



Ex-post evaluation 2010 – Brief Report

Promotion of Food Security, Regional Cooperation and Stability in the Southern Caucasus, Armenia, Azerbaijan and Georgia (FRCS)

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

Kirchheim unter Teck, 11 April 2011

Tabular overview

The evaluation mission

Evaluation period	June 2010 to January 2011
Evaluating institute / consulting firm	AGEG Consultants eG
Evaluation team	Dr. Gerlind Melsbach, Germany Sandra Fuhr, Germany (GTZ) Alexander Baghdadze, Georgia

The development measure

Title according to the offer	Promotion of Food Security, Regional Cooperation and Stability in the Southern Caucasus
Number	PN: 2001.3654.9 PN: 2005.1961.1
Overall term broken down by phases	Phase I: Jan. 1 st 2002 to Dec. 31 st 2004 Phase II: Jan. 1 st 2005 to Dec. 31 st 2006
Total costs	Phase I: € 3,874,105 Phase II: € 1,425,291 (of which € 86,355 are from OECD) Total Costs planned: € 5,299,396 Total cost actual: € 4,180,088 Partner contribution in kind in form of office space
Overall objective as per the offer, for ongoing development	“The population in selected areas of the border regions of Armenia, Azerbaijan and Georgia has improved its

measures also the objective for the current phase	living conditions and created the foundation for sustainable and social development.” ¹
Lead executing agency	Armenia: Department of Social Welfare Azerbaijan: Department for Economic Development Georgia: Department of Nutrition and Agriculture
Implementing organisations (in the partner country)	Decentralised government structures, local government, self-help groups and local NGOs
Other participating development organisations	OSCE – Organisation for Security and Cooperation in Europe
Target groups as per the offer	a) The food insecure population in the border regions of Azerbaijan (387,000), Georgia (150,000) and Armenia (150,000) that is affected by the conflict. Special attention will be provided to women-headed-households.

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 and appropriateness: 2; Effectiveness and coverage: 3; Impact: 2; Efficiency and coordination: 2; Sustainability: 3

¹ Angebot 2005-1961.1, p. 3.; English translation see Oehrlein/gtz (2006). In the German Version the term „Ernährungssicherheit“ is used instead of living conditions.

The ex-post evaluation of the technical cooperation programme “Promotion of Food Security, Regional Cooperation and Stability in the Southern Caucasus (FRCS)” took place between June 2010 and February 2011, i.e. about 4 years after the programme has ended. The team was composed of Dr. Gerlind Melsbach (Germany) and Alexander Baghdadze (Georgia) from AGEG Consultants eG as well as Sandra Fuhr from GTZ, the latter one participating for two weeks in the field phase of the evaluation mission.

The **methodology** consisted of document studies – tracing still existing programme outcomes and identifying respondents – semi-structured interviews, and assessment workshops with different stakeholders (in Armenia only). Limitations were due to lack of some crucial project documents and difficulties in tracing and meeting relevant former stakeholders of the programme. For this reason and also because of the limited timeframe for the evaluation of this multi-sectoral programme implemented in three countries, cross-checking of information was restricted. A further limitation specific to the ex-post evaluation is the difficulty to get information and assess certain “soft” aspects fairly, e.g. the technical implementation and coordination. The evaluation focuses on phase II, the consolidation phase of FRCS, but considers Phase I in which the foundation for the final programme results were laid.

Framework conditions: The Southern Caucasus is characterised by various regional conflicts that occurred in connection with the break down of the Soviet Union. The major regional conflicts in the Southern Caucasus are the territorial, secessionist ethno-political conflicts which are embedded in the partly opposing interests of Russia, Turkey, Western Europe and the USA. For FRCS the Karabakh conflict between Armenia and Azerbaijan was the basic conflict. When FRCS was conceptualised in 2001 there seemed to be a window of opportunity for the resolution of the Karabakh conflict through the peace process led by the Organization for Security and Cooperation in Europe (OSCE). However, this soon turned out as an unrealistic expectation. Already during implementation of FRCS the conditions for regional cooperation between Armenia and Georgia, and Azerbaijan and Georgia became more difficult, not to mention direct cooperation between Armenia and Azerbaijan. Till today the borders between Azerbaijan and Armenia were and remain impermeable.

The economic situation in all three countries was at the beginning of the programme characterised by similarly high poverty rates of about 50%, which were even higher in rural areas. Furthermore, as a consequence of the collapse of the Soviet system, the old institutions had broken down, e.g. the collective farm based system, education and health system became largely dysfunctional. New policies and government institutions and services still needed to develop. All three countries were characterised by a high level of corruption.

Only Georgia managed, after a change of Government in 2003, to implement radical reforms which reduced corruption substantially. The respective situation in Armenia and Azerbaijan has not improved till to date. All three countries had accelerated economic growth rates from 2001 onward until the financial crisis in 2008. However, these started from a very low level.

While the programme was not in the position to influence the regional conflicts, which are conflicts to be solved on the political level, it strategically addressed the local conflicts. These conflict fields were identified by a profound conflict analysis in all three countries as follows: Struggle for power, access to resources, corruption, information and transparency, regional cooperation and, only in the case of multi-ethnic Georgia, cultural diversity with its specific conflict potentials.

FRCS was implemented in two phases from 1/2002 to 12/2006. In the second phase, the programme was co-funded with 87,000 EUR by OSCE. The programme cost was 4.2 Mil. EUR. This ex-post evaluation, taking place four years after the programme has ended, focuses on phase II, the consolidation phase. The overall objective of the programme as formulated for phase II was: "The population in selected areas of the border regions of Armenia, Azerbaijan and Georgia has improved its living conditions and created the foundation for sustainable economic and social development." (Angebot 2005, p. 3). The overall target population of the programme districts in the three countries was about 780,000 people.

The programme sought to contribute to stability in the region by supporting the development of the local economy and supporting the setting-up and strengthening of local institutions. It focused in particular on local governance by promoting good governance through conflict sensitive methodologies. By fostering good governance and reducing local conflicts, FRCS wanted to contribute to stability in the border regions. FRCS worked in the following areas:

- Agriculture: Improvement of productivity of crops and livestock. Main instruments: Revolving funds for seeds (SF) and veterinarian drugs (VF).
- Non-agricultural income generation: Generating employment for unemployed and business development. Main instrument: Business centres (BC) and credit fund.
- Local Governance and participation: Rehabilitation of social and economic infrastructure by applying a participatory approach, practising transparency and accountability. Main instrument: Community Unions (CU).

- Regional cooperation: Promoting cross-border trade and exchange and cooperation between communities. Main instruments: Border info points for marketing and cross-border community projects.
- Conflict management: Competencies of local government (LG) actors and civil society are strengthened. Main instrument: Commonly accepted local conflict analyses and conflict sensitive methodology for Community Unions (CU).

The multi-sectoral programme concept addressed the major areas for poverty alleviation. The concept included the integration of different sectors, i.e. government, civil society, private farmers and business. Vulnerable groups, such as the population in border areas threatened by food insecurity, internally displaced persons and women-headed households, were addressed specifically through humanitarian aid (i.e. food aid, financed through projects from a different BMZ portfolio). Furthermore, their needs were especially considered in community projects facilitated by the CUs. The conflict sensitive approach was largely limited to the work of the CUs. The programme concept and the instruments developed in the course of programme implementation were appropriate for achieving the results. However, with the focus on institution building and interventions in complex sectors such as agriculture and business development, the time frame of five years from the beginning was too short.

In the following sections, the performance of FRCS will be assessed and rated in accordance with the five criteria of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). These were amended by the conflict specific criteria of the GTZ evaluation guidelines. The rating of relevance, effectiveness and coverage, impact, efficiency and co-ordination relates to the period of programme implementation; sustainability relates to the findings at the time of this ex-post evaluation in 2010. However, in drawing conclusions also new findings and the present state-of the art is considered.

Relevance and appropriateness: FRCS addressed relevant problem areas related to the local conflicts and the major regional conflict by trying to foster the peace dividend by developing institution building, good governance, and food security through agricultural development and non-agricultural income generation. Lack of income is a major problem in the project region and the specific measures devised for agricultural and non-agricultural population render the programme relevant for improving the livelihood of the population. The programme's aims were by and large in line with the major policy orientations of the three countries. The opportunities for regional cooperation, however, did not come true; but this was correctly realized as a risk. The programme concept was adjusted to the regional policy

framework of the German Government, the Caucasus Initiative (CI). However, the predetermined regional approach of the policy framework didn't coincide with the realities of the countries' real policies, which were – and still are – not oriented towards a substantial regional co-operation. This deviation between the programme concept and some of the political realities is the major weakness of the relevance and appropriateness of parts of FRCS.

The rating for relevance and appropriateness is a “good rating, no significant defects” (2).

Effectiveness and coverage: The programme was effective to reach a considerable part of its objectives as measured through its indicators. Effectiveness was influenced by weaknesses of the national partner institutions and policy deficits in particular in the areas of agriculture, the central area for food security. Lack of reforms also influenced effectiveness, i.e. lack of decentralisation in local government (LG) reform (Azerbaijan), major changes in LG structure (Georgia), and slow LG reforms in Armenia. The promotion of cross-border cooperation largely failed because the political framework conditions did not develop as assumed.

Through the explicit use of a conflict sensitive methodology (PCIA) FRCS raised the awareness to consciously consider and respect the specific needs of different target groups in decision making about resources for community development. The conflict sensitive approach was mainly focused and mainstreamed in the CU, where it was effective when applied to community projects. Except for the area of regional cooperation, trade and cross-border projects, FRCS reached in most cases not only the set targets, as measured by its indicators, but even achieved in most areas higher values than planned. The weakest points in effectiveness were the performance of seed funds, the sustainability of institutions and the regional component.

The rating for effectiveness and coverage therefore is a “satisfactory rating, positive results predominate” (3).

Impact: At the end of the programme, the impact generated in the different fields was good to satisfactory for a large part of the results. In particular the basic social infrastructure facilitated by FRCS improved the situation with regard to the satisfaction of basic needs. The institution of the Community Unions played a central role in implementing community projects in a conflict sensitive way and according to rules of good governance. This helped to prevent local conflicts and increased cooperation and mutual understanding and trust building at the end of the programme. The CUs were the central instrument of a participatory approach to community development. However, only in Armenia the framework conditions were

favourable enough to support this institution on a sustainable basis. In Armenia there is also a prospect for generalising the CU model of FRCS for the whole country.

The impact generated by the majority of the institutions or organisations created by or supported by the programme was positive as long as funding by FRCS or other donors was there. “Soft” impact with regards to skills development and good governance was intended to contribute to increase trust of the population in local government and enhance the initiative of the population. FRCS had created some impact in this direction at the end of the programme. Indirect impact after the programme has ended could only be stated at the level of individuals, still benefitting from the skills gained through the programme. These are however, except for Armenia, where FRCS succeeded to integrate them institutionally, only observable at the individual level and don't influence structural aspects.

The rating for impact is a “good rating, no significant defects” (2).

Efficiency and co-ordination: Given the programme's scope, the number of staff was small in comparison to the outputs facilitated by the programme. Contributions by local governments and beneficiaries, which amounted on the average to 25%, decreased the expenses of the programme.

The programme facilitated and financed a tremendous amount of basic social infrastructure, like drinking water supply, repair of public buildings and irrigation, which contributed to improve the satisfaction of the various basic needs. Productive infrastructure, most prominently irrigation, provided the pre-conditions for increasing agricultural productivity. The use of a transparent planning and decision making process based on Peace and Conflict Impact Assessment (PCIA) in planning and implementing these projects can be assessed as an efficient method to prevent local conflicts. FRCS developed activities in perhaps too many sectors, in particular in the first phase, which can be considered as inefficient in relation to the outcomes.

The time frame for setting-up and building new institutions in three countries with very different framework conditions is definitely too short for them to achieve organisational maturity. Leaving half-mature institutions/organisations can be considered inefficient.

The rating for efficiency is a “good rating, no significant defects” (2).

Sustainability: If sustainability was rated for Armenia alone it would be rated as good, since major institutions (all 4 CUs, 2 out of four Veterinary Funds (VF), 3 out of 4 Business Centres) still work – but predominantly on a reduced level. Consequently, the impact still generated by them is less than during programme implementation. However, in Georgia

none of the institutions survived, in Azerbaijan only one VF is still working. However, the weaknesses of most of these institutions were already clear at the end of the programme. Sustainability of the institutions in Armenia, in particular CUs and BCs, can be attributed to more supportive governmental framework conditions there.

Infrastructure financed by the programme is still functional and used. In Georgia and Armenia communal infrastructure is registered in the asset register of the communities. This guarantees maintenance in the framework of the means of local government budgets. In Azerbaijan legal framework conditions did not allow this. Long-term impact of capacity building in Georgia and Azerbaijan can still be observed on the individual level. Individuals trained by FRCS still use the skills gained during programme implementation if they happen to be still in public positions. However, no case where the PCIA approach is institutionalised or transferred to another institution could be identified.

Although the long-term sustainability of the programme outputs is limited, particularly in Georgia and Azerbaijan, it should not be concluded that the approach of the programme was wrong. Quite the contrary: The programme has developed a number of innovative and good approaches and outputs which could be successful under different circumstances.

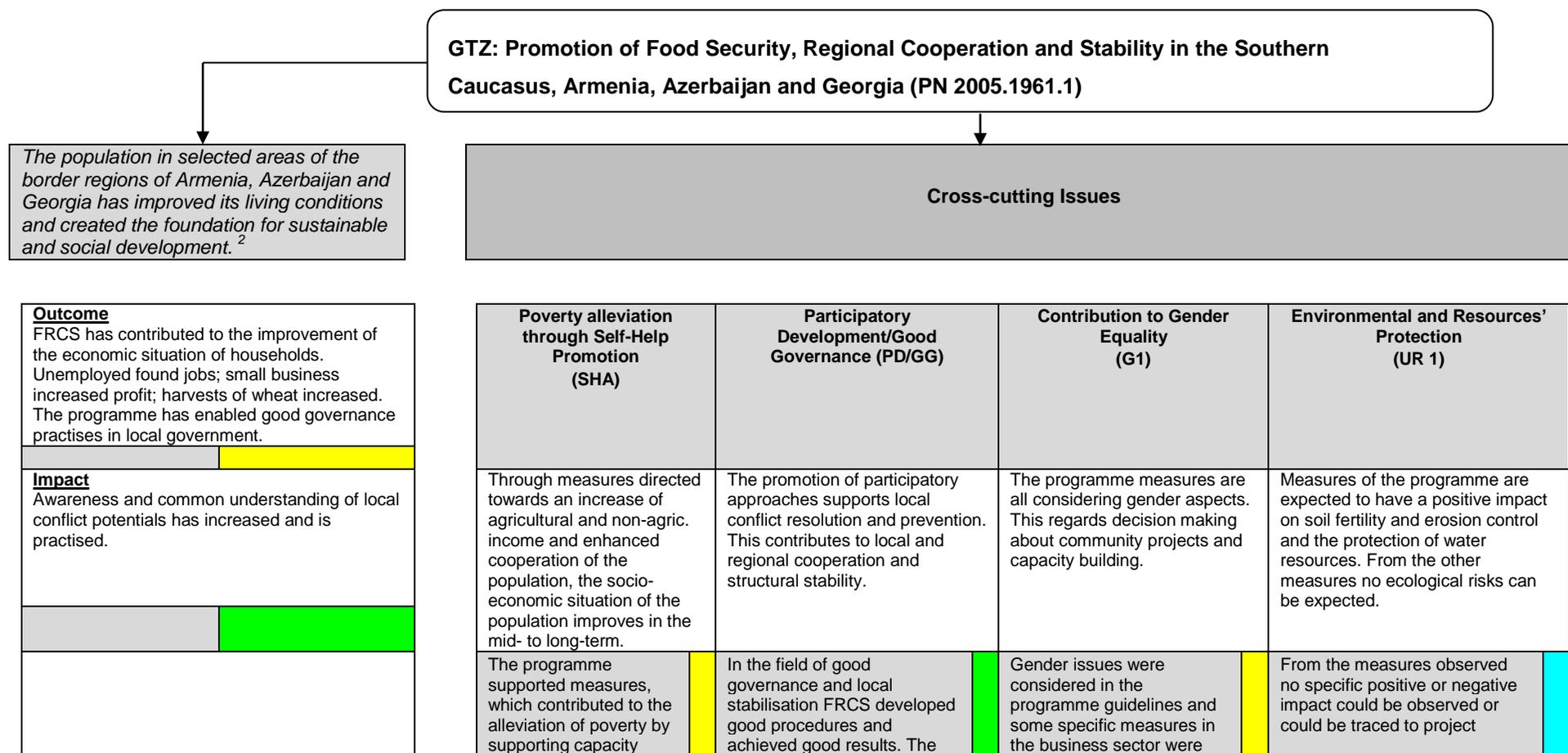
The rating for sustainability is “satisfactory sustainability” (3).

The overall rating of the programme is good, no significant defects (2).

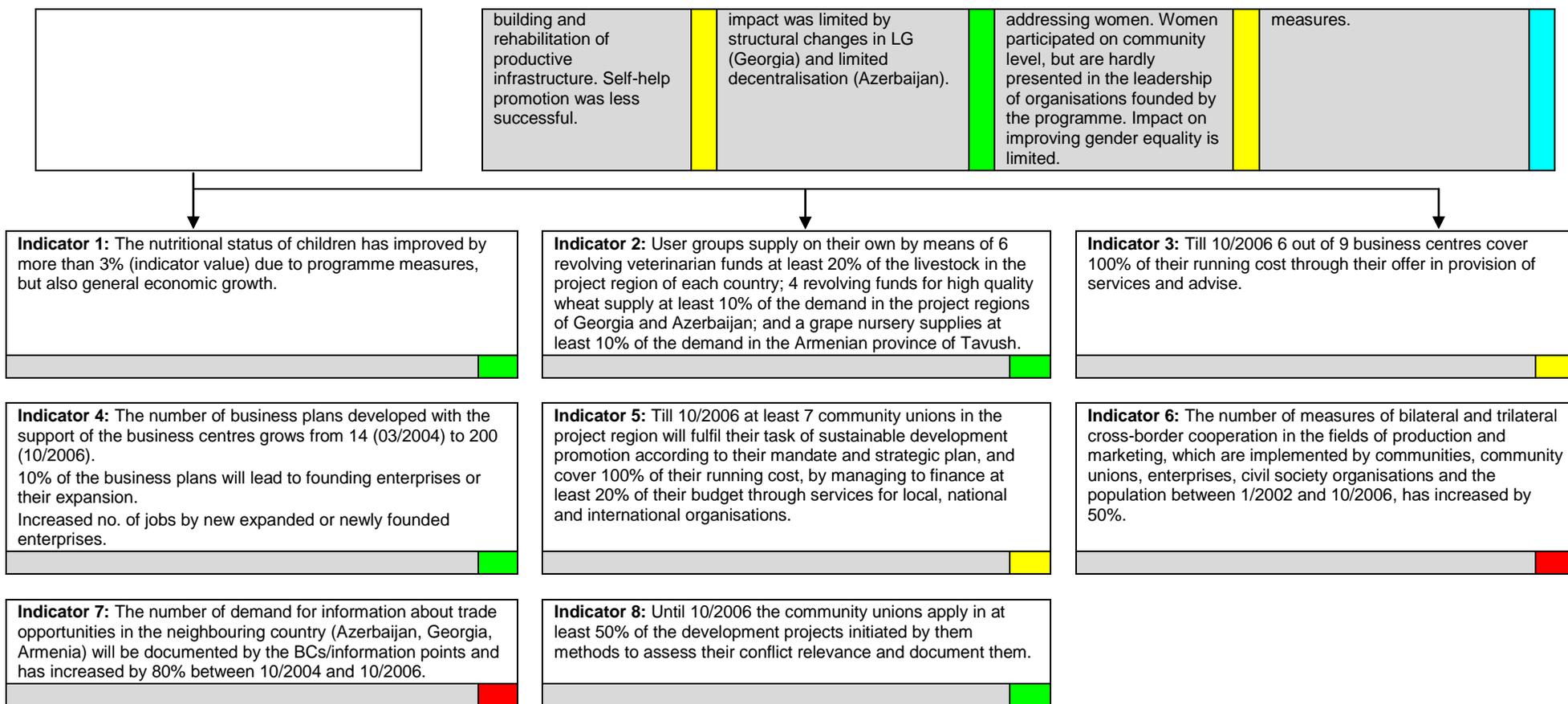
Major lessons learnt and recommendations: Since this is an ex-post evaluation, the following recommendations are rather the lessons learnt from the programme. Among the instruments developed by the programme, the Community Unions, the conflict sensitive planning and management tools used for implementing community projects, the mainstreaming of local conflict analysis among major local and regional stakeholders as well as the Veterinarian Funds are instruments with a good functionality. Due to basic conceptual weaknesses Seed Funds are not recommended for replication.

A conflict sensitive methodology should be used in organising membership based organisations. This would serve as a means to cope with local conflicts, which usually manifest themselves in such organisations and inhibit their effectiveness or cause their breakdown. A technical cooperation programme embarking on institution and organisation building needs a time frame that is sufficient to lead such institutions to maturity. This has to be considered with all consequences in project planning and approval. Thus, when new institutions are set-up by a project, GIZ and BMZ should allow an adequate time horizon and develop appropriate exit strategy which leads to sustainable operations and impact generation.

Comparison of target and actual situation with respect to achievement of the objective, on the basis of the indicators laid out in the contract (or the subsequently modified indicators) in an overview diagram, including the status of BMZ markers



² Angebot 2005-1961.1, p. 3.



Green – achieved/ fulfilled Yellow – partly achieved Red – not achieved Blue – not assessed

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