

Interim evaluation 2008

**Strengthening Local Self-Government,
Georgia**

Brief Report

gtz

**Produced by: Dr. Pascal Arnold and David Melua on behalf
of Intercooperation**

**This report was produced by independent external experts.
It reflects only their opinion and assessment.**

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Evaluation Unit

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Tabular overview

The evaluation mission

Evaluation period	June 2008 - July 2009 (previous mission schedule was postponed due to the war in August 2008 in Georgia)
Evaluating institute / consulting firm	Intercooperation, Bern
Evaluation team	Dr. Pascal Arnold (international expert), David Melua (national expert)

The development measure

Title according to the offer	Strengthening Local Self-government, Georgia
Number	2006.2123.5
Overall term broken down by phases	Phase 1: 01/2007 until 12/2009
Total costs	Phase 1: 2.400.000 EUR
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	Overall objective: Core functions of the municipalities (planning, budget, services) are fulfilled correctly, transparently and in accordance with needs Phase objective: Public functions and tasks at the municipal and regional level are fulfilled in accordance with the normative frame for local self government
Lead executing agency	Parliamentary Committee for regional policy, self-government and mountainous regions
Implementing organisations (in the partner country)	Parliamentary Committee for regional policy, self-government and mountainous regions, CEGSTAR, State Commission on Effective Government System and Territorial Reform, new Ministry for Regional Development and Infrastructure, NALA, Municipalities (in particular 5 partner municipalities), Regional Media Association, selected NGOs and expert organisations
Other participating development	

organisations	
Target groups as per the offer	Population of Georgia. For specific pilot measures, the citizens of the 5 selected project partner municipalities ("Kerngemeinden")

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	2
Individual rating	Relevance: 2; Effectiveness:2; Impact: 3; Efficiency: 2; Sustainability: 2

The interim evaluation: GTZ mandated “Intercooperation” (Dr. Pascal Arnold and David Melua) to conduct an interim evaluation of the project “Strengthening Local Self-Government, Georgia” during second half of 2008. The objective of the evaluation was to assess the success of the project. The five OECD-DAC criteria and the GTZ evaluation guidelines were used as a basis for this evaluation. Due to the war in August 2008, the evaluation mission was postponed and took place from 18 January to 3 February 2009. The evaluation was a combination of an analysis of project documents and reports, an analysis of relevant national and donors’ policy and strategy documents, preparatory discussions with GTZ and qualitative interviews and group discussions with over 50 partners and stakeholders in Georgia. Intermediate findings were discussed in a debriefing workshop in Tbilisi with the main partners.

The project: The overall objective of the project is: “Core functions of the municipalities (planning, budget, services) are fulfilled correctly, transparently and in accordance with needs.” The objective of the present phase is: “Public functions and tasks at the municipal and regional level are fulfilled in accordance with the normative frame for local self-government”. The project works with a broad network of partners from state authorities and the civil society at different levels (local, regional and national) in order to link the results at municipal level with the national policy discussions and the normative framework. The project’s support consists of policy, technical, process and organisational development advice and capacity development by short and long term experts, local subsidies for information campaigns and concrete municipal development measures. The project areas of intervention are clustered in four working areas: 1. information and communication; 2. capacity development and advice regarding the normative framework; 3. municipal management; 4. interface municipalities-regions. Civil society participation and gender issues are addressed as cross-cutting topics in all working areas.

The project has started in early 2007; it is operational only for a period of two years. In addition the restrictions for project implementation caused by the war in August 2008 need to be considered. From 2010 the project will be integrated into a more comprehensive programme scheme applying a wider regional approach. Therefore, the achievement of the objective of the present phase shall serve as basis for this evaluation.

A challenging project context: In 2006 Georgia has initiated a reform process regarding decentralization and local self-government. Georgia is administratively divided into 9 regions and 2 autonomous republics, which are composed of 69 local self-government units (64 municipalities and 5 cities with special status). Assessing the current status of this reform

process, improvements have been made related to the legal framework clarifying roles and functions. The progress made during the last 3 years is remarkable. Looking at the implementation of administrative, political and fiscal decentralization, there are however still serious weaknesses, such as lack of political will to put decentralization and local self-government into practice.

The concepts of Decentralization and local self-government are new in Georgia and the legacy of the soviet rule is still present. The decentralization process is top-down oriented, with little instruments of “checks and balances” by organized lobbying and pressure from the local or regional level and/or the civil society. Decentralization will only be implemented successfully, if it goes hand in hand with further democratisation and other reforms. An important recent step is the establishment of a new ministry for regional development and infrastructure. This ministry is supposed to take a leading role in the further reform process.

Technical implementation of the project The project applies a participative multi-level approach, working at national, regional and local level (focus on the national and local level). The project selected 5 partner municipalities (core-communities) during phase 1, where specific support has been provided to test good local practices. Considering the institutional and political weaknesses in terms of effective checks and balances in Georgia, the incorporation of the local practices and lessons learned into policy advice could be achieved only in selected areas. Cooperation with other donors, division of labour and linking with other development measures supported by the German government takes place. Nonetheless potential synergies could be increased. The participative elaboration and management of the project priorities and strategies has contributed to a good commitment of the partners.

Capacities of partners have been developed: At national level, the project contributed to the capacity development of the regional media association (increased knowledge, establishment of a regional network). Regarding the reform centre CEGSTAR, the project provided an important contribution to improve relationships with others stakeholders based on mutual trust. This is important as different staff members have taken over key positions in the new Ministry. All partners highlighted the cooperation with GTZ experts and the organized networks and discussion platforms (extension of network to address key issues). At regional level, capacities from the regional leadership and administration were strengthened by participation of staff in trainings and study visits. At municipal level, the project mainly contributed to raise the knowledge and capacities of the partners. To what extend this individual capacity development is reflected in changes to organisational

structures, attitudes and behaviours is difficult to assess after only 2 years of project implementation.

The project was assessed in accordance with the DAC evaluation criteria as follows:

Relevance (2): The project is highly relevant, supporting the national reform process for decentralization and strengthening local self-government. It is in line with key national policies, strategies and signed conventions like the Poverty Reduction Strategy Paper (PRSP), the draft national decentralization strategy and the European Charter of Local Self-Government. The good timing of the project start and the participative planning mechanisms ensure, that partners' needs and key development and reform issues are addressed. The project matches with the relevant international development strategies, with the guidelines of the German Ministry for Economic Development and Cooperation (BMZ) ("Aktionsprogramm" 2015, BMZ decentralization guidelines, BMZ Caucasus Initiative) and with the GTZ policy orientations. **The rating for relevance is good (level 2).**

Effectiveness (2): The project progress indicates that the phase objective can mostly be achieved until end of 2009. The main results of the project are the elaboration and introduction of the administrative supervision law; an increase of information and awareness on local self-government; increased knowledge and capacities of the main partners; the development and effective use of handbooks and manuals; the introduction of selected improved management tools and practices like one stop shops (following the German concept of "Citizen's Offices"); as well as the active involvement in the new national task force for regional development. Shortcomings relate to a missing long term capacity development concept and to effective project results at the municipal level in terms of improved services and management practices. **The rating for effectiveness is good (level 2).**

Impact (3): The short period of project implementation (two years) is not sufficient to make a serious assessment of its impact. Much will depend on the further political developments in Georgia. There are however indications for a plausible association of project results with overarching development objectives of Georgia, in particular regarding good governance and democracy: By raising awareness of the local governments and citizens, the project contributes to increased transparency, and accountability. By providing legal advice, the project also contributes to improved regulatory quality. By increasing the capacities of the local governments and the awareness of citizens, the project contributes to a mutual dialogue and to the legitimacy of the authorities, which is a precondition for democracy and political stability. **The rating for impact is satisfactory (level 3).**

Efficiency (2): The good anchoring of the project and the efficient management procedures enabled a good selection of Georgian partners and service providers. According to the provided information, we conclude, that the principle of cost-effectiveness was followed. The interviewed partners and consultants confirmed transparent and non-bureaucratic procedures in the cooperation mechanisms. The project cooperates with other donors and actors. It is complementary to other German and GTZ supported development measures, with direct cooperation in selected areas. **The rating for efficiency is good (level 2).**

Sustainability (2): Relevance of topics addressed, the choice of partners, participative planning, focus on capacity development, integration of activities in existing structures and a cooperation approach requiring partners contributions are important indicators for the sustainability and institutionalisation of project results. Concentration in the broad working areas and a long-term capacity development concept at local level is needed to ensure sustainability of results, particularly at municipal level. The problematic context of the project implies a considerable risk for sustainability. **The rating for sustainability is good (level 2).**

Overall rating of the project (2) The differentiated weighting of the individual DAC criteria leads to an overall rating of the project with level 2 (good rating, fully in line with expectations, no significant defect).

Concluding remarks: Considerable results have been achieved by the project in a short period of 2 years in spite of the difficult context. The main reasons for the successes are: 1) the coherent project concept with a good and efficient project management; 2) the participative and monitoring; 3) the applied multi-stakeholder approach integrating most of the relevant actors; 4) the strategy to work at different levels addressing authorities and civil society; 5) the good quality of the involved experts and intermediated organizations and 6) a good cooperation with other donors and projects.

Main recommendations: The evaluators suggest a formalization of cooperation with the new Ministry as the main political partner, possibly with the beginning of the new phase. The original idea to establish an advisory board should be relaunched. If the project intends to continue its cooperation with specific partner municipalities after 2009, we recommend to sign with them an overall memorandum of understanding, comprising the agreed “cooperation package” as well as the mutual rights and duties. In addition, the project should further extend the cooperation with the executive branch of the municipality.

Regarding the project approach and strategy, we suggest to focus on the sustainability of the results for the remaining period and not to start new activities. Capacity development should mostly be a follow up of the topics addressed up to now. Some gaps related to the

functioning of the one stop shops should be addressed to ensure their sustainability. As a preparation and input for the planning of the new programme, we would recommend the project to further capitalize and disseminate the results and lessons learned. An interesting model to be shared for replication is the applied “ear-marked on budget support” to municipalities for the one stop shops in the partner municipalities.

With reference to the sector, we suggest to focus on fiscal decentralization in 2009, as this is highly relevant and crucial for a successful implementation of the reform process. Supporting the new regional development task force might be a good strategy for policy dialogue and should be addressed by the project with adequate resources and capacities.

The design of the future programme should consider the following principles: 1) to keep and build on project strengths and results achieved during phase 1 of the evaluated project; 2) to have a more focused strategy with less working areas and in depth and coherent support; 3) to consider the factor ‘sustainability’ as a key criteria for selecting priorities; and 4) to integrate policy dialogue as a particular working area or component. Possible issues to be addressed and deepened are: fiscal decentralization, local and regional planning and (economic) development, improvement of municipal management and services, legislation support, awareness creation and information. Another element might be the testing of inter-municipal cooperation mechanisms, which would be something new and innovative for Georgia and which might help to “depoliticise” the discussion on regionalization of Georgia.

A particular challenge is the question, how to best address citizens’ participation, which is one of the main weaknesses in Georgia. One option would be to have a specific programme component strengthening and supporting directly civil society organisations in increasing their voice in local governance. Regional development will definitely become more important in Georgia, mainly linked to the discussions regarding the future relationship with the EU. We would however not advise to put the focus of the future programme only on the issue of regional development. This would cause a loss of the results achieved so far and could even have a negative influence on the process of decentralization and local self-governance. Regarding the coming programme, we suggest to continue applying a multi-level approach. At national level a more structured and effective policy dialogue is needed to positively influence the political will, which was identified as one of the main weaknesses during phase 1 of the project. The participation of the task force for regional development is a good opportunity for clarifying and shaping the role and functions of the different stakeholders at the meso-level. Inter-municipal cooperation mechanisms might be an innovative tool to be tested. At local (municipal) level, a more coherent approach is required. The applied concept

of “partner municipalities” is not fully coherent, as they are too diverse and communication is difficult due to their geographic distance. They should either be addressed as real pilots with a close cooperation to test good practices, combined with a clear strategy for dissemination and scaling up purposes. Another option might be to work with a group of municipalities in the same area applying a regional approach, particularly if the programme wants to work on economic development.

The envisaged regional programme approach is fully in line with the BMZ Caucasus Initiative, which aims to consolidate the fragile peace in the region by actively promoting regional cooperation. GTZ should carefully assess the experiences of other donors and other projects supported by the German government. Regional cooperation strategies should be developed to complement national cooperation strategies. The advantages and the potential of a regional approach might be perceived differently by the partners, taking into account the difficult relationships and the lack of a common vision among the countries in the region. Additional limitations might be linked to existing legal constraints and differences. Possible approaches or entry points could be the networking of existing structures - e.g. municipal associations, academic institutions, NGOs -, mechanisms for regional knowledge management or the realization of cross-border cooperation projects. Such a cooperation might serve as a model for other areas or for accessing regional funds.

Regarding cross-cutting topics, gender equity is definitely relevant in all countries and an important common issue and challenge impeding development in the region. Another important topic to be addressed at regional level is conflict prevention and the protection and integration of minorities, being one of the main objectives of the BMZ Caucasus Initiative.

The evaluation team would like to emphasize that the recommendations regarding a regional approach are only based on information and insights gained during the mission and therefore partial. Thus, they should be understood as food for thought, complementary to other reflections and sources.