustainability is a serious challenge. None of the four ongoing energy projects has been able to present a scenario that would ensure the flow of benefits after the UNDP contribution and involvement is over. While the Government has adopted a hard-line approach to energy projects that all should be financed on commercial terms, UNDP and its partners, targeting small communities, have tended to adopt a more grant-based approach which may have weakened local ownership in the projects and affected the prospects for their sustainability. Therefore, preparation of sustainability strategies should be a priority for each of them in the near future.

During the first years of the evaluation period, sustainability strategies varied significantly from one project to another. Recently they have become a generalized concern as GEF requires a sustainability strategy in each project it finances. As in all projects in Georgia, even the best strategy can turn out to be short-sighted in the radically shifting policy environment. Most of the projects in environment and energy are under the national execution modality (NEX). Thus, in principle, it could be expected that, because of greater ownership, their prospects for sustainable

results would be better than under DEX projects. In practice, however, the ESE Team is actively involved in their strategic management.

Although there are no explicitly designed pilot project in the environment and energy area, some initiatives provide opportunities for upscaling and replication. Clean energy technologies are based on equipment that has been relevant in other countries in similar conditions and thus could be offered to other regions, provided the community-level relevance is ensured. This implies adequate understanding of local livelihoods strategies and a realistic cost-recovery approach. The support to protected areas is developing a concept that combines tourism and natural resources management in Tusheti National Park in Kakheti Region. If successful, it could be applied to other protected areas. In agro-biodiversity, ELKANA has plans to implement the concept developed in Samtske-Javakheti in other regions.

4.4 CONFLICT/DISASTER PREVENTION AND RECOVERY

While no country can be considered safe from disasters, Georgia seems particularly prone to that risk. Straddling a series of geological faults, the country is in an active seismic zone. Its geography of steep mountain slopes and narrow valleys exposes the population to the risk of flash-flooding and mudslides. Being in the crossroad of culture and religion, it often faced geopolitical insecurity in its history. Despite its relatively small size, it houses a number of ethnic groups with their specific cultures and languages, a situation exploited in the last two decades by internal and external political powers, resulting in some violent conflicts and massive number of IDPs. In the period under review, UNDP has been called a number of times to assist the government in responding to emergencies, whether from natural or man-made causes.

The CPD includes three distinct outcomes respectively related to the prevention of

conflicts through addressing their root causes (Outcome 4.1.1), the restoration of sustainable livelihoods (Outcome 4.1.2) and the integration of risk-reduction in development planning (Outcome 4.1.3). Despite the proclivity of the country to natural and man-made disasters, only one outcome (Outcome 4.1.2) related to the recovery and sustainable livelihoods made it to CPAP (Outcome 4.2). As seen below, the formulation of this outcome is not only generic, but its selection as the only CPAP outcome in this area also puts UNDP in a purely reactive rather than a proactive stance.

4.4.1 RECOVERY

This component of the Conflict Prevention and Recovery (CPR) focus area responds to the CPAP Outcome 4.2 *“Sustainable livelihoods restored, basic social services provided, multi-sector frameworks and sector-specific programmes designed and implemented”*.

Throughout the period under review, projects that UNDP had implemented in response to crises were in their vast majority (with the exception of one directly related to the consequences of the 2002 Tbilisi earthquake) to deal with the impact of the conflict with Abkhazia, the western-most region that *de facto* seceded in the early 1990s. Under these projects two distinct, but not contradictory, approaches can be perceived. On one side, the projects support a policy-level discussion as to the best approach to deal with the long-standing issue of the IDPs resulting from that conflict. On the other side, the rehabilitation projects²⁵ attempted to improve the living conditions either within Abkhazia or in Georgia along the *de facto* border.²⁶ The support to a new approach to IDP assistance was initiated in 2000, followed by a complementary project in 2002. The project was largely targeting the issue of the IDPs resulting from the conflicts in 1992-1994. Until recently, successive

governments had seemingly taken the stance that integrating these IDPs in their host communities was equivalent to signaling acceptance of the territorial loss. As a consequence, a large number of these IDPs had been left in a precarious situation, eking their survival from very meagre public allocations and transitory odd jobs. With the support of the project, after what had been obviously a very protracted seven-year process, the Government adopted in 2007 a national strategy to address issues faced by the IDPs. This strategy focuses on respecting fundamental rights of both IDPs and members of the receiving communities through the implementation of a process of integration. The timing of the strategy finalization was quite fortuitous as a new IDP crisis had emerged with the August 2008 conflict.

The efforts towards improving livelihoods and rehabilitation involve quite complex issues. While neither the international community nor the Government wants to see the living conditions in Abkhazia either degrade or remain at the most basic survival level, political considerations hinder an attempt at a more developmentalist approach. Hence, assistance to that region had to be provided under the context of post-conflict rehabilitation and livelihoods.

The situation in Shida-Kartli presents itself somewhat differently. In the aftermath of August 2008 conflict, the region²⁷ was harshly affected by the physical destruction and the influx of a significant number of IDPs from South Ossetia. A concerted and Government-led effort was made immediately after the conflict towards rehabilitating and improving livelihoods in this region that is fully under the control of Georgian authorities. Within this context, the FOSTER project presents itself as an effort for transition, incorporating the principle of community integration, between emergency aid and the start-up of a more comprehensive development

²⁵ With the exception of one project targeting the rehabilitation of social infrastructure in the territories affected by the South-Ossetia conflict.

²⁶ In this case, until the aftermath of the conflict over South Ossetia in August 2008.

²⁷ Shida-Kartli was at the beginning of the conflict one of the provinces with the highest incidence of poverty.

programme for the region. The FOSTER project, designed and implemented within weeks after the end of the 2008 conflict not only presents a high standard in responsiveness from the country office but also as a very sound transition from emergency assistance towards development assistance. FOSTER is based on the principle that properly designed and implemented early recovery assistance can prevent the deterioration of national capacities and contribute to asserting the self-reliance of affected people. Thus, the project assisted the local governments' ability to respond to the situation through the restoration of their capacity for service delivery by an inclusive process. It also strengthened their ability to rehabilitate necessary infrastructure, create temporary jobs or short cycle training for IDPs and local population, target livelihood initiatives for rural households (as in this case the replacement of lost seeds for winter wheat) and strengthen the rule of law and legal services.

This begs the question as to what is intended to be achieved through long-term livelihood projects as they have been implemented by UNDP in Abkhazia at least since the beginning of this century. More specifically, the questions to be asked are: what substantive impact does UNDP intend to achieve through its activities in Abkhazia and along its borders, and does it go about it the right way? Or does UNDP perceive its role as trying to prevent the social situation from getting worse, and more confrontational between the different groups, until the political situation gets settled?

The evaluation of Abkhazia Livelihood Improvement and Recovery Project (ALIR) raised a lot of issues, including those regarding the coordination between the different donors. However, after recognizing the significant contribution of the project to the restoration of some public utility services, to the improvement of livelihoods in some segments of the population, the ALIR evaluation concludes:

“To what extent [ALIR] contributed to the prospects for peace is an open question. Referring to

the principle of “do no harm” in reconciliation and conflict resolution, at least no conflict was reported within and between farmers groups on account of ethnic differentiation... Despite [some] increased cooperation within communities, the political and security situation left their shadow on the environment... Having confidence building measures as a by-product of economic development will not do. Explicit efforts at building intra-community confidence need to be pursued at the same time: this may require the design of projects and programmes that bring opposing communities together in shared activities that generate benefits and subsequent enrichment for both parties”.

A visit on the ground in Abkhazia and discussion with project staff leads the ADR team to concur with this assessment made by the ALIR project evaluation. While the project has had an impact on the living conditions of a number of households, the conditions in the zone of implementation remain far from those that would sustain long-term development and the inter-communal confidence building remains largely incidental. Attention may also have to be paid to the possible perceptions of the project by communities outside its ambit and their potential impact on ethnic tensions across the project implementation lines.

4.4.2 RISK REDUCTION

UNDP had implemented a project for capacity building in disaster management between 1999 and 2003. Whatever the results may have been, it is likely that they have not been sustained as Georgia is widely perceived as being quite deficient in that regard. As recently as a few years ago, for example, the firefighting system in Tbilisi had been assessed as woefully inadequate.

As stated earlier, the CPD outcome that corresponds to this component of the focus area was not included in the current CPAP. Nevertheless, in 2008, UNDP initiated a new project, Disaster Risk Reduction. This project follows the principles agreed at the international conference in Hyogo, Japan, that resulted in the

Hyogo Framework for Action 2005-2015²⁸. As its name indicates, this project embodies a more proactive approach to the issue of disaster by not focusing primarily on the response to disasters but by making a full inventory of all the risks that can be identified, assess their probable costs and initiate risk-mitigation strategies. The effective start-up of the project had been delayed by the events of August 2008 and its activities have started early in 2009.

4.4.3 ASSESSMENT

Effectiveness

The scope of what was to be achieved in this focus area, as indicated by the outcome, has been very modest in relation to the magnitude of the issues regarding man-made and natural disasters in Georgia.

The most significant UNDP contribution has probably been the assistance to a new approach to the IDPs, which led to the elaboration of a national strategy. However, due to the politically sensitive discussions within the Government as to how best to deal with the IDPs, the process of developing and finalizing that strategy took no less than seven years, during which several thousand IDPs households continued to survive in extremely precarious conditions.

The key instrument to reach the outcome as stated is support to livelihood. However, support to livelihood should be seen as the transition from emergency assistance until the start of the implementation of a development project. The FOSTER project in Shida-Kartli clearly follows that model. In contrast, what is meant to be achieved by livelihood projects, as in Abkhazia, remains quite unclear without a clear prospect of transition into the development process or successful confidence-building process in sight. The rationale underlying these projects seems largely circumscribed to trying to avoid a further deterioration of living conditions and, while sustainability of outputs in a number of areas

should be seriously questioned, no realistic exit strategy seems to exist. Furthermore, the need for confidence building among the different groups is not addressed specifically or sufficiently, and seems to be largely expected as an indirect output of better living conditions. It is understood that political considerations preclude the implementation of development-oriented projects in Abkhazia in the foreseeable future. However, these constraints should not lead UNDP to substitute itself for humanitarian agencies where no immediate development prospect is in sight, but rather spur its corporate competencies to such projects where it could have a substantive impact.

Activities under the Disaster Risk Reduction project have started effectively only recently and therefore their impact cannot be assessed. However, it can be noted that this project is trying to introduce a fundamental change in the approach to disaster by shifting the focus from the *ex-post* reaction to the *ex-ante* mitigation. A similar approach may well be considered regarding ethnic and religious tensions with initiatives targeting that aspect of national life with the objective to prevent these tensions from turning into violence at which time the attitudes within the respective groups have hardened and become less susceptible to moderation. To better reflect this shift in emphasis in the activities, the programme in this focus area could be re-conceptualized as Risk Reduction dealing both with man-made and natural risks.

Sustainability

The national strategy on IDPs can be expected to continue to guide the Government on the issue. It is also likely that the Government would accept the disaster risk reduction strategy, once finalized, as a key policy document.

Regarding the livelihood projects in Abkhazia, one can expect that the groups of farmers and small entrepreneurs that benefited from direct assistance would continue their activities.

²⁸ <http://www.unisdr.org/eng/hfa/hfa.htm>.

However, without a shake-up of local institutions, it is quite likely that the gains made in the provision of public utilities, such as water and electricity in some communities, will eventually dissipate as neither the technical nor the financial capacity for maintenance is in place.

4.5 CROSS-CUTTING ISSUES

4.5.1 GENDER

A number of studies by the Government and NGOs indicate significant gender inequality in Georgia. Even though the Georgian Constitution guarantees the equality of women and men, inequality exists in women's participation in political and economic decision-making and in the command over economic resources.

As shown in Table 4, there had been slight improvements for some of the gender-equality related indicators between the first and the second UNDP programming cycles under review. However, in broad terms, the challenges of attaining gender equality and empowering women persisted.

	2000	2005
Percent of women in parliament	7.3	9.9
Ratio of estimated female to male earned income	0.44	0.43
Gender-related Development Index (GDI)	0.740	0.765
Gender Empowerment Measure	0.368	0.423

Source: Georgia Human Development Report 2008. The Reforms and Beyond. UNDP.

Acknowledging the issue of gender inequality and gender-based violence, the Government, before embarking on CCF II with UNDP, had elaborated a number of action plans and measures²⁹ for improving the situation of women. The priority areas included the establishment of institutional mechanisms, raising awareness about gender inequality, mainstreaming gender in state policies and legislation, enhancing women's role and participation in government decision-making processes and preventing the growth of the poverty among women. The Government that came into power after the Rose Revolution of November 2003 declared its commitment to adhere to the same principles.

UNDP's response to the development challenges largely stemmed from its experience in collaborating with the Government for advancing gender equality. Through standalone gender projects—Women in Development³⁰ and Gender in Development projects—UNDP accumulated comprehensive knowledge concerning the problem, and enhanced the awareness and secured the commitment of central government representatives to advance the issue of gender equality. At that time, gender-based discrimination and negligence of women's rights were not recognized by the society at large, including government employees.

In the recent two programme cycles, UNDP continued work on improving the gender-equality situation. Studies supported by UNDP before starting the last two programme cycles revealed similar constraints³¹ for the advancement of women:

- Insufficient mechanisms at all levels to promote gender equality;

²⁹ a) Decree of the President of Georgia "About the Measures on Strengthening the Protection of Human Rights of Women in Georgia" (1999), b) Decree of the President of Georgia "On Approval of the Action Plan on Combating Violence against Women (2000-2005)" c) Plan of Action for Improving Women's Conditions in Georgia for 2001-2004 (approved by the Decree of the President of Georgia #1406, 29 December 2000). These documents were developed by the State Commission on the Elaboration of the State Policy for Advancement of Women that had been functioning during 1999-2003.

³⁰ This was one of the first gender stand-alone projects in Georgia.

³¹ It should be noted here that the revealed constraints were in line with the findings of other national assessments.

- Inadequate legislative environment;
- Inequality in women's access to and participation in the formulation of policies, decisions;
- Lack of awareness of gender issues by the society at large.

For the previous programme cycle, CCF II mentions: *"Having assisted (the Government) in the completion of a national action plan for gender, UNDP will continue to promote gender equality as a cross-cutting theme in all its programmes, giving special consideration to and addressing development constraints³² specific to women and encouraging women's participation in capacity development opportunities."* For the current cycle, UNDP and other UN agencies participating in the UNDAF process identified gender equality and empowerment of women as a cross-cutting theme for their future activities for the period 2006-2010. However, the importance attached to gender issues varies greatly across the various thematic areas. The Democratic Governance area contains clauses on gender – envisaging the achievement of inclusive and participatory decision-making process and Basic Social Services targeting pregnant women for reproductive health (under the responsibility of UNFPA). Lastly, the Volatility and Instability section of UNDAF aims to ensure that *"human rights approaches are strengthened across the board, including towards women, the displaced, conflict-affected populations and minorities, as well as in the pursuit of equal participation in the decision-making processes"*. In contrast, the Energy and Environment, and the Economic Growth areas do not address gender issues at all. As these two focus areas fall almost exclusively under UNDP in Georgia and UNDP had the responsibility to mainstream gender in the UNDAF development process, one may wonder whether the responsibility for gender mainstreaming is left to individual staff or is in

fact a core responsibility of the office itself. In UNDP's strategic documents (CPD, CPAP) reference to gender is scarce, mainly limited³³ to the EDPR and DG focus areas.

In contrast to programme documents, project and non-project activities tended to put greater focus on gender issues and gender mainstreaming. In general, as depicted from UNDP-implemented gender stand-alone projects³⁴ and gender mainstreaming activities, the objective of UNDP activities has been to facilitate the establishment of an environment conducive for the promotion of gender equality and women empowerment.

The objective of the Gender in Development project (1999-2002) was to facilitate the creation of social, economic and political conditions for a wider and more active involvement of women in the country's socio-economic and political life. For achieving this objective, the project built capacity of the State Commission for the elaboration of State Policy for the Development of Women; initiated a close collaboration with women elected in local councils; facilitated the establishment of a network of newly elected women in local councils; and created a central gender resource and information centre for training, research, policy recommendation and public awareness raising.

The Women's Resource Centre project (2003-2006) in one of the multiethnic regions of Georgia, Samtskhe-Javakheti, raised awareness among policymakers, civil society and media representatives about the importance of addressing gender inequality in the region; enhanced local government capacity for gender-sensitive policy; supported and economically empowered women through its micro-credit programmes and trainings; and rehabilitated social/health services for vulnerable mothers and children.

³² Development constraints are not specified in the document.

³³ Acknowledging the need for ensuring more effective and systematic gender mainstreaming, UNDP secured funds for raising its internal capacity on gender mainstreaming and elaborated gender mainstreaming strategy.

³⁴ These projects were: Gender in Development (1999-2002), Regional Women's Centre in Samtskhe-Javakheti (2003-2006), Gender in Politics (2004-2009).

The third gender stand-alone project, Gender and Politics (2005-2009), tries to address the problems of women's low representation in the decision-making processes, and their limited access to information and economic opportunities. The objectives of the project are to support the development of gender policies; build the capacity of women in decision-making positions in order to support their active participation in political processes; increase the number of women in decision-making bodies; and to further increase public awareness of gender-equality issues.

Gender mainstreaming is supposed to ensure that serious consideration is made by and the gender perspective is integrated into all programmatic areas and projects, and that projects do not inadvertently discriminate on the basis of gender. From a review of a number of projects, it appears that the country office makes a conscious effort towards mainstreaming the gender issue as per the following examples: a) both men and women get equal access to educational and employment opportunities, or micro-credit (e.g., VET project, regional development projects); b) capacity building activities for judges include topics on gender-based discrimination and women's rights; c) national and local development planning often include a gender dimension in the activities; and d) when a project collects data, gender desegregated data is included.

Effectiveness

The effectiveness of UNDP interventions in promoting gender equality is judged here both against the country programme outcomes formulated in UNDP planning documents (CCF, CPD, CPAP) and against the outcomes expressed in the gender stand-alone projects.

It should be noted here that CCFII does not contain expected outcomes and outputs related to gender equality issues. With regard to the second programme cycle under review, there are a few outcomes available in the relevant programming documents:

- CPD Outcome 1.6—gender-sensitive budgeting and legislation elaborated (*EDPR focus area*)
- CPAP Output 2.4.4 (which actually is an outcome)—government capacity in mainstreaming gender in politics enhanced through further elaboration and implementation of Gender Equality Policy and legislation and strengthening the Gender Equality Council (*DG focus area*)

If project outcomes are also considered, then the expected outcomes of country programmes and projects for achieving gender equality fall under four major categories:

1. Awareness of gender-equality issues raised among policymakers, civil society, media representatives and public at large;
2. Gender mainstreamed in Government's programmes, policies and legislation;
3. Institutional and legislative environment improved for the promotion of gender equality;
4. Women empowered to participate actively in social, political and economic life.

A desk review of assessments and evaluations conducted for UNDP gender-related programmes, as well as interviews with various stakeholders has shown that UNDP has made a significant and reasonable contribution to the achievement of the above-listed outcomes:

- UNDP *introduced the issue of gender inequality and raised awareness about it among policy makers at central and local levels, civil society and the public at large.* This was accomplished through the generation of knowledge products and dissemination of study findings; trainings of media representatives on covering gender issues; supporting media programmes on gender issues; organizing lectures, art and photo exhibitions, public debates exposing gender inequality issues; organizing gender weeks around international women's day; providing awards for best gender balance

organizations at the decision-making level in the public and private sectors.

- UNDP *introduced the concepts of gender mainstreaming and gender-responsive budgeting both to central and local³⁵ government representatives*. This was accomplished through organizing study tours to other countries; building capacity of local experts; convening workshops, meetings; providing experts for performing gender analysis of Government's policies, budgets³⁶ and legislation.
- UNDP *made an important contribution to improving the institutional, policy and legislative environment for the promotion of gender equality*.

—With UNDP support, an independent institutional mechanism in the form of the Gender Equality Advisory Council was established within the parliament by the end of 2004. The Council's mandate is to formulate and monitor implementation of State Gender Policy, review legislation³⁷ from a gender perspective and ensure conformity of the laws to international norms and standards.

—UNDP facilitated the formation of Women's Local Councillors' Forum, which works towards strengthening women's political participation; and also the formation.

—UNDP also facilitated the formation of gender groups in party structures, and increased their capacity to mainstream gender in their programmes.

—UNDP strengthened the capacity of various government structures to effectively protect women's rights and promote gender equality. These structures include the PDO, the Gender Equality Advisory Council, selected local government bodies, and justice system (judiciary and judges - recognition of gender discrimination cases has increased as a result).

—In 2006, the working group consisting of the members from the Gender Equality Advisory Council, other government representatives and members of women's NGOs, with the support from various UN agencies (UNDP, UNIFEM and UNFPA) prepared the Gender Equality Strategy of Georgia³⁸, Plan of Action for the Implementation of Gender Policy in Georgia (2007–2009), and recommendations for the creation of permanent gender equality mechanisms for monitoring and coordination. The work on the Law on Gender Equality is underway.

UNDP *contributed fairly to the empowerment of women to participate actively in social, political and economic life*. Thus, the participation of women increased slightly in local³⁹ political and economic decision-making processes. Certain numbers of women politicians, decision-makers and women entrepreneurs were empowered directly through capacity-building activities, and improved access to micro credits and employment opportunities. UNDP has also contributed to the creation of a pool of experts and to building the capacity of NGOs working on gender issues.

³⁵ Local governments where these concepts were introduced included the cities of Rustavi, Poti, and the regions of Samtskhe-Javakheti, Adjara, Kakheti, Kvemo Kartli and Imereti.

³⁶ Budget analysis for the years 2007 through 2009 was performed in view of gender-equality perspectives for both central and a number of local government budgets. Shortcomings in budget planning were revealed and recommendations were communicated with respective institutions. The Gender and Politics project also carried out a comprehensive Gender Analysis of Socio-Economic Development in Georgia, produced publication on Gender Dimensions of the Financial Policy of Georgia.

³⁷ During its functioning period, the Council has reviewed and lobbied several laws in the Parliament. These include the Law on the Elimination of Domestic Violence, Protection and Support to its Victims; Labor Code; Law on Elections, etc.

³⁸ It was adopted by the Parliament in July 2006.

³⁹ This has happened in a limited number of municipalities where UNDP had regional projects.

Despite these successes, there are number of areas where UNDP's interventions were only partially effective, or where long-term results are not seen yet:

- There has been little positive change with women in top decision-making positions. Moreover, the percentage of women parliamentarians has even decreased over the last eight years. (The work on introducing gender quotas for parliamentary elections is in progress.)
- The system of gender focal points within various government structures was largely abandoned by the current Government. The functioning of Gender Equality Advisory Council is not sufficient for the promotion of gender equality in the country. More institutional mechanisms are needed and the establishment of an inter-governmental commission at the executive level of Government is currently under consideration.
- There are no visible outcomes yet on effective mainstreaming of gender equality in the Government's programmes and legislation. The role of the Government in mainstreaming gender within statistics, and in overseeing and ensuring the availability of gender-disaggregated data is weak. Gender equality is enshrined in the Constitution but, some experts argued, it may not be fully reflected in policies, for example, on the level of income guaranteed during maternity leave, or in legislation, for example, to prohibit discrimination specifically on the basis of gender or marital status. (On the latter, the Law on Gender Equality was under preparation at the time of the evaluation.)

The above shortcomings can be largely attributable to the general *laissez-faire* approach of the Government which pushes its reform agenda at a high speed, leaving few opportunities for public participation in decision-making processes. When various agencies provided feedback on

certain laws and policy initiatives, their inputs often did not produce results. For example, the Gender Equality Advisory Council reviewed all three versions of the Labor Code and provided recommendations, but they were not considered by the Parliament. High turnover of government officials could be another reason for the shortcomings, as many of those officials whose capacity and commitment on gender issues UNDP built do not remain in the Government or are transferred to posts that have less influence on policies relevant to gender equality.

Notwithstanding, as shown above, several policy and legislative initiatives are underway. UNDP continues its work with the Government to address the remaining challenges: a) to strengthen the national machinery for ensuring gender equality⁴⁰; b) to further improve legislative framework (e.g. the Law on Gender Equality); and c) to ensure that gender is effectively mainstreamed in Government's policies and programmes.

Sustainability

Many interventions undertaken by UNDP will likely have sustainable results as these activities:

- enhanced national and local expertise on researching and analysing issues from a gender perspective,
- increased the capacity of government structures in recognizing gender discrimination cases, and addressing them adequately, and
- raised public awareness of gender inequality issues.

These and other results given in the preceding section will continue to produce further gender-equality benefits. At the same time, there are results that are unlikely to be sustained without continued funding. For example, according to Gender in Politics experts, the Gender Equality Advisory Council would need an involvement of

⁴⁰ In addition to the Gender Equality Advisory Council, the establishment of inter-governmental commission at the executive level of government is currently under consideration.

paid experts for policy and legislative document analysis to properly function. Women Resource Centres need to retain qualified staff currently funded by external donors.

Regrettably, the experience shows⁴¹ that such structures cease to function when donor funds are no longer available. This is partly because sustainability issues were not adequately addressed during the projects design stage or because the budgetary support from national or local governments is not feasible due to the lack of political commitment to gender equality issues.

It is too early to make any judgment at this stage on the prospect of upscaling such regional initiatives to the national level as gender-sensitive budgeting by local municipalities and improved women's access to loans and employment opportunities.

4.5.2 HIV/AIDS

HIV/AIDS is not considered as a cross-cutting theme by the Georgia country office. This is because the infection rate is considered relatively low in the country. The number of patients diagnosed with HIV by 2009 is about 2,000 and over half of which are intravenous drug users. Therefore, the development challenges in this area are:

- to contain and prevent the spread of the disease, and
- to raise public awareness and improve legislation so that HIV-infected people are not discriminated against and are fully integrated in the society.

UNDP contributes to addressing the first challenge with its South Caucasus Anti-Drugs (SCAD) project that aims to reduce the number of drug users and raise awareness about HIV/AIDS,

including its transmission mechanisms. The number of drug users and HIV-infected people did not decrease and even increased slightly over the years. Rather than a sign of the project's ineffectiveness, this situation may probably reflect its ability to prevent the situation from getting far worse. During the seven years of project implementation, UNDP:

- facilitated the implementation of epidemiological studies that allowed government counterparts to make better informed decisions and provide timely response;
- strengthened cooperation and coordination among various agencies involved;
- provided assistance in improving legislative environment and training of judges;
- established centres for treatment and rehabilitation of drug users;
- put in place practical measures to prevent HIV infection among inmates in prisons;
- raised public awareness both on drug use and HIV/AIDS;
- strengthened regional cooperation with Armenia and Azerbaijan on law enforcement.

To address the second challenge, in 2007 UNDP implemented the project "Assistance to the Government in Revising Legislation on HIV/AIDS, Vulnerability Research and Awareness Raising". Although the project is still under implementation, it has already contributed to the improvement of legal environment for the protection of the rights of HIV/AIDS patients and affected individuals in compliance with international guidelines. UNDP has also contributed to the population's increased awareness of HIV/AIDS issues, especially among people living in remote regions of Georgia.

⁴⁰ Women's Resource Centre in Samtskhe-Javakheti region ceased functioning after UNDP project has ended.

UNDP'S STRATEGIC POSITIONING

5.1 STRATEGIC RELEVANCE

The two programmes under review, CCF II 2001-2005 and CPD 2006-2010, offer a study in contrast not only with regard to the situation UNDP confronted but also in its response. Under CCF II, between 2001 and 2003, the reform process had virtually come to a standstill and the key preoccupation of the Government was to stave off financial insolvency. The strategic options for UNDP, without the means to provide direct budgetary support, were relatively limited due to the lack of effectiveness of the Government. The most productive engagement for UNDP was seen in supporting the elaboration of a poverty reduction strategy, which could also have had a side benefit of promoting greater coherence in Government actions. While sound in principle, the success of this initiative depended on the Government's ability to divert attention from the immediate problems to focus on the development of a longer-term strategy over several months with potential results further down the road. Additional intended activities concerning poverty included a system of social targeting and the development of a new approach to address the issues facing IDPs. Some support to public institutions with an eye to improving revenue generation was also considered.

Regarding governance issues, besides the continued support for the PDO and its work on human rights, many of the activities included the introduction of systems of management and information exchange to improve management and set up better communications. Although now under the guise of ICT rather than the old "computerization", this approach seems to rely still on a sort of belief that technology itself can be a critical element in bringing significant reforms. With the exception of the support to

the PDO and perhaps the new approach to the long-standing problem of IDPs, it remains quite unclear what UNDP meant to achieve under CCF II. By and large, a rigorous assessment could conclude that rather than identifying a strategic position under CCF II, a difficult task in itself under the circumstances, in the first three years of CCF II UNDP resorted largely to implementing projects that fit generally into corporate guidelines but had a very uncertain probability of success.

With the exception of the support for elaborating a poverty strategy, the projects implemented in the early part of CCF II appeared rather scatter shot. A large number of organizations and institutions were supported without a coherent rationale of how these activities would contribute to progress towards a clear objective or outcome. The only common point between these projects is that each could fit in a broad understanding of each focus area. In many ways, the implementation of the programme in its broad lines seemed indicative of a reactive stance to individual requests for assistance from different government institutions, and even international agencies, without reference to a consistent framework either from within UNDP or within the Government.

From 2004 onward, UNDP faced a significantly different situation. Governments under the new political leadership were and remain action-oriented implementers of many radical reforms especially with regard to economic and financial aspects, while being reluctant to engage in strategy-development exercises that they tend to consider time-consuming with little value added. Under these circumstances, the opportunities for UNDP to engage effectively in policy advice under the standard project modality would have been limited.

Consequently, UNDP put in place a dual strategy. On one side, it supported, largely through projects, institutional development in sectors and institutions that addressed core issues of democratization and good governance but were not necessarily immediately at the centre of attention of the executive branch. In parallel, UNDP implemented a number of direct delivery projects downstream that attempted to address issues of poverty and sustainable environment, which were largely marginal to the policy agenda. By doing so, UNDP could contribute to strengthening institutions that, while at the margins of the reform agenda, were essential for a new democratic state and maintain open channels for a substantial policy dialogue through effective support to narrowly defined requests by the Government in support of its immediate reform agenda. By its downstream activities, UNDP not only tried to have an impact at the local level but also to keep on bringing some political attention to the somewhat neglected important issues of poverty and environment. Whether, in itself, this approach was sufficient for the country office to contribute significantly to promoting UN values in Georgia remains to be seen.

5.2 RESPONSIVENESS

Since 2004, UNDP has shown great responsiveness to the evolution of the situation in the country. As already indicated, UNDP has adapted its assistance modality to respond more rapidly and effectively to demands related to the fast-moving reform agenda of the Government. Not only have some projects moved from concept to implementation in a very short amount of time but modalities such as the Capacity Building Fund and the On-Demand Consultancy Services allow the initiation of support to requests meeting a number of criteria with a very short turnaround time.

The responsiveness to crisis has also been remarkable. After the August 2008 conflict, UNDP was able to conceive a livelihood project, FOSTER, for the affected areas of

Shida-Kartli, identify and secure sources of funds, prepare the project document and start implementation of the project within six weeks. By early October, activities aiming at restoring livelihoods for the affected population had been initiated.

Whether these initiatives that exemplify the responsiveness of the Georgia country office would lead to longer-term development gains depend on a number of factors, such as the conditions applied in screening rapid-response assistance and whether the lessons learned from the successful livelihood project are usefully applied in other initiatives within and outside UNDP. Nonetheless, there is no evidence at this moment of inherent conflict between pursuing short-term effectiveness of these initiatives and long-term development objectives that UNDP strives to achieve.

5.3 CONTRIBUTION TO UN VALUES

In many ways, the Government does not appear to consider the Millennium Declaration as having much relevance to Georgia. The view rather seems to be that Georgia is a country with a European tradition that through the vagaries of history has been deprived of the living conditions of most European countries, but that this situation can be shortly remedied through fast economic growth. Just as poverty in the country is not often referred to in official Georgian policies, the MDGs do not seem to constitute a reference point in policy-making. This policy approach hinders in many ways UNDP pushing the agenda on MDGs besides the publication of NHDR 2008 and that of some related studies. Project documents contain little reference to MDGs.

Besides the political sensitivity regarding the MDGs, the CPD seems to focus exclusively on project-driven initiatives, and lacks any reference to the advocacy function regarding either the MDGs or the other core values of the UN. This lack of explicit reference to one of UNDP's core

functions⁴² in a key programme document was also reflected in the discussions with the CO staff, and may suggest that the advocacy, as distinct from project-related work, has been considered ineffective in the policy environment of Georgia.

It may be this rhetorical accommodation to the Government that has led to the perception of some development partners and civil society actors that UNDP has been too reactive to Government requests, to the detriment of proactively targeting policy issues and fostering an active dialogue with the Government on core UN issues. While maybe unfair, this assessment reflects a lack of visibility on the part of UNDP as the standard-bearer of these values and should be a source of concern.

At times, the UNDP CO needs to fine-tune the balance between its support of a national development agenda and its corporate mission to advocate for core UN values. The simple fact that such a perception exists among development partners and civil society actors should lead the CO management to assess whether inadvertently this balance has been disrupted.

It was also reported that since the events of November 2007, the attitude within the Government has been somewhat more receptive to issues related to UN core values. Whether this shift can be directly linked to UNDP's influence or more simply to the gradual realization of the nature of the challenges by a now more-experienced political team at the centre of the Government is an attribution that could not be made by this ADR team.⁴³

Notwithstanding, regarding gender equality, UNDP has been a lot more active in raising

awareness of this issue. Although all project documents include a paragraph referring to the need to mainstream the gender dimension into the implementation of project activities, it is not clear how much of that translates into actual practice. However, a number of projects have addressed the gender issue specifically and the country office seems to be part of an active network on the issue.

UNDP has also targeted its activities to disadvantaged groups, specifically ethnic and religious minorities or IDPs. As for IDPs, UNDP has been at the forefront of the development of a new approach to address their needs and those of the receiving communities. After a long protracted process, this approach has now become translated in a strategy that inspired the approach followed by the Government in the wake of August 2008. The rights and protection of minorities have become an integral part of the PDO's activities through UNDP support. In addition, some development projects in the regions have been careful to ensure that the benefits of activities be shared equally among the diverse communities and even attempted inter-ethnic confidence building exercises. However, given the legacy of conflict and underlying multi-ethnic composition of the country, with the potential risk it poses on future development prospects, addressing the problem may require more than protection of rights and scattered efforts: initiatives to build and develop tolerance should probably be an integral component of the development programme.

UNDP has fruitfully fostered "East-East" cooperation, a modality similar to South-South cooperation⁴⁴, as it appears to be the preferred modality of the Georgian administration. With

⁴² UNDP's Strategic Plan 2008-2011 defines the role of UNDP as "to provide knowledge, policy advice, advocacy, and technical support in four focus areas on the basis of good practice and comparative advantage" in addition to its support role for the UN coordination system. (para.3)

⁴³ This shift in the policy direction at the end of 2007 should also be viewed in the broad political context of the mass demonstration that preceded this shift and the general election that was approaching.

⁴⁴ Georgia is not generally referred to as a country part of the traditional "South". The cooperation modality here refers to cooperation with countries in a similar developmental situation, typically those in the former Soviet Union and other countries in transition.

its practical orientation, the Government puts more credibility in practitioners that have faced similar situations and had to design the solutions and implement them than in academics or general consultants. Accordingly, there are numerous technical-assistance exchanges with countries of the ex-Soviet Union, albeit with a strong preference for those which have chosen a more market-oriented path of reforms.

5.4 STRATEGIC PARTNERSHIPS

UNDP has developed a number of partnerships with other development agencies. These partnerships, despite being long-term and repeated, manifest themselves mainly through financing of UNDP's activities or projects. It has to be recognized that in such a situation, there is a very fine line between a partnership, in which each of the partners brings its own contribution towards a commonly agreed objective, and the relation between the contractor and the contracted, where the latter implements the project of the former. Towards which side UNDP "partnerships" lean is not always very clear. The information that in some cases UNDP has to compete for projects with other agencies or even with NGOs suggest a drift towards less of a partnership and more of that of contractor.

UNDP nevertheless seems to have established strong partnerships with some national NGOs which are using their own funds, complemented by UNDP financing, to implement activities that they consider part of their mandate. In these cases, a clear case of leveraging of resources and scaling up of activities are occurring. With regard to the for-profit private sector, collaboration on common activities has been much less evident. Direct work with enterprises took place mostly during the implementation of CCF II and the relation was less that of a partnership than that of UNDP providing a direct service to those enterprises.

UNDP is a respected partner among development partners. Most of them value the collaboration with UNDP, its efforts to provide platforms

for valuable exchanges between development partners and refer to their positive experiences in this regard. The partnerships in numerous projects are a sign of mutual confidence and functional relationships between UNDP and other development partners. The work of the RC in donor coordination is often mentioned in positive terms not only within the UN system but also with other development agencies, including some that do not always have close contacts with UNDP.

5.5 CONTRIBUTION TO AID COORDINATION

Support to coordination within the UN System

During discussion on the UNDAF processes, it was made clear that the process of coordination within the UN system had experienced a leap between 2000 and 2005. The greater coordination seen in the 2005 UNDAF seems to have been enhanced though the continuous work and facilitation of the RC and its office over the years since the beginning of the programme and field-tested during the August 2008 crisis and its aftermath, thus improving the prospect for greater cooperation and coordination for the next programming cycle.

Discussions indicated that a deepening of such coordination and cooperation may be in the works for the next programme, as some non-UNDP agency heads have suggested that coordination should be pushed at the level of activity implementation with the support of an additional staff within the RC's office through the financial support of each of the agencies. While reflecting largely the relation of trust that the RC has managed to instill within the UN agencies in Georgia, this evolving attitude towards greater cooperation may also be due to the recognition that in the policy context as it presented itself over the last five years the effectiveness of each agency depends on all of them acting in concert to have greater weight and access to the highest policy levels. Georgian realities may thus have discouraged inter-agency competition.

Broader donor coordination

Since the Rose Revolution, the low priority attached to donor coordination by the Government that stemmed from a general scepticism towards planning, has meant that UNDP has mainly exercised an informal coordination role. Nevertheless, within this limitation, conscious effort made by the RC in holding informal consultations among donors bilaterally or in groups was highly regarded.

More recently, however, as stated in Chapter 2, there are signs that a Government-led aid

effectiveness process may be gaining momentum in Georgia. There are still a number of mechanisms that need to be set up or strengthened, such as on monitoring and evaluation, accountability system, stakeholder and beneficiary consultations, or harmonization and alignment process. While the Government should be the owner and the driver of these mechanisms, UNDP seems to be in the best place to assist the Government in this regard, as many development partners have high expectation for UNDP to play such a role given its credibility with the Government and experience for donor coordination.

IMPLEMENTATION AND MANAGEMENT ISSUES

6.1 IMPLEMENTATION MODALITIES

According to the CCF, the preferred modality of project implementation was National Execution/Implementation (NEX/NIM). Under the CPAP, there are a large number of NEX/NIM projects but also many under Direct Execution/Implementation (DEX/DIM).⁴⁵ Whereas the NEX/NIM projects are consistent with the UNDP mandate towards national ownership and capacity building as well as with the Government's strong drive towards ownership, the frequency of DEX/DIM projects should raise questions. During discussions, a number of justifications for the high number of DEX/DIM projects were offered by the CO staff from the challenges to NEX/NIM presented by the frequent government staff turn-over to the cancellation of all NEX/NIM accounts following the introduction of ATLAS⁴⁶, to the only very superficial difference in practice between the NEX/NIM and DEX/DIM modalities in Georgia.

The ADR team acknowledges that in Georgia the unstable institutional environment of many ministries makes the application of the NEX/NIM modality difficult. However, the ADR team also notes that most projects in the environment area are under the NEX/NIM modality even though the MoENR has been one of the ministries with frequent changes at the top.

So either the institutional instability does not constitute a hindrance to the application of NEX/NIM, or in this case NEX/NIM may be more a convenient label than what it really is supposed to be.

Given the fact that Georgia does not have more fundamental obstacles for applying NEX/NIM modality, such as rampant corruption or serious lack of capacity, the country office could make a much more conscious effort to use this modality for promoting national ownership and capacity development.

6.2 PROGRAMME MANAGEMENT

6.2.1 ORGANIZATION OF THE COUNTRY OFFICE AND THE DISTRIBUTION OF RESOURCES

The organization of the UNDP country office in Tbilisi headed by the Resident Representative, who is also the Resident Coordinator (RC) of the UN Country Team in Georgia. During the evaluation period, three persons have occupied the Resident Representative post. The Deputy Resident Representative coordinates the functioning of the country office that is divided into two lines. The operational side is headed by the Operations Manager and the programme line by the Assistant Resident Representative.

⁴⁵ See Annex 5 for the implementation modalities of projects.

⁴⁶ If confirmed, the cancellation of project accounts must have been a transitory measure for the introduction of ATLAS. UNDP Headquarters indicated that the project agreement defines the implementation modality and that under NEX/NIM two possibilities exist: (1) advance funds are transferred into the project account according to the agreed work plan and once the quarterly financial report by the executing (implementing) partner is submitted and accepted, the expenses are entered into ATLAS, or (2) the executing partner can request UNDP to make direct payments rather than providing an advance. In the two procedures, it is the executing partner that is responsible for the use of funds and subject to audit. However, it has to be noted that in the first case the UNDP oversight on expenditures is completely ex post while the second case introduces the possibility of UNDP having an a priori oversight of expenditures that, if exercised, would dilute the management autonomy of the executing partner, a core feature of NEX/NIM. The gist of the discussion with the CO staff suggests that, in Georgia, NEX/NIM may be done through requested direct payments after approval by the task manager, which in truth does not seem to differ much from DEX/DIM.

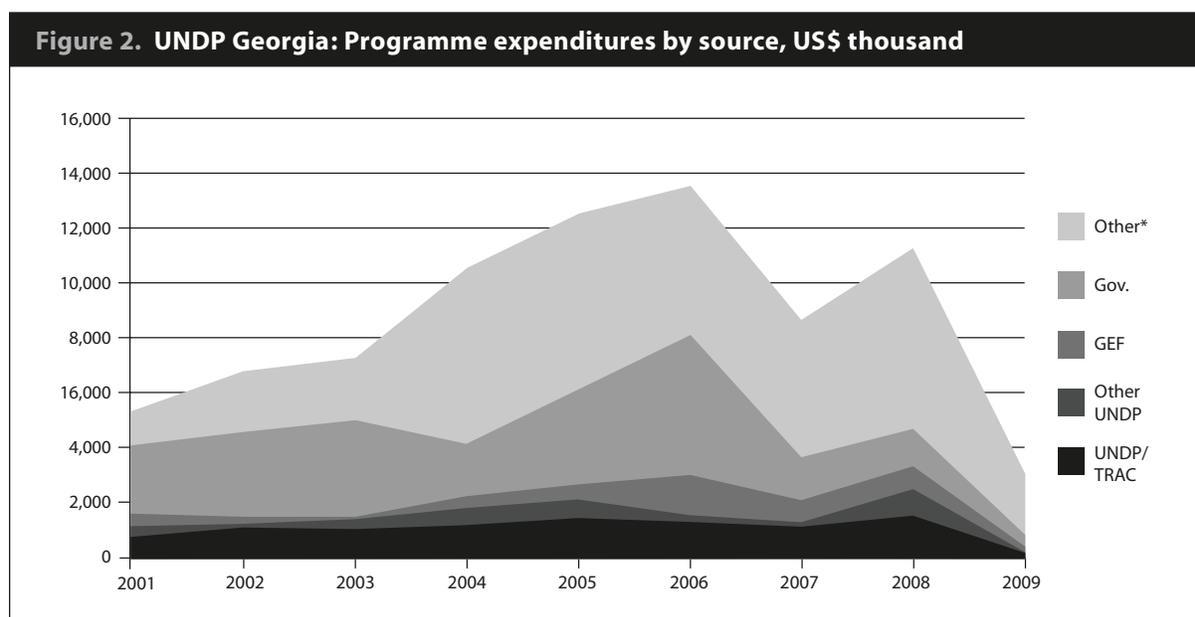
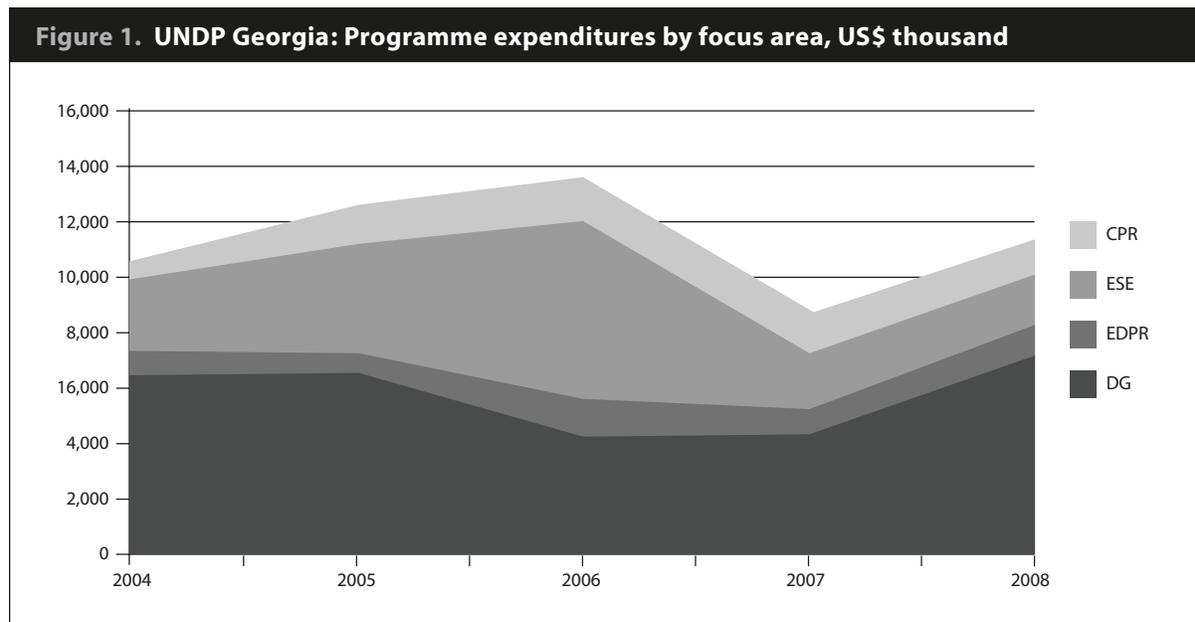
A total of 37 persons are employed at the country office, 20 of them in the operations and 13 in the programme units (DG 5, EDPR, 2.5, CPR 3.5, and ESE 2) including the programme support staff.

Regarding the distribution of financial resources between the focus areas, almost half of total expenditures were in the DG focus area with ESE coming second. The shares of EDPR and CPR have oscillated around ten percent each, although in the first months of 2009 they have

been significantly higher. Just as in ESE, the relative importance of the finances available to DG is in many ways a reflection of the external financing made available to UNDP for that focus area. (Figure 1; See Annex 6 for the source data.)

6.2.2 FINANCING OF THE PROGRAMME

The total UNDP programme funding has varied from less than \$ 6 million to over \$ 13 million in disbursement per year during the evaluation period (Figure 2).



Over the period under study, UNDP's own funds have always been the smallest financial contribution to the programme. Significant contributions by the Government from the early years under evaluation increased very sharply between 2004 and 2006 but fell sharply in 2007 and 2008. The pattern of government contributions to UNDP was largely dictated by the cycle of GIOC/GOGC projects.

Starting in 2004, significant contributions by other donors (Netherlands, Norway, Italy, Germany, Turkey, Rumania, SIDA, EC) were made to the UNDP programme. As a result, UNDP's own financing represented around 20 percent of the programme in 2008.

The significant increase in contributions by donors to the programme may be a reflection of the trust in UNDP and in the reliability of its financial management and reporting implementing capacity. However, as in a significant number of so-called co-financed projects, the UNDP contribution is quite small and at time non-existent, the relation between UNDP and donors may at time appear to be less that of partners and more that of financiers and implementers. The increasing tendency among some donors to have UNDP compete with NGOs on proposals for project implementation can only reinforce that perception. In the meantime, the growing dependency of the UNDP portfolio on external financing suggests that that the nature of the UNDP portfolio has become increasingly dependent on strategic decisions by other development agencies. Even more worrisome, it is expected that ODA to Georgia is going to be decreasing sharply in the coming years. It can be expected that the lower availability of external financing may put in question not only the feasibility of a programme but the survival of the office itself.

6.2.3 EFFICIENCY

Efficiency relates the use of inputs or resources with a product: the greater the product for a given level of resource use, the greater the efficiency.

While the ADR is not an audit nor an accounting exercise, it has to address efficiency as one of the core criteria of an evaluation. In this context, the ADR cannot address the efficiency of individual projects, a task better undertaken under a project audit. As for programmes, which are supposed to target outcomes rather than outputs, the methodology to assess efficiency remains to this day rather vague and subject to controversies.

Consequently, the Georgia ADR addresses the issue of efficiency in the UNDP CO programmes from two angles:

- The use of the different resources available to the country office for its activities;
- The allocation of programme resources.

CO's use of resources

A broadly accepted rule of thumb considers a 15 percent ratio of overhead costs to programme funds indicative of an efficiently operating non-profit institution. In the case of Georgia, that ratio calculated on the basis of UNDP published data⁴⁷ has been an average of 14.7 percent over 2004-2008, well within the accepted range.

The relationship between budgeted and spent funds can also be considered an indicator of efficiency, as it tends to reflect the adequacy of the budgetary process with the capacity to implement and deliver in the socio-political context that prevails. In recent years, that ratio in Georgia has been generally above 90 percent in all focus areas, indicating a satisfactory rate of delivery (Table 5).

	DG	EDPR	ESE	CPR
2004	81.9%	58.3%	75.2%	27.3%
2005	90.2%	83.3%	87.5%	97.3%
2006	86.2%	93.4%	92.0%	86.5%
2007	92.9%	95.9%	83.3%	92.5%
2008	95.1%	92.8%	88.0%	96.4%

Source: UNDP Country Office (See Annex 6)

⁴⁷ UNDP Country Office Snapshots

Therefore, from an accounting standpoint, the country office is functioning quite efficiently.

While the country office has performed very well with a very small contingent of professional staff, on a number of occasions, the analysis by the ADR team has led it to question whether the expertise available within the CO has always been deployed in a way that would maximize its impact. In many ways, despite references to contacts between colleagues across focus areas, except in the case of the early recovery FOSTER project in Shida-Kartli, the ADR team has been left with the impression that these contacts tend to be limited to awareness of activities and do not extend to cross-pollination of expertise across the focus areas, thus limiting the impact of that available expertise and possibly reducing the efficiency of the programme. Among the examples that led to this reflection, the ADR team would cite the lack of involvement of conflict prevention experts in regional development projects and the parallel lack of involvement of the EDPR expertise in livelihood projects under the CPR focus area. In a similar fashion, one may wonder at the projected involvement of the environment focus area in the area of disaster reduction.⁴⁸ These cases and the reflections that they triggered in the minds of the ADR team could lead the country office to assess whether a more flexible use of the expertise available within its office may not contribute to more robust results and, if so, how to achieve it.

Allocation of programme funds

With the benefit of hindsight, the ADR team questions whether the replication within the country office of the four corporate focus areas really reflected the priorities of the country. In a very strict sense, the focus areas should reflect the national priorities. In the context of an economic policy approach of the Government of Georgia, the question of what and how much be achieved under the EDPR focus area should be raised. It is granted that one of the achievements of the

EDPR focus area has been to put on new focus on the possibilities of VET. Besides that achievement that could have been done under a pilot project, however, one may well question how many lives were affected in a sustainable way and at what cost.

Other programme allocations seem to have been the consequence of a more opportunistic approach tied to the availability of funding, an approach made necessary by the low levels of core funding. In that regard, in the context of the ESE focus area, while recognizing that conservation and bio-diversity are worthwhile objectives, one may really question whether many of the activities conducted since 2001 really address some of the pressing issues regarding the environment in Georgia that are likely to affect directly its population. In a similar fashion, a question can be raised as to how many people ended up benefiting from the activities targeting clean and sustainable energy and at what cost. In that regard, the allocation of a significant share of TRAC funds to the GOGC should be questioned from the point of view of programme efficiency.

The situation is somewhat different regarding either the DG or the CPR focus areas as democratization and maintaining a united Georgia have been stated by the Government as national priorities. However, even in these two focus areas, activities in which the efficiency can be questioned can be found. As mentioned earlier in the text, in the DG area, a number of activities were heavy on the side of procurement of IT technology. While the procurement aspect may have been efficient, from a programme standpoint, it does not appear that all the activities were equally efficiently managed with regard to meeting the objectives and outcomes. In some cases (CRA, Treasury), the introduction of IT clearly came as a response to a need identified by the agencies themselves in their autonomous process of reforming themselves and the objectives were achieved. In some other cases

⁴⁸ The team understands that there was an intention to commission a joint feasibility study for establishing the early warning system for natural disasters in Georgia between the two programme units.

(Parliament, Imereti) however, the introduction of IT seems to have been intended less as a response to the need of an identified and on-going institutional reform process, but more as a trigger towards initiating such a process: there, at this time, the effectiveness can be assessed as quite mixed and the programmatic efficiency uncertain. Regarding the CPR area, the question should be raised as to whether it is more efficient to work towards resolving the potential conflicts or whether it is better to deal with the aftermath of these conflicts; so far, the balance seems to have been skewed heavily towards the latter and with very uncertain effectiveness.

Setting forth these issues is not meant as an indictment of the CO activities so far and it would be regrettable if these comments were to be taken that way. Rather, by raising these questions, the ADR is presenting alternative lenses through which the programme can be seen and thus hopes to provide some contribution to the design of the next programme.

6.3 MONITORING AND EVALUATION

The monitoring and evaluation (M&E) of projects is managed by the respective programme units. The responsibility for overseeing thematic and outcome evaluations is assigned to one

person who currently is the CO's ESE team leader, approximately 20 percent of whose time is devoted to M&E function.

Strategic monitoring and evaluation in the country office takes place through two main instruments. First, outcome evaluations are made to assess the progress towards the attainment of the selected outcomes and UNDP's potential contributions in achieving that outcome. The assessments consider the scope, relevance, efficiency, and sustainability of UNDP's support. Based on the assessments, recommendations are made on how UNDP could improve the prospects of achieving the selected outcomes through adjusting its programme, partnership arrangements, resource mobilization strategies, working methods or management structures. Second, the country office has recently started to utilize the management module of the Atlas and the Capacity for Efficient Delivery of Achievable Results (CEDAR).

So far, most of the outcome evaluations have been carried out in DG focus area. An energy outcome evaluation was conducted in 2008. The one in CPR area is planned for 2009 and the ones in ESE and EDPR areas for 2010. Evaluations of UNDAF 2006-2010, CPD and CPAP were foreseen but had to be postponed because of the crisis in Georgia.

Chapter 7

CONCLUSIONS AND RECOMMENDATIONS

MAIN CONCLUSIONS

Since 2004, the Government of Georgia has engaged in a fast-paced reform agenda, centring on market liberalization and deregulation. UNDP has maintained a strong partnership with the Government, providing programmatic support and policy advice when requested and when it saw the opportunity.

This sometimes required a persistent approach in promoting the organization's human development agenda, such as on human rights, gender equality and sustainable development, or in addressing the plight of internally displaced persons, while the policy priorities of the Government was on rectifying structural problems of the past. Many of these efforts have gradually been bearing fruit.

Under the reform agenda, UNDP also needed to seek new ways to effectively address the issues of income and social disparities and vulnerability of a population facing the newly liberalized market and global competition. The initiative to introduce vocational training was a successful example of such an effort. The challenge persists, however, with poverty and unemployment rates still remaining high.

In order to keep pace with the fast-paced action-oriented reform, UNDP has introduced innovative response mechanisms in the forms of the Capacity Building Fund and On-Demand Consultancy Services. These mechanisms have been effective in serving Government needs and are very much appreciated by the beneficiary institutions. A number of these initiatives have provided support or impetus for policy and institutional reforms.

At the same time, such responsiveness of UNDP to the Government's immediate needs led to a

perception by some observers that the organization has become a provider of technical consultancy rather than a promoter of human development. Fair or not, such a perception is unfortunate since it might negatively affect the fund-raising ability of UNDP in the country.

Some of the UNDP's downstream projects have provided valuable lessons. The sustainability of the impact of these initiatives depends on whether they are widely replicated or not. There are initiatives that are already replicated, such as the vocational training programme, and those which require further exploration of a successful formula, such as the regional development initiative.

UNDP has successfully provided capacity development support to a number of institutions, such as Civil Registry Agency, Treasury, Electoral Commissions, Gender Equality Council and the Public Defender's Office (PDO), when the institutions themselves led the effort. In some other cases, UNDP's capacity development effort turned out to be not very effective or to be premature, due to a variety of reasons.

In addition to its close relationship with the Government, UNDP has effectively used the partnerships with civil society organizations to promote the human development agenda and implement its projects. The agro-diversity project with ELKANA and electoral support with GYLA are good examples.

UNDP has had a measure of success in programmatic coordination among UN agencies. It has also provided opportunities for the community of donors and the Government to exchange views and gain greater awareness of respective programmes and initiatives.

As Georgia has become a middle-income country and is on the way to becoming a modernized European country, there is a legitimate concern about the future role of UNDP and the funding availability for its activities in the country.

UNDP Georgia still has an important role to play in the future of the country. The capacity and the functioning of its democratic institutions still vary from one institution to another. With a substantial portion of its population still not having been integrated into the liberalized market economy, poverty reduction should remain at the centre of UNDP's agenda. Vulnerabilities of the lives of those who were affected by open conflicts and those who could not take the challenges of open market competition raise human development concerns. Important environmental challenges, such as on forest and water, still remain. The country's vulnerability to natural and man-made disasters calls for a continued effort in raising the preparedness and the mitigation effort.

There is no doubt in the national ownership of the development process in Georgia. While continuing to support the Government of Georgia in its reform process, UNDP should place at the centre of its policy advice, advocacy, capacity development and other programme activities the agenda to address above human development challenges, and gain the recognition by all partners and stakeholders of the value that it brings to the country.

RECOMMENDATIONS

1. Given the small size of the country office's resource base and the uncertainty of future funding situation, UNDP should sharpen the role it plays in the country as a promoter of human development through its policy advice and programme activities, and be strategically selective on the areas of its interventions and support.
2. UNDP should take a more result-oriented programme approach than a project-based approach, and make clear with partners what

it is aiming to achieve through its policy advice and programme activities. For a true result-oriented approach, UNDP should also consider delinking programmatic and organizational structures to make the most effective use of expertise available in the small office with a view to achieving results. In designing its programme, UNDP should carefully select indicators that are better aligned with the intended results to be achieved.

3. UNDP should also be selective in capacity development initiatives and aim to support institutions that would engage in an endogenous process of change for improvement and reform.
4. UNDP should continue to support the Government reform initiatives through its innovative Capacity Building Fund and On-Demand Consultancy Services. In doing so, it should try to focus on initiatives that, in its analysis, would help in making progress in human development rather than simply providing capacity supplement to the requesting agency.
5. UNDP should explore more proactive ways to promote policy debate, for example, by initiating a discussion forum to address human development issues, supported by its corporate expertise and experiences from its successful projects.
6. In view of potential risks posed by the multi-ethnic and multi-religious construct of the country, UNDP should consider introducing, as a cross-cutting issue, confidence-building dimension in a broader range of projects where possible and appropriate. The methods used in the FOSTER project or by the PDO's Tolerance Centre provide good examples in this regard.
7. In view of the status of Georgia as a middle-income country and the uncertainty in the future landscape of development assistance, UNDP Georgia should find opportunities to reflect on its value added to the country and articulate its *raison d'être* to outside partners.

GEORGIA ADR: TERMS OF REFERENCE

1. INTRODUCTION

The Evaluation Office (EO) of the United Nations Development Programme (UNDP) conducts country evaluations called Assessments of Development Results (ADRs) to capture and demonstrate evaluative evidence of UNDP's contributions to development results at the country level. ADRs are carried out within the overall provisions contained in the UNDP Evaluation Policy.⁴⁹ The purpose of an ADR is to:

- Provide substantive support to the Administrator's accountability function in reporting to the Executive Board
- Support greater UNDP accountability to national stakeholders and partners in the programme country
- Serve as a means of quality assurance for UNDP interventions at the country level
- Contribute to learning at corporate, regional and country levels

The ADR in Georgia will be conducted in 2009, towards the end of the current programme cycle of 2006-2010. The ADR is hence intended to make a contribution to a new country programme, to be prepared by the UNDP Country Office (CO) in Georgia and national stakeholders.

2. BACKGROUND

Shortly after the collapse of the Soviet Union, Georgia declared independence in April 1991. UNDP established its presence in the country in July 1994. In 1997, amidst a strong economic recovery from the earlier post-independence crisis, UNDP entered into the first Country

Cooperation Framework (CCF) 1997-2000 for Georgia. The CCF 1997-2000 focused on three priority areas: (a) poverty reduction through policy advice and rehabilitation; (b) capacity-building for governance; and (c) environmental management and conservation.

Between 1998 and 1999, Georgia strengthened its international linkages by becoming member of the European Council and the World Trade Organization. The economy however has seen a sharp decline in the growth rate, which led to a fiscal crisis and an increase in the poverty indicator during this period. The fiscal crisis also affected UNDP's ability to achieve some of its programme objectives, due in large part to the low budgetary allocation to key government institutions.

Against this backdrop, UNDP entered into the second CCF 2000-2003 focusing on two priority areas: (a) improved economic, political and social governance; and (b) poverty reduction through advocacy and support to equitable economic growth. Nevertheless, through the mobilization of Global Environment Fund resource, UNDP was also able to provide (c) support of initiatives to improve environmental and natural resources management. Further, concerns regarding the breakaway regions, the needs of internally displaced persons (IDPs) and the preparedness for natural disasters led to the subsequent addition of the programmatic area of (d) crisis prevention and recovery, in agreement with the Government.

After the years of economic stagnation and a rising political dissatisfaction, in November 2003, Georgia underwent the so-called Rose

⁴⁹ <http://www.undp.org/eo/documents/Evaluation-Policy.pdf>.

Revolution, which led to the change of the Government. The new Government embarked on a reform effort aimed at improved governance and strengthened fiscal position. The second CCF was extended to the end of 2005, to allow the new programme to fully reflect the policies of the new Government.

Following the changes brought by the Rose Revolution of 2003, and based on the Common Country Assessment completed in mid-2004 by the UN Country Team in Georgia, the inter-agency United Nations Development Assistance Framework (UNDAF) 2006-2010 and UNDP's Country Programme Document (CPD) 2006-2010 were prepared. UNDP's country programme was subsequently elaborated into the Country Programme Action Plan (CPAP) 2006-2010, which was signed with the Government in mid-2006.

UNDAF Georgia 2006-2010 identified five areas of cooperation for assistance by the participating agencies of the United Nations system: (1) Poverty and Economic Growth, (2) Governance, (3) Basic Social Services, (4) Volatility and Instability, and (5) Environment. UNDP's country programme was built to synchronize in the cycle and be coherent in the programme contents with UNDAF. Based on the principle that UNDP should focus on areas where its comparative advantage will make a significant difference, its country programme was designed to assist the Government and the people of Georgia through four portfolios: (a) Poverty Reduction; (b) Democratic Governance; (c) Environment and Energy for Sustainable Development; and (d) Crisis Prevention and Recovery.

The strong parallel in the areas of focus in the succession of UNDP's country programmes emanates from assessments that, despite the efforts made—particularly by the current Government, the weaknesses in the economic and social structure and in institutional capacities have yet to be fully resolved, and it would

require long-term efforts to reach a desirable and sustainable state in this regard.

The near completion of the current country programme for 2006-2010 in Georgia presents an opportunity to evaluate the UNDP contributions and shortcomings over the current and the last programme cycles. The findings will be used as inputs to the next cycle of country programme in Georgia.

3. OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of the ADR Georgia include:

- To provide an independent assessment of the progress or lack of, towards the expected outcomes envisaged in the UNDP programming documents. Where appropriate, the ADR will also highlight unexpected outcomes (positive or negative) and missed opportunities;
- To provide an analysis of how UNDP has positioned itself to add value in response to national needs and changes in the national development context;
- To present key findings, draw key lessons, and provide a set of clear and forward-looking options for the management to make adjustments in the current strategy and next country programme.

The ADR Georgia will cover the ongoing and previous country programmes (2000-2005 and 2006-2010). Although it is likely that greater emphasis will be placed on more recent interventions (due to better availability of data, etc.), efforts will be made to examine the development and implementation of UNDP's programmes since the start of the period. In case of Georgia, since the two programme cycles coincide with the periods before and after the Rose Revolution, covering the two cycles would also allow the ADR to see how UNDP has responded to shifts in the Government's policies in a relatively clear manner.

The ADR will review the UNDP experience in Georgia and its contribution to the solution of its development challenges, encompassing social, economic and political spheres. The ADR differs from programme or project evaluations—which are conducted by Country Offices and Regional Bureaus in UNDP—in that it examines the contribution of country programmes against the development challenges of the country, assessing the relevance and responsiveness of country programme itself to those challenges.

The ADR Georgia will thus use the development challenges as a benchmark against which the contribution of country programmes is assessed. In accordance with the principle of the national ownership of development process, the development challenges will be defined in principle as those as identified by the Government in establishing relevant national strategies, priorities and policies. The first task of the evaluation team is to define those development challenges as identified by the Government from relevant national sources. (It is required to provide reference to the sources.)

At the same time, UN and UNDP espouse certain values that they are mandated to promote. Achievement of MDGs and the aspects related to human development are of special concern to UNDP in particular. Such concerns may have led UN and UNDP to have different assessments of the country situation and development challenges from that of the Government in terms of the coverage and/or emphasis. The evaluation team is also tasked to see whether such a difference in perspective, if any, has affected the strategic positioning and to what effect.

The ADR Georgia will assess key results, specifically outcomes—anticipated and unanticipated, positive and negative, intentional and unintentional—and will cover UNDP assistance funded from both core and non-core resources.

The evaluation will be conducted in two main components, the analysis of the strategic positioning of UNDP and UNDP's contribution to development results.

- **Strategic Positioning.** The ADR Georgia will assess the strategic positioning of UNDP both from the perspective of organization and the development priorities in the country. This will entail systematic analyses of UNDP's place and niche within the development and policy space in the country, as well as strategies used by UNDP to create a position for the organization in its core focus areas and to maximize its contribution in addressing the development challenges of the country, such as through a focus on capacity development or joint programmes with other UN agencies. The set of criteria to be applied in assessing the strategic positioning of UNDP will be provided to the evaluation team in the ADR Manual by the task manager.

- **Contribution to Development Results.** The assessment of the development results will entail a comprehensive review of the UNDP programme portfolio of the previous and ongoing programme cycles, and in principle conducted by the priority areas of intervention. This would entail an assessment of development results achieved and UNDP's contribution to them with a reasonable degree of plausibility; the extent of achievement of intended programme outcomes; factors influencing results (e.g., UNDP's positioning and capacities, partnerships, policy support). Where relevant, the crosscutting linkages and their relationship to MDGs and UNDAF will be analysed. The analysis of development results should lead to the identification of challenges and strategies for future interventions. The set of criteria to be applied in assessing the contribution of UNDP to development results will be provided to the evaluation team in the ADR Manual by the task manager.

4. EVALUATION METHODS AND APPROACHES

DATA COLLECTION

In terms of data collection, the evaluation will use a multiple method approach that could include desk reviews, workshops, group and individual interviews (at both headquarters and the country office), project/field visits and surveys. The appropriate set of methods would vary depending on country context and the precise nature would be determined during the scoping mission and detailed in an inception report⁵⁰.

VALIDATION

The evaluation team will use a variety of methods to ensure that the data is valid, including triangulation. Precise methods of validation will be detailed in the inception report.

STAKEHOLDER PARTICIPATION

A strong participatory approach, involving a broad range of stakeholders, will be taken. The ADR will have a process of stakeholder mapping that would identify both UNDP's direct partners as well as stakeholders who do not work directly with UNDP. These stakeholders would include Government representatives of ministries/agencies, civil society organizations, private-sector representatives, UN agencies, multilateral organizations, bilateral donors, and beneficiaries.

5. EVALUATION PROCESS

The ADR process will also follow the ADR Guidelines, according to which the process can be divided in three phases, each including several steps.

PHASE 1: PREPARATION

- **Desk review**—Based on the preparatory work by the Evaluation Office (identification, collection and mapping of relevant documentation and other data), the evaluation team will analyse, *inter alia*,

national documents and documents related to UNDP's programmes and projects over the period being examined.

- **Stakeholder mapping**—The evaluation team will prepare a basic mapping of stakeholders relevant to the evaluation in the country carried out at the country level. These will include state and civil society stakeholders and go beyond UNDP's partners. The mapping exercise will also indicate the relationships between different sets of stakeholders.
- **Inception meetings**—Interviews and discussions will be held at UNDP headquarters with the Evaluation Office (process and methodology), the Regional Bureau for Europe and the CIS (RBEC), and others as appropriate (e.g., the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery, the Permanent Mission of Georgia to the United Nations).
- **Scoping mission**—A scoping mission to Georgia will be undertaken to:
 - Identify and collect further documentation
 - Validate or further elaborate development challenges as identified by the Government
 - Validate the mapping of the country programmes
 - Get key stakeholder perspectives on key issues that should be examined
 - Address logistical issues related to the main mission including timing
 - Identify the appropriate set of data collection and analysis methods
 - Identify/consult with the team member(s) at the national level
 - Address management issues related to the rest of the evaluation process including division of labour among the team members
 - Ensure the country office and key stakeholders understand the ADR objectives, methodology and process

The task manager will accompany the team leader on the mission.

- **Inception report**—A short inception report will be prepared by the team leader, following the scoping mission. The report will include: the final evaluation design and plan, evaluation questions and methods to be used, information sources and plan for data collection—including selection of project/field sites for visits, design for data analysis, and format for reporting.

PHASE 2: CONDUCTING ADR AND DRAFTING EVALUATION REPORT

- **Main ADR mission**—A mission of two (possibly three) weeks to Georgia will be undertaken by the evaluation team to carry out the evaluation plan defined in the inception report, inter alia, to collect data and validate findings. At the outset, an entry workshop will be organized to explain to the stakeholders, the ADR objectives, methods and process. The team will visit significant project/field sites as identified in the scoping mission. At the exit meeting of the mission, the evaluation team will provide a debriefing of the preliminary findings to the country office and key stakeholders, take initial comments and validate the findings.
- **Analysis and reporting**—The information collected will be analysed and the draft ADR report will be prepared by the evaluation team within three weeks after the departure of the team from the country. The draft report will be submitted by the team leader to the task manager, and its acceptability is subject to the initial checking by the task manager on the compliance to the Terms-of-Reference and other basic standards and guidelines⁵¹, including on the quality aspects.
- **Review**—Once the draft report is accepted by the task manager to have satisfied the

basic requirements, it will be subject to a formal review process. This comprises: (a) factual corrections and views on interpretation by key clients (including UNDP CO, RBEC and the Government); (b) a technical review by the EO; and (c) a review by external experts. The EO will prepare an audit trail to show how these comments were taken in to account. The team leader in close cooperation with the task manager shall finalize the ADR report based on these final reviews.

- **Stakeholder meeting**—A meeting with the national stakeholders will be organized in Georgia to present the results of the evaluation and examine ways forward. The purpose of the meeting is: to facilitate greater buy-in by national stakeholders for taking forward the lessons and recommendations from the report; and to strengthen the national ownership of development process and the necessary accountability of UNDP interventions at country level.

PHASE 3: FOLLOW-UP

- **Management response**—UNDP Associate Administrator will request relevant units (normally UNDP CO and RBEC) to jointly prepare a management response to the ADR. As a unit exercising oversight, RBEC will be responsible for monitoring and overseeing the implementation of follow-up actions in the Evaluation Resource Centre (on UNDP Intranet).
- **Communication**—The ADR report and brief will be widely distributed in both hard and electronic versions. The evaluation report will be made available to UNDP Executive Board by the time of approving a new Country Programme Document. It will be widely distributed to stakeholders in Georgia and at UNDP headquarters, to evaluation outfits of other international

⁵¹ To be provided by and discussed with the task manager.

organizations, and to evaluation societies and research institutions in the region. The report and the management response will be published on the UNDP website⁵² and made available to the public. Its availability will be announced on UNDP and external networks.

The timeframe and responsibilities for the evaluation process are tentatively provided and they will be revised and further detailed in consultation with the evaluation team members, the country office and the Government.

6. MANAGEMENT ARRANGEMENTS

UNDP EVALUATION OFFICE

The EO task manager will in general manage the evaluation. S/he will support the team in designing the evaluation, ensure coordination and liaison with UNDP Georgia CO, RBEC, and other concerned units at headquarters, participate in the missions, provide ongoing advice and feedback for quality assurance, accept the draft reports and manage the review process, assist the team leader in finalizing the report.

The evaluation team will be supported by the research assistant based in the Evaluation Office at the initial stage of the process to collect and organize necessary information, and by the programme assistant throughout the process on logistical and administrative matters.

The EO will meet all costs directly related to the conduct of the ADR. These will include costs related to participation of the team leader, international and national consultants, as well as the preliminary research and the issuance of the final ADR report. EO will also cover costs of any stakeholder workshops as part of the evaluation.

THE EVALUATION TEAM

The team will be constituted of three members:

- team leader (international consultant), with overall responsibility for providing guidance and leadership, and in coordinating the draft and final report;
- team specialist (international/national consultant), who will support the team leader and provide the expertise in the core subject areas of the evaluation, and be responsible for drafting key parts of the report;
- national consultant, who will undertake data collection and analyses at the country-level, as well as support the work of the missions;

The team leader must have a demonstrated capacity in strategic thinking and policy advice and in the evaluation of complex programmes in the field. All team members should have in-depth knowledge of development issues in respective subject area and/or Georgia.

The evaluation team will orient its work by the Norms and Standards established by the United Nations Evaluation Group, and individually must adhere to its ethical Code of Conduct.⁵³

UNDP GEORGIA COUNTRY OFFICE

The country office will support the evaluation team in liaison with key partners and other stakeholders, make available to the team all necessary information regarding UNDP's programmes, projects and activities in the country, and take a lead role in organizing dialogue and stakeholder meetings on the findings and recommendations. The office will also be requested to provide additional logistical support to the evaluation team as required. The CO will contribute support in kind (for example office space for the evaluation team) but the EO will cover local transportation costs.

⁵² To be provided by and discussed with the task manager.

⁵³ The UN Evaluation Group guidelines "*Norms for Evaluation in the UN System*" and "*Standards for Evaluation in the UN System*" (April 2005).

7. TIMEFRAME

The timeframe of the entire evaluation process is tentatively as follows. The final scheduling of each stage will be made in consultation with the country office, the task manager and other participants.

Activity	Estimated Date
Collection and mapping of documentation by the research assistant	Initial: January-February On-going throughout
Desk review by the evaluation team	January-May 2009 On-going throughout
Initial meeting of the team leader and task manager in UNDP New York	Mid-January
Scoping mission to Georgia	End-February
Inception report and finalizing the ADR TOR	End March 2009
Team meeting at a mutually convenient location (optional)	Late April 2009
Main ADR mission to Georgia	April 25-May 12, 2009
Submission of the first draft of the ADR report	First week of June 2009
Comments from EO and Advisory Panel	July 7, 2009
Submission of the second draft of the ADR report	July 22, 2009
Factual corrections from CO, RB, Government	August 22, 2009
Issuance of the final ADR report	End September 2009
Stakeholder workshop	November 2009 to January 2010

8. EXPECTED OUTPUTS

The expected outputs from the evaluation team are:

- An inception report (maximum 20 pages)
- The final report “Assessment of Development Results—Georgia” (maximum 50 pages plus annexes)
- A two-page evaluation brief
- A presentation at the stakeholder meeting

Detailed structure and contents for the inception report, the final ADR report and evaluation brief will be provided to the evaluation team in the ADR Manual by the task manager.

The drafts and the final report will be provided in English. The final ADR report should be provided by the end of September 2009.

Annex 2

LIST OF PERSONS CONSULTED

- Ruslan Abashidze, Deputy State Minister, State Ministry for Reintegration
- Emir Abrumia, goat breeder in Shashikvara, Abkhazia region
- Mamuka Abuladze, President, National Association of Local Authorities of Georgia (NALAG)
- Hits Adleiba, Head of village Water Operator Co, Mokva water project, Abkhazia region
- Ruden Alania, beekeeper, Tsarche beekeeping group, Abkhazia region
- Michael Andres, Director, Sector Coordination, Energy and Transport, KfW
- Gocha Arkania, beekeeper, Tsarche beekeeping group, Abkhazia region
- Diana Argun, Laboratorian, Ochamchira SES, Abkhazia region
- Levan Bagashvili, Gamgebeli, Dedoplis Tskaro Municipality, Kakheti region
- Gerakli Bakaradze, beekeeper, Tsarche beekeeping group, Abkhazia region
- Jambul Bakuradze, First Deputy State Minister, State Ministry for Regional Development and Infrastructure
- Viktor Baramia, Programme Manager/ Economic Development, Eurasia Partnership Foundation
- Giovanna Barberis, Representative, UNICEF
- Valery Berzenia, Head, Ochamchira SES, Abkhazia region
- Sergo Biblaia, goat breeder in Shashikvara, Abkhazia region
- Kim Boermans, Programme Officer, Economic Development and Poverty Reduction, UNDP
- Besarion Bokhashvili, Chairman of the Board, Georgian Young Lawyers' Association
- Gigi Bregadze, Programme Officer, Democratic Governance, UNDP
- Ramaz Bulia, greenhouse worker in Shashikvara, Abkhazia region
- Levan Butkhuzi, Director, NGO NACRES
- Ana Chachavadze, Advisor, Georgia Permanent Mission to the UN
- Maya Chankseliani, Head, Department of Vocational Education and Training (VET), Ministry of Education and Science
- Katuna Chanukvadze, Focal Point, NHDR, UNDP
- Natia Cherkerzishvili, Programme Officer, Democratic Governance, Gender Focal Point, UNDP
- David Chichinadze, Head, Legal Provisions and Reforms Department, State Ministry for Regional Development and Infrastructure
- Irakli Chikovani, Deputy Representative, Georgia Permanent Mission to the UN
- Zurab Chinchilakashvili, Deputy Governor, Gori Governorate, Shida-Kartli region
- Giorgi Chkheidze, Deputy Public Defender of Georgia, Public Defender's Office
- Gia Cholaria, beekeeper, Tsarche beekeeping group, Abkhazia region
- Nils Christensen, Programme Analyst, Conflict Prevention and Recovery, UNDP
- Nino Danibegashvili, Advisor to the State Minister, International Issues, State Ministry for Regional Development and Infrastructure
- Konstantine Dolidze, Director, Telavi Vocational Education Centre, Kakheti region

Ia Dzandzava, veterinarian in Shashikvara, Abkhazia region

Eliso Eliava, beekeeper, Tsarche beekeeping group, Abkhazia region

Nino Enukidze, Deputy Minister, Ministry of Environment and Natural Resources

Farmers, 7 beneficiary farmers of UNDP's Agrobiodiversity Project, Samstkhe-Javakheti region

Irakli Gachechiladze, Deputy Minister, Ministry of Economic Development

Zaza Gachechiladze, Editor in Chief, *The Messenger*

Ana Gelashvili, Head, Gurjaani Civil Registry Agency, Kakheti region

Liana Gelashvili, Teacher of VET courses, Akhaltsikhe VET, Samstkhe-Javakheti region

Murad Gogoladze, Coordinator, UNDP Agrobiodiversity Project, Samstkhe-Javakheti region

David Gosney, Director, Office of Economic Growth, USAID

Giorgi Gotsiridze, Human Rights Expert, FOSTER, UNDP

Valeri Gremelashvili, Head, Kakheti Region Regional Development Agency

Jemal Guchua, vegetable farmer, Abkhazia region

Levan Gujabidze, Project Coordinator, GOGC, UNDP

Vakhtang Gulua, Head of Village Administration, Village Shashikvara, Abkhazia region

Kakha Gurgeneidze, President of the Rustavi City Council, Official lobbyist of NALAG in the Parliament

Dimitri Gvindadze, Deputy Minister, Ministry of Finance

John Hansen, Director, Office of Energy and Environment, USAID

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Maria Iarrera, Project Manager, EC Delegation to Georgia

Maria Israelsson, Head of Development Cooperation, SIDA

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Charita Jashi, Head, Association Gender for Social-Economic Development

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Soso Jgerenaia, goat breeder in Shashikvara, Abkhazia region

Mariam Jorjadze, Director, NGO Elkana

Jumber Kajaia, vegetable farmer, Abkhazia region

Darehan Kapanadze, Environmental Specialist, The World Bank

Beslan Kantaria, goat breeder in Shashikvara, Abkhazia region

Bakur Kardava, goat breeder in Shashikvara, Abkhazia region

Ana Katamidze, Head of the Board, Association of Young Economists of Georgia

Irakli Kobalia, student, Tsarche beekeeping group, Abkhazia region

Sophie Kemkhadze, Deputy Resident Representative a.i., UNDP

Rusudan Kervalishvili, Parliament Vice Speaker, Head of Gender Equality Advisory Council within the Parliament

Julia Kharashvili, Deputy Head, International Relations Department, Ministry for Refugees and Accommodation

Irakli Khmaladze, Head of Legal Department, Ministry of Environment and Natural Resources

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Parliamentary Committee on Regional
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Giorgi Lebanidze, teacher of VET courses,
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Zaal Lomtadze, Advisor, Ministry of
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Kote Makhatelashvili, Head, Chamber of
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Tamar Martiashvili, First Deputy Minister,
Ministry for Refugees and Accommodation

Jumber Matua, Head, Gali Electricity
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Mariam Shotadze, Team Leader, Environment and Sustainable Energy, UNDP

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Vladlen Stefanov, Senior Human Rights Advisor for South Caucasus, OHCHR

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Nino Tchelishvili, Deputy Head, Treasury Service, Ministry of Finance

Nino Tkhilava, Focal Point, GEF

Mikhail Tokmazishvili, Consultant, Gender Budgeting, UNDP

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Zurab Tsulaia, vegetable farmer, Abkhazia region

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Mariam Valishvili, First Deputy Minister, Ministry of Environment and Natural Resources

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Victoria Vasileva, Project Coordinator, FOSTER, UNDP

Louisa Vinton, Senior Programme Manager, Western CIS and Caucasus, UNDP

Robert Watkins, UN Resident Coordinator, UNDP Resident Representative

David Ziraqishvili, Head, Kachreti Agriculture Extension Centre, Kakheti region

Annex 3

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Annex 4

RELATIONS BETWEEN UNDAF, CPD AND CPAP

Focus Area. Economic Development and Poverty Reduction					
UNDAF		CPD		CPAP	
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators
1. Reduced number of households living in poverty through the realization of economic potential and provision of social welfare.	1.1. Poverty level – official poverty rate, extreme poverty rate 1.2. Poverty gap ratio 1.3. Poverty severity 1.4. Gini index for total income and total expenditure	1.1 Increased capacity of the Government in adoption and implementation of poverty reduction policies, EDRPR (PRSP)	Poverty rate; Extreme poverty rate; Number of strategic documents which reflect MDG targets.	1.1.National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased. (Outcome area: MDG Country Reporting and Poverty Monitoring)	Number of strategic documents which reflect MDG target; Poverty rate; Extreme poverty rate; Budget allocations towards MDGs; Pro-poor economic programmes launched.
		1.3 Promotion of equitable economic growth of employment opportunities and cooperation with the private sector	Local urban and rural poverty reduction initiatives; Gini index and other income inequality and share-of-income measures A comprehensive social protection reform completed Increase of trade and transit flow.	1.5 Equitable economic growth promoted through close cooperation with private sector entities within the overall framework of corporate social responsibility. (Outcome area: Private Sector Development)	Local urban and rural poverty reduction initiatives; Level of regional disparities; Unemployment rate; Level of foreign direct investments; Increase in trade and transit flow.
		1.6 Pro-poor and pro-women growth policies adopted; Gender sensitive budgeting and legislation elaborated	National machinery on gender equality issues established and strengthened		
					1.1.1. Coherent, comprehensive, Sustainable Human Development (SHD) and MDG-based long-term national and sub-national development strategies formulated 1.1.2 Capacities of national and selected governments at the sub-national level enhanced in local MDG-based development planning
					1.5.1 Improved legislative, institutional and regulatory environment for investments, trade and private sector activities 1.5.2. Models of good practice of participatory local economic development planning and implementation initiated in selected regions 1.5.3. Innovative measures for vulnerable groups and communities with high unemployment supported through private sector partnerships 1.5.4. Multi-stakeholder partnerships for development initiated in Tbilisi and regions - 1.5.5. Global Compact Network established to promote corporate social responsibility and public-private partnerships.

Focus Area. Democratic Governance

UNDAF		CPD		CPAP	
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators
2. Efficiency and accountability of governance structures at central and local levels strengthened towards an inclusive and participatory democratic process.	2.1.Citizen satisfaction with quality of public services 2.2. Corruption decreased 2.3.Number of institutionalized consultation mechanisms at different levels of government	2.2.1.Mechanisms of oversight and accountability function for Parliament and subsidiary organs	Overall assessment by local NGOs and media as well as international organizations regarding ability of the legislative branch to represent constituents effectively and ensure close oversight of public institutions.	2.2 Representational, law-making and oversight functions and capacities of the Parliament and its subsidiary bodies strengthened (Outcome area: Parliamentary Development)	Overall assessment by local NGOs and media as well as international organizations regarding ability of the legislative branch to represent the constituents effectively and ensure close oversight of public institutions.
		2.4.1.Transitional justice mechanisms and reform processes implemented to support longer term institutional development of the justice sector, with particular emphasis on independent of the judiciary and response for human rights	Government policy for the development of justice system elaborated; national action plan on human rights adopted and implemented.	2.4.1 Transitional justice mechanisms and reform processes implemented towards an independent and well-functioning justice sector, with particular emphasis on respect for human rights. (Outcome area: Justice and Human Rights)	Government policy for the development of justice system elaborated; National action plan on human rights adopted and implemented; National policies on gender equality elaborated and adopted.

Focus Area. Democratic Governance (continued)

UNDAF				CPD		CPAP	
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators
		2.7.1. Public sector reform in support of efficient, effective, responsive and pro-poor public services promoted, particularly at local level, with emphasis on participatory decision making.	Overall assessment by local NGOs, media and individual citizens as well as international organizations regarding the extent to which the public administration reform reflects rationalized civil service and improved public standards.	2.7.1 Public sector reform in support of efficient, effective, responsive and pro-poor public services promoted through policy advice and capacity development activities. (Outcome area: Public adm. reform and anti-corruption)	Overall assessment by local NGOs, media and individual citizens as well as international organizations regarding the impact of the public administration reform reflecting rationalized civil service and improved public standards.	2.7.1 The management, administrative and organizational capacities of key public administration institutions enhanced. 2.7.2 Substantive progress achieved in civil service reform. 2.7.3 Government's capacity in collection and analysis of drug related information and harmonization of local legislation enhanced.	
				2.6.1. Increased capacities of regional and local governments in line with national decentralization strategy and efforts. (Outcome area: Decentralization, local governance and urban/rural development)	Decentralization strategy in place with clear roles and responsibilities of different governance levels.	2.6.1. Effective institutional structures dealing with decentralization established. 2.6.2 The development of decentralization strategy supported, covering issues of regional arrangements. 2.6.3 Implementation of the decentralization process supported in line with the strategy. 2.6.4 Concept of fiscal decentralization prepared and its implementation supported. 2.6.5 Decentralization-related legislation improved. 2.6.6 Effective decentralization-related coordination mechanisms in place. 2.6.7 General public awareness and knowledge of decentralization benefits increased. 2.6.8. Capacities of local administration increased to perform the new competencies.	

Focus Area. Environment and Sustainable Energy

UNDAF		CPD		CPAP	
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators
5. Progress towards ensuring environmental sustainability demonstrated	<p>5.1 Existence of legal-institutional bases and policy framework for sustainable development</p> <p>5.2. Sustainable environmental management incorporated in >90% of development policies / plans</p> <p>5.2.1 Decision-making tool to incorporate environmental considerations in development policies and/or sectoral plans introduced</p> <p>5.3 Framework and media-specific environmental strategies/action plans adopted for more than 90% of environmental management fields</p> <p>5.4 Ensure environ. sustainability</p>	<p>3.1. National and local capacities enhanced and best practices adopted for sustainable environmental and natural resources management</p>	<p>Capacities for sustainable environmental management;</p> <p>Existence of strong capacities for sustainable environmental and natural resource management at system, institutional and individual levels;</p> <p>Sustainable practices for environmental management.</p>	<p>5.1. National and local capacities enhanced and best practices adopted for sustainable environmental and natural resources management (Outcome area: Framework and strategies for sustainable development)</p>	<p>Enhanced planning and implementation capacities of the government and civil society (yes/no);</p> <p>No. of sustainable environmental and natural resource management practices adopted;</p> <p>Geographic coverage and size of populations, where sustainable environmental and natural resources management practices are adopted.</p>
				<p>5.1.1 National policy and planning frameworks for sustainable environmental management improved</p> <p>5.1.2 Awareness of key decision-makers and civil society on sustainable development and environment sustainability raised</p> <p>5.1.3 National and local capacities for implementation of local and global commitments enhanced</p> <p>5.1.4 Practices for sustainable environmental and natural resource management demonstrated at sub-national, national and trans-boundary levels</p>	<p>5.2.1 Government capacity in monitoring and controlling BTC's compliance to national and international requirements and standards enhanced</p> <p>5.2.2 Capacity of Civil Society in independent environmental and social monitoring and audit of BTC pipeline enhanced</p> <p>5.2.3 Energy efficiency and use of indigenous renewable energy resources enhanced</p>
				<p>5.2. Access to sustainable energy improved through increased electricity production by using indigenous renewable energy resources, improved energy efficiency and the dev. of Georgia's energy corridor (Outcome area: Access to sustainable energy)</p>	

Focus Area. Conflict Prevention and Recovery

UNDAF		CPD		CPAP	
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators
4. Risk and impact of man-made and natural disasters is reduced.	<p>4.1 National disaster management system is operational</p> <p>4.2 Political processes for conflict resolution are endorsed/ongoing</p> <p>4.3 Socio-economic situation is stabilized for those affected by conflict and/or natural disasters</p> <p>4.4 Peace agreements are endorsed/facilitated by the UN and other international mechanisms</p> <p>4.5 Number of IDPs reduced and number of returnees in conflict areas increased</p>	<p>4.1.1.National conflict prevention expertise in place and operational/equipped with resources to effectively identify and address root causes of violent conflicts</p> <p>4.2.1.Sustainable livelihoods restored, basic social services provided, multi-sector frameworks and sector-specific programmes designed and implemented</p>	<p>Policies for the provision of basic health, education, social services for the population in conflict/unstable areas are in place.</p> <p>Decreased dependency on humanitarian assistance.</p>	<p>4.2 Sustainable livelihoods restored, basic social services provided, multi-sector frameworks and sector-specific programmes designed and implemented. (Outcome area: Recovery)</p>	<p>4.2.1 Post-crisis rehabilitation and longer-term recovery assistance is provided through multi-sectoral integrated development projects and aligned with national development framework</p>
		<p>4.5.1.Disaster risk-reduction integrated into developing planning</p>	<p>The destructive impact of natural disasters in disaster-prone areas significantly reduced.</p>		

Annex 5

PROJECT INFORMATION

Focus Area. Economic Development and Poverty Reduction				
Outcome: National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased.				
Project	Start	End	Modality	Budget
Informal economy of Georgia: building capacity of the Department of Statistics for the accurate assessment of the non-observed economy	11.2006	12.2007	DEX	\$ 124,500
Support to the State Department of Statistics in organization and implementation of the general population census	2002	2004	DEX	\$ 680,142 [Netherlands+Germany +DFID 97.1%]
Support to the State Department for Statistics of Georgia in Conducting of Integrated Household Survey	2004	2006	DEX	\$ 177,730 [Netherlands 100%]
Reporting on the state of the nation's working children: child labour survey module in Georgia	1999	2004	NEX (SDS)	\$ 94,479 [Norway 100%]
Technical assistance to Georgia in the field of labour statistics	1996	2002	NEX (SDS)	\$ 535,008
National Human Development Report	9.2007	12.2008	DEX	\$ 103,998
Support to preparation of Poverty Reduction and Economic Growth Programme (PREGP) (changed to Economic Development and Poverty Reduction Programme, EDPRP)	2001	2005	NEX (PREGP Secretariat)	\$ 582,962 [USAID+DFID+ Netherlands 75.6%]
Improving targeting of poor and extremely poor families in anti-poverty programme in Georgia	2002	2003	NEX (PREGP WGs)	\$ 52,997
Support to social service capacities and policies in Georgia	7.2008	7.2009	NEX (GASW)	\$ 100,000

Focus Area. Economic Development and Poverty Reduction (continued)

Outcome: Equitable economic growth promoted through close cooperation with private sector entities within the overall framework of corporate social responsibility.

Project	Start	End	Modality	Budget
Samtske-Javakheti Integrated Development Programme [Start-up Phase]	2002	2003	DEX	\$ 4,615 [OSCE 18.8%]
Support to the formulation and implementation of the Samtskhe-Javakheti regional development programme	2005	2008	DEX	\$ 883,422 [Norway 90.5%]
Cross-border cooperation between the Shirak region in Armenia and the Samtskhe-Javakheti Region in Georgia	8.2007	12.2007	DEX	\$ 300,000, [Gov. 50%, Norway 50%]
Kakheti Regional Development	10.2006	9.2009	DEX	\$ 470,394 [Romania 47.2%]
Economic Development in the Adjara Autonomous Republic	2.2008	12.2009	DEX	\$ 301,819 [Adjara Gov. 6.6%, Romania 73.5%]
Support to the modernization of the Vocational Education and Training (VET) System in Georgia – Phase 2	11.2006	12.2009	DEX	\$ 651,950 [Switzerland 46%]
Building Vocational Education and Training Capacities in the Shida-Kartli Region (VET)	1.2009	6.2010	DEX	\$ 1,645,207 [EC 100%]
Free Trade Agreement between the EU and Georgia: assessment of impact,	2.2007	6.2007	DEX	\$ 97,572
Support to the Prime Minister's Office and selected line ministries for strategic sustainable economic development initiatives	2005	2007	NEX (PMO)	\$ 290,994 [DFID 46.1%]
Global Compact Initiative	6.2008	12.2009	DEX	\$ 306,355 [Belgium 73.9%]
Establishment and Initial Support to the Georgian Investment Promotion Agency	1996	2002	NEX (GIC)	\$ 706,106 [World Bank 35.4%, Greece 14.2%, Gov. 1.3%]
Introducing total quality management to manganese processing	1999	2001	NEX	\$ 498,296 [Georgia Engineering 40.1%]
Introducing total quality management and ISO standards to export sector of Georgia	2002	2004	NEX (GEPA)	\$ 416,640 [National NGO 43.2%, International NGO 19.2%]
Inclusive Financial Systems in Georgia	1.2009	6.2010	DEX	\$ 2,587,322 [EC 100%]

Focus Area. Economic Development and Poverty Reduction (continued)

Other EDPR projects and activities.

Project	Start	End	Modality	Budget
Assistance to "Green Wave" Radio in advocating principles of Sustainable Human Development	1999	2001	NGO Ex	\$ 119,987
Preparatory assistance to project formulation for establishing Pirosmani International Artistic Center in Mirzaani	2000	2001	UNESCO	\$ 6,273
National capacity building for preservation of Georgian cultural heritage	2000	2001	NEX (Min. of Culture)	\$ 10,999
Pilot Project of Mtskheta	2001	2002	UNESCO	\$ 40,000
Monitoring of Education for All	1999	2002	UNESCO	\$ 30,054

Focus Area. Democratic Governance

Outcome: Representational, law-making and oversight functions and capacities of the Parliament and its subsidiary bodies strengthened

Project	Start	End	Modality	Budget
Strengthening effectiveness and transparency of the Parliament of Georgia	6.2005	12.2008	NEX	\$ 2,459,000 [SIDA 10%, Gov. 50.3%, EC 29.4%]
Gender and Politics in the South Caucasus	2.2004	12.2009	NEX (Parliament)	\$ 1,743,600 [SIDA 85.3%, Gov. 14.7%]
Strengthening institutional performance and capacity for public sector control	2004	2007	NEX (CCG)	\$ 1,100,000 [Gov. 59%, TTF 18%]
Developing capacity for democratic institutions for fair electoral processes and active civil participation	7.2007	12.2009	DIM	\$ 2,874,300 [EC 63%, Gov. 26.3%]

Outcome: Transitional justice mechanisms and reform processes implemented towards an independent and well-functioning justice sector, with particular emphasis on respect for human rights.

Project	Start	End	Modality	Budget
Assistance to the Public Defender's Office	2004	2009	NEX (PDO)	\$ 2,228,000 [EC 8%, RWI 39%, Gov. 26%, Norway 18%]
Support to the justice system of Georgia	1.2006	12.2010	NEX (Sup. Court)	\$ 1,131,600 [TTF 15.4%, Gov. 49.2%]
CB in the penitentiary and probation training center	3.2006	12.2008	NEX	\$ 371,400 [SIDA 100%]
Capacity Development in the Ministry of Justice – Rustavi Prison Rehabilitation	2.2005	9.2005	NEX	\$ 2,554,280 [EC 100%]
Samtskhe-Javareti Women's Regional Center	12.2004	5.2007	NEX	\$ 550,705 [SIDA 100%]

Focus Area. Democratic Governance (continued)

Outcome: Public sector reform in support of efficient, effective, responsive and pro-poor public services promoted and supported through policy advice and capacity development activities.

Project	Start	End	Modality	Budget
Modernization of the finance system in Georgia	2004	2008	NEX (MoF)	\$ 1,248,000 [Gov. 24.4%, Netherlands 56%, Belgium 19.6%]
SCAD 4: South Caucasus Action Programme on Drugs	5.2004	4.2006	DEX	\$ 1,154,800 [EC 80.9%]
SCAD 5: South Caucasus Action Programme on Drugs	9.2007	10.2009	DEX	\$ 1,218,400 [EC 100%]
Civil Registry Reform: Phase II	8.2007	4.2009	NEX (CRA)	\$ 2,919,300 [USAID 73%, DFID 10.6%]
Capacity Building Fund	2004	2010	DEX	\$ 4,876,600 [SISA 32.3%, OSI 20.5%, Ireland 14%, AIG 19.2%]
On-demand services in the area of public sector reform	3.2007	12.2009	DEX	\$ 575,000 [SIDA 46.9% SDC 26.9%]

Outcome: Increased capacities of regional and local governments in line with national decentralization strategy and efforts

Project	Start	End	Modality	Budget
Support to democratic governance in Imereti Region	2002	2007	DEX	\$ 1,228,000 [Gov. 56.1%, TTF 27.9%]
Support to CEGSTAR	4.2006	12.2008	NEX	\$ 1,243,500 [SIDA 72.4%, Gov. 14.3%]
Supporting local and regional governance in the Kvemo Kartli region	8.2007	12.2009	DEX	\$ 1,293,800 [SIDA 100%]

Focus Area. Environment and Sustainable Energy

Outcome: National and local capacities enhanced and best practices adopted for sustainable environmental and natural resources management.

Project	Start	End	Modality	Budget
Recovery, Conservation, and Sustainable Use of Georgia's Agro Biodiversity	6.2004	12.2009	NGO exec.	\$ 2,679,208 [UNDP/GEF 36%, ELKANA 64%]
Reducing Trans-Boundary Degradation of the Kura-Aras River Basin	10.2005	12.2007	UNOPS	\$ 1,562,755 [UNDP/GEF 45%, UNDP Bratislava 8%, Gov. 9%, SIDA 38%]
Catalysing Financial Sustainability of Georgia's Protected Area System - Project Preparatory Grant	3.2008	10.2008	NEX (MoENR)	\$ 118,000 [UNDP/GEF 45%, Gov. 55%]
Arid and Semi-Arid Eco-system Conservation in the Caucasus	2000	2002	NGO Ex	\$ 881,500 [UNDP/GEF 85%, FFI 1%, NACRES 14%]
Capacity-Building for the Ministry of Environment	1999	2002	NEX (MoENR)	\$ 500,000 [UNDP 20%, Netherlands 80%]
National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)	2002	2006	NEX (MoENR)	\$ 236,000 [UNDP/GEF 84%, Gov. 16%]
Enabling Activities for Implementation of the Montreal Protocol in Georgia	9.2007	12.2009	NEX (MoENR)	\$ 470,667 [MLF 100%]
National reports for Biodiversity Conventions	2007	2009	NGO exec.	\$ 272,186 [UNDP/GEF 100%]
Preparation of the POPs National Implementation Plan under the Stockholm Convention	2003	2006	NEX (MoENR)	\$ 467,400 [UNDP/GEF 85%, Gov. 15%]
Enabling Activities for the Preparation of Georgia's Second National Communication to the UNFCCC	12.2005	12.2008	NEX (MoENR)	\$ 504,000 [UNDP/GEF 83%, Gov. 17%]
Enabling Georgia to Fulfil its Commitments to the UNFCCC	1997	2002	NEX (MoENR)	\$ 420,000 [UNDP/GEF 100%]
Development of NEAP and National Waste Management Plan	2006	2007	NEX (MoENR)	\$ 141,700 [UNDP Czech Trust Fund 29%]
Programme for End-Users In the Commercial/Industrial Refrigeration and Refrigerated Transport Sub-Sectors in Georgia	2002	2005	NEX (MoENR)	\$ 101,000 [MLF 100%]
Implementation of the RMP: Monitoring the Activities in the Refrigeration Management Programme	2002	2004	NEX (MoENR)	\$ 16,350 [MLF 100%]
Catalyzing financial sustainability of Georgia's Protected Areas System	2009	2011	NEX (MoENR)	\$ 14,418,836 [UNDP/GEF 5.0%, Gov. 0.2%, donors 13.1%]

Focus Area. Environment and Sustainable Energy (continued)
Outcome: National and local capacities enhanced and best practices adopted for sustainable environmental and natural resources management.

Project	Start	End	Modality	Budget
Securing Long-Term Financial Sustainability of Georgia's Protected Areas System	2009	2017	NGO exec.	\$ 4,635,000 [UNDP/GEF 21.6%, Gov. 56.1%, donors 30.1%]
Reducing trans-boundary degradation of the Kura-Aras River Basin (regional)	2009	2011	UNOPS	\$ 13,760,000 [UNDP/GEF 21.1%, Gov. 16.5%, donors 62.5%]
Disposal of POPs Pesticides and Initial Steps for Containment of Dumped POPs Pesticides in Georgia	2010	2012	NEX (MoENR)	\$ 2,348,433 [UNDP/GEF 42.6%, donors 51.0%]
Regional Climate Change Study (regional)	2009	2010	DEX	\$ 148,126 [UNDP 45.4%]
IS phase 6	2009	2011	NEX (MoENR)	\$ 60,000 [MLF 100%]
HCFC investment and technical assistance components	2009	2010	NEX (MoENR)	\$ 50,000 [MLF 100%]

Outcome: Access to sustainable energy improved through increased electricity production by using indigenous renewable energy resources, improved energy efficiency and the development of Georgia's energy corridor

Project	Start	End	Modality	Budget
Renewable energy resources for local energy supply	3.2004	4.2011	NEX (Min. of Energy)	\$ 13,630,000 [UNDP/GEF 35%, KfW 42%, Gov. 1%, other local 22%]
Clean Energy Technologies in the Oni region of Georgia	4.2006	12.2007	NEX (MoENR)	\$ 227,381
Small hydropower resources at the community level	11.2005	12.2007	NEX (MoENR)	\$ 1,000,000 [Norway 100%]
Strengthening Capacities of the Georgian Oil and Gas Corporation (GOGC) for Sustainable Development and Energy Security	9.2007	12.2010	NEX (GOGC)	\$ 6,500,000 [GOGC 80%]
Support to Georgian International Oil Corporation (GIOC): Phase I (1996-2001) and Phase II (2001-2007)	1996	2007	NEX (GIOC)	Phase I: \$ 8,400,400 [GIOC 81%] Phase II: \$ 17,400,000 [GIOC 89%]
Removing Barriers to the Development of Small Hydro Power Sector for the Mitigation of GHG Emissions in Georgia	2000	2002	NEX	
Pipeline Monitoring and Dialogue Initiative (PMDI)	2006	2007	NGO exec.	\$ 580,000 [British Petroleum 69%, IFC 9%, Eurasia Foundation 5%]

Focus Area. Conflict Prevention and Recovery**Outcome: Sustainable livelihoods restored, basic social services provided, multi-sector frameworks and sector-specific programmes designed and implemented**

Project	Start	End	Modality	Budget
Social infrastructure rehabilitation of the territories affected by the Georgian-Ossetian conflict	2004	4.2007	DEX	\$ 1,747,000 [OSCE 95.8%]
Abkhazia Livelihood Improvement and Recovery	12.2005	6.2008	DEX	\$ 800,000 [EC, Norway]
Fostering Sustainable Transition and Recovery (FOSTER)	10.2008	9.2009	DEX	\$ 1,180,500
Other project with no specified outcome				
Strengthening the Disaster Risk Reduction System in Georgia	2008	2010	DEX	\$ 468,471 [SDC 95.5%, UNRC 4.5%]

Annex 6

BUDGET AND EXPENDITURE BY FOCUS AREA

US\$ thousand

	DG		EDPR		ESE		CPR	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
2004	\$7,933	\$6,495	\$1,569	\$915	\$3,422	\$2,575	\$2,586	\$705
2005	\$7,333	\$6,611	\$876	\$730	\$4,526	\$3,959	\$1,425	\$1,387
2006	\$5,046	\$4,348	\$1,444	\$1,348	\$6,920	\$6,365	\$1,846	\$1,596
2007	\$4,771	\$4,434	\$960	\$921	\$2,441	\$2,033	\$1,547	\$1,431
2008	\$7,684	\$7,311	\$1,166	\$1,082	\$2,089	\$1,838	\$1,282	\$1,236
Total as of end 2008	\$32,767	\$29,199	\$6,015	\$4,996	\$19,398	\$16,770	\$8,686	\$6,355
4.2009	\$6,025	\$1,758	\$3,876	\$641	\$3,219	\$463	\$2,368	\$786
Total as of 4.2009	\$38,792	\$30,957	\$9,891	\$5,637	\$22,617	\$17,233	\$11,054	\$7,141

Source: UNDP Georgia CO



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